

Table of Contents

Key resources	i
Introduction	
Baseline requirements	
Energy	
Water	
Health	
Recycling	59
Purchasing	69

Key resources

Certification materials <u>irem.org/csp</u>

Application platform <u>irem.org/cspplatform</u>

Questions sustainability@irem.org

Introduction

This guidebook details what industrial properties must achieve and submit to IREM® to earn the IREM Certified Sustainable Property (CSP) certification. Requirements include prerequisites, baseline requirements, and point items in the energy, water, health, recycling, and purchasing categories.

Prerequisites

The property must meet these minimum requirements to apply for the IREM CSP.

- Refrigerated and non-refrigerated warehouse or distribution center, or property with light manufacturing, assembly, and/or other light industrial activities
- At least 25,000 square feet
- At least 18 months since substantial completion or repositioning
- At least 75% occupied
- In compliance with all environmental laws

Baseline requirements

The property must complete all requirements to qualify for certification.

- B.1 Perform a sustainability and climate-related risk and opportunity assessment of the property
- B.2 Align sustainability and investment goals for the property and include sustainability metrics in owner reporting
- B.3 Implement at least five policies to advance sustainability at the property
- B.4 Part 1: Benchmark energy usage and greenhouse gas emissions
- B.4 Part 2: Submit an energy assessment that includes a 3-year improvement plan or meet an accepted initial construction standard
- B.5 Part 1: Benchmark water usage
- B.5 Part 2: Submit a water assessment that includes a 3-year improvement plan or meet an accepted initial construction standard
- B.6 Assess the property's health and safety status
- B.7 Assess recycling practices, options, and compliance requirements
- B.8 Assess procurement practices and options

Category points

Point items in the energy, water, health, recycling, and purchasing categories are listed below. Industrial properties must earn at least 50 points, or 70% of available points, to qualify for certification.

Energy

- E.1 Provide energy management best practices to tenant(s) (1 pt.)
- E.2 Recommend and offer to participate in a tenant ENERGY STAR® Treasure Hunt (1 pt.)
- E.3 Assess the building envelope for energy efficiency issues and opportunities (1 pt.)
- E.4 Provide at least one green transportation option for tenant(s) (1 pt.)
- E.5 Achieve one of the following: (1) ENERGY STAR score of 70+ or (2) 5%+ reduction in energy use (1 pt.)
- E.6 Install LED lighting in areas under management control (2 pts.)
- E.7 Achieve one of the following: (1) ENERGY STAR score of 75+ or (2) 10%+ reduction in energy use (2 pts.)
- E.8 Achieve one of the following: (1) ENERGY STAR score of 80+ or (2) 15%+ reduction in energy use (3 pts.)
- E.9 Install a cool roof (3 pts.)
- E.10 Use renewable energy (3 pts.)
- E.11 Implement a green lease program (3 pts.)
- E.12 Demonstrate innovation in energy efficiency through new methods, technologies, and pilot programs (3 pts.)

Water

- W.1 Provide water management best practices to tenant(s) (1 pt.)
- W.2 Inspect the property's stormwater management system (1 pt.)
- W.3 Reduce water use by 5% over baseline (1 pt.)
- W.4 Install high-efficiency fixtures in areas under management control (2 pts.)
- W.5 Reduce water use by 10% over baseline (2 pts.)
- W.6 Reduce water use by 15% over baseline (3 pts.)
- W.7 Demonstrate innovation in water efficiency through new methods, technologies, and pilot programs (3 pts.)

Health

- H.1 Provide tenant(s) with information on the health and productivity impacts of indoor environments (1 pt.)
- H.2 Recommend healthy, low-emitting materials for build-outs and other construction projects (1 pt.)
- H.3 Establish a wildlife management policy (1 pt.)
- H.4 Establish a smoke-free policy for the property (2 pts.)
- H.5 Establish integrated pest management (IPM) practices (2 pts.)
- H.6 Install at least one feature that supports local wildlife and biodiversity (3 pts.)
- H.7 Provide at least one wellness amenity for tenant(s) (3 pts.)

Recycling

- R.1 Provide recycling best practices to tenant(s) (1 pt.)
- R.2 Establish construction waste management best practices for build-outs and renovations (1 pt.)
- R.3 Determine the diversion rate (1 pt.)
- R.4 Recycle e-waste, batteries, light bulbs, and appliances (2 pts.)
- R.5 Compost waste from landscaping maintenance (2 pts.)
- R.6 Achieve a minimum diversion rate of 30% (3 pts.)
- R.7 Establish an additional waste management or recycling service (3 pts.)

Purchasing

- P.1 Provide tenant(s) with sustainable purchasing best practices (1 pt.)
- P.2 Use environmentally preferable products for management operations (1 pt.)
- P.3 Include sustainability clauses in vendor contracts for property management (3 pts.)
- P.4 Use green power or purchase renewable energy credits (3 pts.)

Fast track eligibility

The dark blue cells at the end of each category point section in the IREM checklist list green building certifications that allow the applicant property to "fast track" by claiming all the available points in that category. The certifications specified are all operational, or for existing buildings.

To claim the fast-track points:

- The property must have one of the certifications listed for that category.
- The certification must be active through no earlier than December 31 of the year prior to the year in which the application is submitted.
- The applicant must submit proof of certification with the application. Proof of certification includes a letter or certificate from the certifying body or a direct link to the property on the organization's directory of certified properties.



B.1 Perform a sustainability and climate-related risk and opportunity assessment of the property

A structured assessment of the property can provide a holistic view of opportunities and risks related to climate change and help craft sustainability and resilience strategies in response. Opportunities to address those risks may bring added benefits, such as attracting tenants to the property and operating those parts of the property in the landlord's control more efficiently.

Risks include:

- Transition risks: Financial and reputational risks that properties face as they adapt to climate change. There may be operational risks as the property devotes time and resources to adaptation.
- **Physical risks:** The threat of damage caused by climate-related events, including extreme weather and natural disasters.

To meet this baseline requirement

Conduct an assessment that includes the following sections:

Basic property information

- 1. Year built
- 2. Site description
- 3. Areas under management control

Tenants

- Current tenant(s)
- 2. Tenant commitment to sustainability
- 3. Tenant sustainability contact

Location and market risk exposure

- 1. What is the property's exposure to the following risks?
 - Drought
 - Excessive snowfall
 - Extreme heat
 - Extreme precipitation
 - Extreme storms (e.g., hurricanes, tornados, typhoons)
 - Floods
 - Potable water shortages/depleting water sources
 - Landslides
 - Sea level rise
 - Wildfires
 - Other (e.g., wildfire smoke, strong winds)
- 2. What utility rates apply to the property? How much have they increased over the past five years?
- 3. What are the property's insurance rates? How much have they increased over the past five years?

- 4. What climate ordinances (e.g., benchmarking and disclosure, Building Performance Standards) apply to the property? Is the state and/or municipality planning any new climate ordinances?
- 5. Has the property adopted technology at pace with the competition to maintain efficiency and prevent obsolescence?

Risk management and resilience strategies

- 1. What is the landlord's process for ongoing identification, assessment, and management of climate-related risks?
- 2. Identify the risk management strategies the property employs. What strategies are planned? What additional strategies are feasible?

Specific strategies employed will vary according to the risks identified above. Examples include:

- Alternative insurance models loss-cost modeling, parametric insurance, captive insurance
- Business continuity planning
- Emergency management planning
- Emergency management proptech
- Energy contract(s) to secure utility rates
- Environmental Management System
- Insurance rider(s)
- Loss control inspections
- Portfolio-level benchmarking to comply with benchmarking and disclosure ordinances
- 3. What resilience strategies have been implemented? What strategies are planned? What strategies are feasible?

Specific strategies employed will vary according to the risks identified above. Strategies related to reductions in energy and water use will be identified as part of B.4 Part 2 and B.5 Part 2.

Examples of resilience strategies include the following. See the resources linked below for additional information.

- Backup power
- Cool surfaces
- Elevated mechanical systems
- Firebreaks
- Flood barriers
- New stormwater management infrastructure/ongoing maintenance of existing infrastructure
- New vegetation for shading
- Passive solar features
- Permeable pavement/pavers
- Prescribed burns

- Tree canopy maintenance
- Vegetation/fuel management
- Zone of non-combustible material around property

To claim this baseline requirement

- Submit a completed assessment that includes the sections listed above.
- Applicants may also submit assessments completed through the standards and frameworks listed below.

Standards and frameworks

ASTM E3429-24: Standard Guide for Property Resilience Assessments

Climate Risk Real Estate Monitor (CCREM)

GRESB Real Estate Assessment – Management: Risk Management

GRI 201: Economic Performance

ISO 14091: Adaptation to climate change—guidelines on vulnerability, impacts and risk assessments

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Climate Strategy

Task Force for Climate-Related Financial Disclosures (TCFD): Risk Management

ULI Developing Resilience Toolkit: Protecting Buildings and Sites

Resources

Climate Central

Floodsmart.gov

High Plains Regional Climate Center

Institute for Market Transformation (IMT) Building Performance Policy Center

IREM proptech resources and data

Midwest Regional Climate Center

Northeast Regional Climate Center

Western Regional Climate Center

Southeast Regional Climate Center

Southern Regional Climate Center

Utility Rate Database

Wildfire Risk to Communities

B.2 Align sustainability and investment goals for the property and include sustainability metrics in owner reporting

This baseline requirement ensures that the property's sustainability program aligns with its asset investment goals, and progress toward sustainability goals are communicated to ownership in regular reporting. "Ownership" may be investors, shareholders, internal stakeholders, and/or third-party clients.

To meet this baseline requirement

- 1. Clarify ownership's investment goals, sustainability goals, and willingness to invest in sustainability. Discuss the following issues with ownership.
 - 1) The company's investment objectives for the asset.
 - How would you characterize your investment approach and motivations? (Valueadd? Tax shelter/income tax advantage? Capital appreciation? Periodic return/cash flow? Safety/capital preservation?)
 - To the extent we need to know, are there additional investors or stakeholders? If so, what are their expectations for the sustainability and resiliency of the property?
 - Do you have access to capital to make any improvements, such as cash investments or borrowed funds? If so, how do you evaluate such improvements? (Payback? IRR? Value enhancement? etc.)
 - Is there any aspect of your exit strategy, including timeline, that would impact sustainability goals for the property?
 - 2) Has the company established targets to manage climate-related risks and opportunities and assess performance against targets? Identify the targets and timelines. Describe any standards and frameworks the company used to establish those targets (e.g., U.N. Sustainable Development Goals, Science-Based Targets).
 - 3) Which of the following sustainability benefits are most important to your company and its stakeholders? Choose all that apply.
 - Sustainability is critical to meeting investment goals for the asset.
 - Sustainability keeps the asset and/or business competitive.
 - Sustainability lowers operating costs and builds value.
 - Sustainability manages risk (adds resiliency in the face of climate change impacts, prevents obsolescence, protects reputation, prepares for regulations).
 - Sustainability attracts tenants.
 - Sustainability helps create healthy indoor environments.
 - Sustainability enhances business reputation.
 - Sustainability reduces greenhouse gas emissions and conserves natural resources.
 - Other (please identify)

- 4) Characterize your company's willingness to invest in sustainability.
 - Operational improvements are fine, but the company typically does not spend any capital.
 - The company will invest capital in projects with quick paybacks or paybacks well within the asset holding period.
 - The company will consider larger investments with proof that the project will lead to tangible and intangible benefits.
 - The company is committed to sensible investments in sustainability.
- 2. Include sustainability metrics in owner reporting. There is no prescribed format for owner reporting. Specific metrics should be discussed with ownership and aligned with investment goals as discussed above. Potential metrics include:
 - Building certifications earned and in progress
 - Current ENERGY STAR score
 - Energy and/or water reductions over a set baseline
 - Energy and/or water cost reductions over a set baseline
 - Progress toward project paybacks
 - Progress toward sustainability targets
 - Risk management issues and strategies
 - Status of resilience projects
 - Status of sustainability projects
 - Others as agreed upon with ownership

To claim this baseline requirement

- 1. Submit a narrative that addresses the issues covered above.
- 2. Submit an example of ownership reporting that includes sustainability/resilience information and metrics.

Standards and frameworks

IREM Best Practices: Real Estate Management Service

GRESB Real Estate Assessment—Management: Reporting

GRESB Real Estate Assessment—Performance: Targets

GRI 201: Economic Performance Science-Based Targets Initiative

Task Force for Climate-Related Financial Disclosures (TCFD)

U.N. Sustainable Development Goals

Resources

Investment Real Estate: Finance and Asset Management

B.3 Implement at least five policies to advance sustainability at the property

Sustainability policies establish formal commitments and help ensure that site teams conform to organizational expectations around sustainable operations. They facilitate goal setting, assign roles, and lead to action.

To meet this baseline requirement

Landlord vs. management options

There are three options for establishing sustainability policies for industrial properties.

Option 1: Tenant policy

The largest tenant by usable square footage willing to collaborate must develop and implement the policy or provide an existing policy.

Option 2: Tenant memo

The largest tenant by usable square footage willing to collaborate must certify in a memo that they have formal policies that meet the core and optional policy requirements below.

Option 3: Management policy sent to tenant(s)

Management must provide their energy management policy to tenant(s).

Core and optional policies

1. Implement the following core sustainability policies. Terminology may differ (e.g., energy efficiency vs. energy management). Policies may be scoped to the entire portfolio, including the property applying for certification, or to the individual asset.

For each policy, indicate which option above applies.

- Energy management
- Water management
- Waste management
- 2. Implement at least two additional policies according to the company's sustainability goals. Additional policies may include those listed below.

For each policy, indicate which option above applies.

- Biodiversity/habitat preservation
- Climate/Climate change adaptation
- Code of ethics
- Greenhouse gas emissions
- Health and wellness
- Indoor environmental quality
- Material sourcing
- Net zero
- Renewable energy
- Resilience
- Responsible vendor
- Site management
- Sustainable purchasing

- Others may apply. Contact sustainability@irem.org with questions.
- 3. Describe the company's process for ongoing assessment and revision of sustainability policies.

To claim this baseline requirement

- 1. Indicate under which option the property qualifies.
- 2. Submit copies of the three core and two additional sustainability policies with the application.
- 3. Submit a description of the company's process for ongoing assessment and revision of sustainability policies.

Related IREM CSP items

H.3 Establish a wildlife management policy (1 pt.)

The policy implemented in H.3 may not be counted in B.3.

Standards and frameworks

IREM Best Practices: Real Estate Management Service

GRESB Real Estate Assessment—Management: Policies

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

TCFD: Governance

Resources

IREM CSP tools and templates

B.4 Part 1: Benchmark energy usage and greenhouse gas emissions

Benchmarking energy use is fundamental to sustainability practices. Understanding usage and costs can lead to improvements and help track the impact of resource efficiency projects. It's also critical to benchmark and track greenhouse gas emissions and understand how energy usage relates to emissions.

To meet this baseline requirement

Current energy date

The current year ending date can be no earlier than December 31 of the year prior to the the year in which the application is submitted.

Scope of benchmarking

- If you have access to aggregate, whole-building energy data through the utility, you must benchmark the whole property, including tenant suite(s), using that data.
- Verify that the utility will provide data given the number of tenants at the property. Utilities often require properties to have a minimum number of tenants (e.g., minimum of four tenants) to provide aggregate data.
- There are five options to satisfy this requirement. Follow the process shown in the flowchart on the next page to determine which option is required.

Option 1: Whole-building data

Obtain whole-building energy consumption data from the utility, if available. Benchmark with a tool that calculates location-based greenhouse gas emissions.

Option 2: Tenant data

Obtain energy consumption and location-based greenhouse gas emissions data from the largest tenant by usable square feet willing to collaborate.

Option 3: Tenant memo

Obtain a memo from the largest tenant by usable square feet willing to collaborate in which the tenant certifies that they benchmark energy consumption and location-based greenhouse gas emissions.

Option 4: Management-controlled meters

Benchmark energy consumption and location-based greenhouse gas emissions for any management-controlled meters. Depending on the property and/or lease(s), this may be limited to parking areas, exterior lighting, and in some cases, interior spaces such as entryways and corridors.

Option 5: Management memo

Explain why Options 1-4 were unsuccessful in a memo and provide the memo as documentation for this baseline requirement.

• Contact IREM at sustainability@irem.org if you have questions or need assistance.

To claim this baseline requirement

- 1. Indicate in your application how you were able to satisfy this baseline requirement.
 - Option 1: Whole-building data
 - Option 2: Tenant data

- Option 3: Tenant memo
- Option 4: Management-controlled meters
- Option 5: Management memo
- 2. For Options 1, 2, and 4, share the property's profile with IREM's account (username: IREMCSP) in ENERGY STAR Portfolio Manager. See the video at irem.org and the IREM CSP FAQs for additional instructions.
- 3. For Options 3 and 5, submit a tenant or management memo.

Important notes

- Remember: The current energy date can be no earlier than December 31 of the year prior to the year in which the application is submitted.
- This information does not need to be certified by a Professional Engineer.
- Submit equivalent information from the tool you or the tenant use if you don't use ENERGY STAR Portfolio Manager
 - o Site EUI (kBtu/ft²)
 - o Total location-based GHG emissions (metric tons CO2e)

Related IREM CSP items

E.5 Achieve one of the following: (1) ENERGY STAR score of 70+ or (2) 5%+ reduction in energy use (1 pt.)

E.7 Achieve one of the following: (1) ENERGY STAR score of 75+ or (2) 10%+ reduction in energy use (2 pts.)

E.8 Achieve one of the following: (1) ENERGY STAR score of 80+ or (2) 15%+ reduction in energy use (3 pts.)

The E.5, E.7, and E.8 points are available only when the property meets the baseline requirement under Option 1: whole-building data, Option 2: tenant data (shared with management and IREM), and Option 4: management-controlled meters.

Standards and frameworks

GHG Protocol

GRESB Real Estate Assessment—Performance: Energy

GRESB Real Estate Assessment—Performance: GHG

GRI 305: Emissions

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Climate Strategy

Science-Based Targets Initiative (SBTi)

TCFD: Metrics and Targets

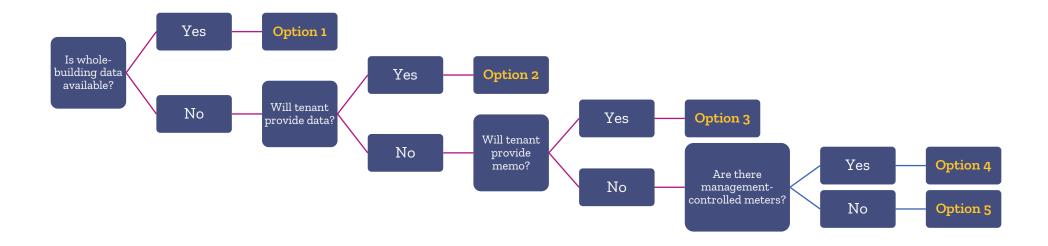
Resources

ENERGY STAR Portfolio Manager

ENERGY STAR—Find Utilities that Provide Energy Data for Benchmarking

IREM CSP for industrial properties

Benchmarking process



B.4 Part 2: Submit an energy assessment that includes a 3-year improvement plan or meet an accepted initial construction standard

Outside energy efficiency consultants can determine a building's energy consumption profile and recommend targeted improvements that often result in reduced energy consumption and cost savings.

Some utilities have free or low-cost audits, assessments, or building tune-up services. You can also find energy efficiency consultants through the ENERGY STAR Partner List, the Association of Energy Engineers (AEE) Certified Professionals Directory, and ASHRAE.

To meet this baseline requirement

• You have three options to meet the requirement:

Option 1: Management-controlled systems

- Only audits or assessments completed in the calendar year in which the IREM CSP application is submitted meet this requirement.
- Obtain an audit or assessment for any management-controlled systems such as exterior lighting or components of the building envelope. The audit should include a 3-year improvement plan, or you should formulate a plan from the audit results, or,
- Perform an in-house assessment of management-controlled systems.
 Applicants may use the in-house energy assessment with the IREM tools and templates to meet this requirement.
- At minimum, the assessment should include the following sections.
 - o Basic property information
 - o Current energy performance
 - o Building systems under management and tenant control
 - o Past and in-progress retrofits and improvements
 - o Lighting system equipment under management control
 - o HVAC system equipment under management control
 - o Building envelope components under management control
 - o Potential operational improvements for lighting, HVAC, and building envelope systems under management control
 - Upgrade opportunities for lighting, HVAC, and building envelope equipment and components under management control
 - o Three-year action plan for operational and equipment improvements

Option 2: Tenant audit or assessment

Obtain a tenant energy audit or assessment.

- You may submit a redacted audit or assessment report and a sample to maintain confidentiality.
- Documentation must include a three-year improvement plan.

Option 3: Meet an accepted initial construction standard

The property meets this requirement if it has achieved one of the following standards. The property must be **no more than five years old** to quality under this option.

• BREEAM New Construction

- In compliance with California Green Building Standards Code (CALGreen)
- In compliance with an energy code that aligns with 2021 IECC at minimum
- Green Globes for New Construction
- LEED BD+C: Core and Shell
- LEED BD+C: New Construction and Major Renovation

To claim this baseline requirement

Option 1: Management-controlled systems

- Submit the results of an outside energy audit or assessment for systems under management control that includes at minimum the sections listed above, or,
- Submit the results of an internal energy audit or assessment for systems under management control that includes at minimum the sections listed above.

Option 2: Tenant audit or assessment

- Submit a tenant audit or assessment.
 - You may submit a redacted audit or assessment report and a sample to maintain confidentiality.
 - o Documentation must include a three-year improvement plan.

Option 3: Meet an accepted initial construction standard

- Submit evidence that the property meets one of the initial construction standards listed above.
- The property must be no more than five years old to quality under this option.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. You must report progress on the property's three-year improvement plan as part of its recertification application.

Standards and frameworks

2021 International Energy Conservation Code (IECC)

ASHRAE Procedures for Commercial Building Energy Audits

GRESB Real Estate Assessment – Performance: Risk Assessment

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

TCFD: Risk Assessment

Resources

ENERGY STAR Treasure Hunts

IREM tools and templates

B.5 Part 1: Benchmark water usage

Benchmarking water usage is fundamental to sustainability practices. Understanding usage and costs can lead to improvements and help track the impact of resource efficiency projects.

To meet this baseline requirement

Current water date

The current year ending date can be no earlier than December 31 of the year prior to the year in which the application is submitted.

Scope of benchmarking

There are five options to satisfy this requirement. Follow the process shown in the flowchart on page 11 to determine which option is required.

Option 1: Whole-building data

Use whole-building water consumption data from the utility, if available.

Option 2: Tenant data

Obtain water consumption data from the largest tenant by usable square feet willing to collaborate.

Option 3: Tenant memo

Obtain a memo from the largest tenant by usable square feet willing to collaborate in which the tenant certifies that they benchmark water consumption.

Option 4: Management-controlled meters

Benchmark water consumption for any management-controlled meters. Depending on the property and/or lease(s), this may be limited to exterior areas, and in some cases, interior spaces such as common area restrooms.

Option 5: Management memo

Explain why Options 1-4 were unsuccessful in a memo and provide the memo as documentation for this baseline requirement.

Follow the benchmarking process on page 11. Contact IREM at sustainability@irem.org if you have questions or need assistance.

To claim this baseline requirement

- 1. Indicate in your application how you were able to satisfy this baseline requirement.
 - Option 1: Whole-building data
 - Option 2: Tenant data
 - Option 3: Tenant memo
 - Option 4: Management-controlled meters
 - Option 5: Management memo
- 2. For Options 1, 2, and 4, share the property's profile with IREM's account (username: IREMCSP) in ENERGY STAR Portfolio Manager. See the video at irem.org and the IREM CSP FAQs for additional instructions.
- 3. For Options 3 and 5, submit a tenant or management memo.

Important notes

- Remember: The current water date can be no earlier than December 31 of the year prior to the year in which the application is submitted.
- This information does not need to be certified by a Professional Engineer.
- Submit equivalent information from the tool you use if you don't use ENERGY STAR Portfolio Manager
 - O Water use all sources (kgal), water use (kgal) for areas under management control, or water use intensity (gal/ft²)

Related IREM CSP items

W.3 Reduce water use by 5% over baseline (1 pt.)

W.5 Reduce water use by 10% over baseline (2 pts.)

W.6 Reduce water use by 15% over baseline (3 pts.)

The W.3, W.5, and W.6 points are available only when the property meets the baseline requirement under Option 1: whole-building data, Option 2: tenant data (shared with management and IREM), and Option 4: management-controlled meters.

Standards and frameworks

GRESB Real Estate Assessment—Performance: Water

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

Science-Based Targets Initiative (SBTi)

TCFD: Metrics and Targets

Resources

ENERGY STAR Portfolio Manager

U.S. EPA WaterSense

B.5 Part 2: Submit a water assessment that includes a 3-year improvement plan or meet an accepted initial construction standard

Regular water audits or assessments can examine water systems and identify targeted improvements that often result in reduced water consumption and cost savings.

You can find water efficiency consultants to perform an assessment through the U.S. EPA WaterSense Find a Pro directory.

To meet this baseline requirement

• You have two options to meet the requirement:

Option 1: Management-controlled systems

- Only audits or assessments completed in the calendar year in which the application is submitted meet this requirement.
- Obtain an audit or assessment for any management-controlled systems such as site irrigation. The audit should include a 3-year improvement plan, or you should formulate a plan from the audit results, or,
- Perform an in-house assessment on any management-controlled systems.
 Applicants may use the in-house water assessment with the IREM tools and templates to meet this requirement.
- At minimum, the assessment should include the following sections.
 - o Basic property information
 - o Current water performance
 - o Water systems and fixtures under management and tenant control
 - o Past and in-progress retrofits and improvements
 - o Description of water fixtures under management control
 - o Size and description of landscaped area with types of plantings
 - o Description of irrigation systems under management control
 - o Description of any other water systems under management control
 - o Potential operational improvements for site maintenance and water systems
 - o Upgrade opportunities for water fixtures, landscaping, irrigation systems, and other water systems under management control
 - o Three-year action plan for operational and equipment improvements

Option 2: Tenant audit or assessment

- Obtain a tenant water audit or assessment.
 - O You may submit a redacted audit or assessment report and a sample to maintain confidentiality.
 - o Documentation must include a three-year improvement plan.

Option 3: Meet an accepted initial construction standard

- The property meets this requirement if it has achieved one of the following standards. The property must be **no more than five years old** to qualify under this option.
 - o BREEAM New Construction
 - o In compliance with California Green Building Standards Code (CALGreen)

- o Green Globes for New Construction
- o LEED BD+C: Core and Shell
- o LEED BD+C: New Construction and Major Renovation

To claim this baseline requirement

Option 1: Management-controlled systems

- Submit the results of an outside water audit or assessment for systems under management control that includes at minimum the sections listed above, or,
- Submit the results of an internal water audit or assessment for areas under management control that includes at minimum the sections listed above.

Option 2: Tenant audit or assessment

- Submit a tenant audit or assessment.
 - O You may submit a redacted audit or assessment report and a sample to maintain confidentiality.
 - o Documentation must include a three-year improvement plan.

Option 3: Meet an accepted initial construction standard

- Submit evidence that the property meets one of the initial construction standards listed above.
- The property must be no more than five years old to quality under this option.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. You must report progress on the property's three-year improvement plan as part of its recertification application.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Risk Assessment

GRESB Real Estate Assessment – Performance: Water

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

TCFD: Risk Assessment

Resources

IREM tools and templates

B.6 Assess the property's health and safety status

Regular assessments of the health and safety status of the property can mitigate risk and help maintain a safe environment for the people who work there.

To meet this baseline requirement

- Conduct a health and safety inspection of the site and property using one of the checklists linked in the resources section below.
- Complete the fields of the checklist applicable to the property. Indicate N/A if the item is controlled by the tenant.
- Perform these checks on a regular basis.

To claim this baseline requirement

• Submit one of the completed checklists available in the resources section below or an equivalent one used by your company.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Risk Assessment

GRI 416: Customer Health and Safety

S&P Global Corporate Sustainability Assessment—Social Dimension: Customer Relations

TCFD: Risk Assessment

Resources

Canadian Centre for Occupational Health and Safety Inspection Checklists

IREM tools and templates

<u>State of California Department of Industrial Relations</u> (select the small business tab in Resources) <u>WorkSafeACT Safety Checklists</u>

B.7 Assess recycling practices, options, and compliance requirements

Regular, ongoing evaluation of the property's recycling program can help to achieve diversion rate goals and potentially save the property money through adjustments to services. With industrial properties, tenants may be in control of waste management and recycling.

To meet this baseline requirement

- 1. Assess and document recycling practices, options, and compliance requirements. Assess the following at minimum:
 - What types of waste management and recycling services does the property currently have?
 - Which party is responsible for procuring waste management and recycling services, according to the lease agreement?
 - Is there an opportunity for the landlord to offer recycling as a bill-back service to optimize diversion rates? Explain.
 - What other recycling programs are available in the property's location (e.g., composting, e-waste)?
 - Do waste management and/or recycling ordinances apply to the property? If yes, is the property compliant?
- 2. Assess and document recycling practices, options, and compliance requirements at least annually.

To claim this baseline requirement

• Submit the assessment and any related documentation.

Standards and frameworks

GRESB Real Estate Assessment - Performance: Waste

GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and

Pollutants

TCFD: Risk Assessment

Resources

IREM tools and templates

B.8 Assess procurement practices and options

An assessment of procurement practices and options will help the property transition to environmentally preferable and low-emitting products in a practical, cost-effective manner.

To meet this baseline requirement

- Assess and document procurement practices and options. Assess the following at minimum:
 - List of products and materials used in management operations and whether each product is conventional or certified low-emitting, green, or sustainable.
 - Estimate of the percentage of products and materials used in management operations by quantity that are certified low-emitting, green, or sustainable.
 - Products and materials used in management operations that management will switch to certified low-emitting, green, or sustainable. There are no requirements under B.8 to switch to certified low-emitting, green, or sustainable. See related IREM CSP items below for points available.
- 2. Assess and document procurement practices and options at least annually.

To claim this baseline requirement

Submit the assessment and any related documentation.

Related IREM CSP items

P.2 Use environmentally preferable products for management operations (1 pt.)

The property is eligible for the P.2 point if at least 75% of products by quantity necessary for management operations are certified green or sustainable.

Standards and frameworks

GRESB Real Estate Assessment – Management: Stakeholder Engagement

GRESB Real Estate Assessment – Performance: Risk Assessment

GRI 204: Procurement Practices

GRI 308: Supplier Environmental Assessment

S&P Global Corporate Sustainability Assessment—Economic Dimension: Supply Chain Management

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

TCFD: Risk Assessment

Resources

IREM tools and templates

Sustainable Purchasing Leadership Council



E.1 Provide energy management best practices to tenant(s) (1 pt.)

In industrial real estate, where tenants often maintain control of the entire property, engagement is critical. Tenant engagement ensures tenants are familiar with best practices in energy management and helps the landlord integrate tenant concerns into its sustainability initiatives.

To be eligible for the point

- Send tenant(s) energy management best practices.
- Include energy management best practices related to operation of the property. Energy management best practices specific to the tenant company's industry (e.g., light assembly, logistics) are not necessary.

To claim the point

- Submit a sample of a tenant communication or from the company's tenant engagement program.
- The sample must have been sent to tenant(s) no longer than one year prior to the date on which the application is submitted.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

TCFD: Strategy

Resources

IREM tools and templates

<u>ULI's Greenprint Center – Tenant Engagement</u>

E.2 Recommend and offer to participate in a tenant ENERGY STAR Treasure Hunt (1 pt.)

During an ENERGY STAR Treasure Hunt, property or facilities teams walk around a facility looking for quick ways to save energy. Hundreds of organizations have used Treasure Hunts to reduce energy consumption by up to 15%.

To be eligible for the point

- Include an offer of support, advice, and collaboration on an ENERGY STAR Treasure Hunt in a tenant communication.
- For multi-tenant properties, make the recommendation and offer to the largest tenant by usable square footage at minimum.

To claim the point

• Submit the communication sent to the tenant.

Related IREM CSP items

B.4 Part 2: Submit an energy assessment that includes a 3-year improvement plan or meet an accepted initial construction standard

If you participate in a tenant ENERGY STAR Treasure Hunt as part of E.2, you may submit the results of the Treasure Hunt to meet the B.4 Part 2 requirements.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

TCFD: Strategy

Resources

ENERGY STAR Treasure Hunt

IREM tools and templates

E.3 Assess the building envelope for energy efficiency issues and opportunities (1 pt.)

The components of the building envelope may present an opportunity to improve energy efficiency.

To be eligible for the point

- Inspect the building envelope on a regular basis. Check at minimum:
 - o Roof
 - o Exterior walls
 - Windows and doors
 - o Foundation

To claim the point

• Submit a copy of a completed checklist or a narrative description of the assessment process and results with the application.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Risk Assessment

GRESB Real Estate Assessment – Performance: Energy

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

TCFD: Risk Management

Resources

ENERGY STAR Treasure Hunt

IREM tools and templates

National Renewable Energy Laboratory – Building Envelope Checklist

E.4 Provide at least one green transportation option for tenant(s) (1 pt.)

Green transportation reduces the environmental impact of the property by extending clean energy benefits to the property's stakeholders.

To be eligible for the point

- The property must have at least one of the following green transportation options available to tenant(s).
 - o EV charging stations available for tenant use
 - o Preferred parking for hybrid or electric vehicles
 - o Bicycle racks or storage
 - o Bicycle sharing station within 0.25 miles of the property
 - o Public transportation access (train station, bus stop) within 0.25 miles of property
 - o Carpooling coordination and assistance
 - o Shuttle service
 - o Contact IREM at sustainability@irem.org about other options.

To claim the point

- Submit documentation showing the availability of the green transportation option. That documentation may include:
 - o Invoice for equipment installation or service
 - o Map showing proximity to public transportation
 - o Photo(s) of green transportation option
 - o Fliers/sign-up sheets for carpooling
 - o Memo from shuttle service provider, invoice, or flier for service

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRESB Real Estate Assessment – Performance: GHG

GRI 305: Emissions

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Climate Strategy

TCFD: Strategy

Resources

IREM tools and templates

E.5 Achieve one of the following: (1) ENERGY STAR score of 70+ or (2) 5%+ reduction in energy use (1 pt.)

Setting energy targets for the portfolio, with goals for each property, is the only way to advance the overall sustainability program, reduce carbon emissions, and control utility expenses.

To be eligible for the point

Option 1: ENERGY STAR score 70+

The current energy date must be no earlier than three months prior to the application date.

Option 2: 5%+ reduction in energy use

The current energy date must be no earlier than December 31 of the year prior to the year in which the application is submitted.

- 1. Establish the baseline energy measurement.
 - The baseline year-ending date may be no earlier than December 31 three years prior to the year in which the application is submitted.
 - Examples:
 - o For a 2025 application, the baseline year-ending date may be no earlier than December 31, 2022.
 - o For a 2027 application, the baseline may be no earlier than December 31, 2024.
- 2. Establish the comparison energy measurement.
 - The comparison year-ending date must be at least 12 months from the baseline year-ending date up to current energy date.
- 3. Achieve at least a 5% reduction in energy use over baseline as shown on the Metrics Summary table in ENERGY STAR Portfolio Manager.

Important Notes

- If you have access to energy consumption data for the entire property through the utility, you must benchmark the whole property, including areas under management control and tenant suites, using that data.
- If you do not have access to whole-building utility data, you have two options:

Option 1: Tenant data

Use energy consumption data from the largest tenant by usable square footage willing to collaborate.

Option 2: Management-controlled areas

Use energy consumption data for any management-controlled areas.

To claim the point

- 1. Share the property with IREM's account in ENERGY STAR Portfolio Manager. See the video on this page and the CSP FAQs for additional instructions. When adding IREM as a contact, search for IREMCSP (no spaces) in the username field in the Portfolio Manager search.
- 2. Submit a screenshot of the Portfolio Manager Metrics Summary table showing the energy reduction you're claiming or a memo detailing baseline and comparison year-ending dates.

Related IREM CSP items

E.7 Achieve one of the following: (1) ENERGY STAR score of 75+ or (2) 10%+ reduction in energy use (2 pts.)

E.8 Achieve one of the following: (1) ENERGY STAR score of 80+ or (2) 15%+ reduction in energy use (3 pts.)

If the property's ENERGY STAR score or energy reduction meets the E.7 and E.8 thresholds, you may claim those points as well as the E.5 points for up to six points total.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. The property must have maintained an ENERGY STAR score of 60+ and/or reduced energy consumption by 5%+ at time of recertification.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Targets

GRESB Real Estate Assessment – Performance: Energy

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

Science-Based Targets Initiative

TCFD: Metrics and Targets

Resources

ENERGY STAR Portfolio Manager

E.6 Install LED lighting in areas under management control (2 pts.)

The lighting in management-controlled areas such as parking lots and other exterior areas is a great opportunity to increase the energy efficiency of the property.

To be eligible for the points

- The property must have installed LED lighting in **at least 75%** of management-controlled areas by square footage.
 - o This percentage must be reflected in the assessment and three-year plan submitted as part of B.4 Part 2 in Step 2: Systems Summary of existing lighting systems.

To claim the points

• Submit a contract, work order, invoice, photo series, or other proof of installation.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Risk Assessment

GRESB Real Estate Assessment – Performance: Energy

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

TCFD: Strategy

Resources

Database of State Incentives and Renewables (DSIRE®)

<u>Natural Resources Canada – Energy efficiency for buildings</u>

E.7 Achieve one of the following: (1) ENERGY STAR score of 75+ or (2) 10%+ reduction in energy use (2 pts.)

Setting energy targets for the portfolio, with goals for each property, is the only way to advance the overall sustainability program, reduce carbon emissions, and control utility expenses.

To be eligible for the points

Option 1: ENERGY STAR score 75+

The current energy date must be no earlier than three months prior to the application date.

Option 2: 10%+ reduction in energy use

The current energy date must be no earlier than December 31 of the year prior to the year in which the application is submitted.

- 1. Establish the baseline energy measurement.
 - The baseline year-ending date may be no earlier than December 31 three years prior to the year in which the application is submitted.
 - Examples:
 - o For a 2025 application, the baseline year-ending date may be no earlier than December 31, 2022.
 - o For a 2027 application, the baseline may be no earlier than December 31, 2024.
- 2. Establish the comparison energy measurement.
 - The comparison year-ending date must be at least 12 months from the baseline year-ending date up to current energy date.
- 3. Achieve at least a 10% reduction in energy use over baseline as shown on the Metrics Summary table in ENERGY STAR Portfolio Manager.

Important Notes

- If you have access to energy consumption data for the entire property through the utility, you must benchmark the whole property, including areas under management control and tenant suites, using that data.
- If you do not have access to whole-building utility data, you have two options:

Option 1: Tenant data

Use energy consumption data from the largest tenant by usable square footage willing to collaborate.

Option 2: Management-controlled areas

Use energy consumption data for any management-controlled areas.

To claim the points

1. Share the property with IREM's account in ENERGY STAR Portfolio Manager. See the video on this page and the CSP FAQs for additional instructions. When adding IREM as a contact, search for IREMCSP (no spaces) in the username field in the Portfolio Manager search.

2. Submit a screenshot of the Portfolio Manager Metrics Summary table showing the energy reduction you're claiming or a memo detailing baseline and comparison year-ending dates.

Related IREM CSP items

E.5 Achieve one of the following: (1) ENERGY STAR score of 70+ or (2) 5%+ reduction in energy use (1 pt.)

E.8 Achieve one of the following: (1) ENERGY STAR score of 80+ or (2) 15%+ reduction in energy use (3 pts.)

Since the property's ENERGY STAR score or energy reduction meets the E.5 threshold as well, you may claim those points in addition to the E.7 points. If the property's ENERGY STAR score or energy reduction meets the E.8 threshold, you may claim those points for up to six points total.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. The property must have maintained an ENERGY STAR score of 60+ and/or reduced energy consumption by 5%+ at time of recertification.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Targets

GRESB Real Estate Assessment – Performance: Energy

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

Science-Based Targets Initiative

TCFD: Metrics and Targets

Resources

ENERGY STAR Portfolio Manager

IREM tools and templates

E.8 Achieve one of the following: (1) ENERGY STAR score of 80+ or (2) 15%+ reduction in energy use (3 pts.)

Setting energy targets for the portfolio, with goals for each property, is the only way to advance the overall sustainability program, reduce carbon emissions, and control utility expenses.

To be eligible for the points

Option 1: ENERGY STAR score 80+

The current energy date must be no earlier than three months prior to the application date.

Option 2: 15%+ reduction in energy use

The current energy date must be no earlier than December 31 of the year prior to the year in which the application is submitted.

- 1. Establish the baseline energy measurement.
 - The baseline year-ending date may be no earlier than December 31 three years prior to the year in which the application is submitted.
 - Examples:
 - o For a 2025 application, the baseline year-ending date may be no earlier than December 31, 2022.
 - o For a 2027 application, the baseline may be no earlier than December 31, 2024.
- 2. Establish the comparison energy measurement.
 - The comparison year-ending date must be at least 12 months from the baseline year-ending date up to current energy date.
- 3. Achieve at least a 15% reduction in energy use over baseline as shown on the Metrics Summary table in ENERGY STAR Portfolio Manager.

Important Notes

- If you have access to energy consumption data for the entire property through the utility, you must benchmark the whole property, including areas under management control and tenant suites, using that data.
- If you do not have access to whole-building utility data, you have two options:

Option 1: Tenant data

Use energy consumption data from the largest tenant by usable square footage willing to collaborate.

Option 2: Management-controlled areas

Use energy consumption data for any management-controlled areas.

To claim the points

1. Share the property with IREM's account in ENERGY STAR Portfolio Manager. See the video on this page and the CSP FAQs for additional instructions. When adding IREM as a contact, search for IREMCSP (no spaces) in the username field in the Portfolio Manager search.

2. Submit a screenshot of the Portfolio Manager Metrics Summary table showing the energy reduction you're claiming or a memo detailing baseline and comparison year-ending dates.

Related IREM CSP items

E.5 Achieve one of the following: (1) ENERGY STAR score of 70+ or (2) 5%+ reduction in energy use (1 pt.)

E.7 Achieve one of the following: (1) ENERGY STAR score of 75+ or (2) 10%+ reduction in energy use (3 pts.)

Since the property's ENERGY STAR score or energy reduction meets the E.8 threshold, you may claim those points as well as the E.5 and E.7 points for six points total.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. The property must have maintained an ENERGY STAR score of 60+ and/or reduced energy consumption by 5%+ at time of recertification.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Targets GRESB Real Estate Assessment – Performance: Energy

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

Science-Based Targets Initiative

TCFD: Metrics and Targets

Resources

ENERGY STAR Portfolio Manager

E.9 Install a cool roof (3 pts.)

Cool roofs reflect sunlight and absorb less heat than standard roofs, reducing demand on HVAC systems.

To be eligible for the points

- The property must have a cool roof on at least 75% of the roof area at the time of application.
- The roof must have a minimum initial SRI value of 78.

To claim the points

- 1. Submit a work order, invoice, service contract, roofing specifications, or other proof of the installation.
- 2. Submit a satellite mapping image of the property's roof.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Risk Assessment

GRESB Real Estate Assessment – Performance: Energy

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Climate Strategy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

TCFD: Strategy

Resources

Cool Roof Rating Council

E.10 Use renewable energy (3 pts.)

Improve the resource efficiency of the property and potentially contribute to regional climate goals by using renewable energy.

To be eligible for the points

- The property must have installed a renewable energy system, have installation under contract, or be enrolled in a community solar program at the time of application.
- There are three options for eligibility:

Option 1: Management-controlled system

Option 2: Tenant-controlled system

Option 3: Community solar

To claim the points

Option 1 or 2: Onsite system

• Submit proof of the installation, such as a contract or work order, invoice for installation or maintenance, photos, or satellite mapping image of a rooftop system

Option 3: Community solar

• Submit proof of enrollment in the community solar program.

Related IREM CSP items

P.4 Use green power or purchase renewable energy credits (3 pts.)

Renewable energy produced onsite or contracted through community solar may be counted for P.4.

Standards and frameworks

GRESB Real Estate Assessment - Performance: GHG

GRI 305: Emissions

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Climate Strategy

TCFD: Strategy

Resources

Clean Energy States Alliance

Coalition for Community Solar Access (CCSA)

Database of State Incentives and Renewables (DSIRE®)

E.11 Implement a green lease program (3 pts.)

Green leases (also called energy-aligned and high-performance leases) align the financial and energy incentives of property owners and tenants so that they can work together on energy efficiency.

To be eligible for these points

- The company must have a green leasing program. New leases and lease renewals must be executed with the green lease to the extent possible in lease negotiations.
- Leases may be in the process of transitioning to the green lease as renewals occur.
- The green lease must have the following clauses, at a minimum:
 - (1) Tenant cost recovery clause for capital expenses intended to save energy. In this case the annual pass-through amount is typically determined either by an amortization schedule or projected savings.
 - (2) A clause whereby the tenant agrees to share utility data for whole-building energy benchmarking.

To claim these points

- 1. Submit a current leasing plan or summary of current lease(s) showing:
 - Square footage of each suite
 - Lease origination dates
 - Lease expiration dates
 - Whether each lease includes the two clauses listed above
- 2. Provide a copy of the lease or an excerpt with the applicable clauses. This copy may be redacted.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

TCFD: Strategy

Resources

Green Lease Library

E.12 Demonstrate innovation in energy efficiency through new methods, technologies, and pilot programs (3 pts.)

This point item encourages landlords and tenants of industrial properties to be innovative in achieving greater levels of efficiency. Developments in proptech have allowed buildings to advance their energy management programs and further reduce carbon emissions. Property companies are demonstrating climate leadership through innovative project financing and tenant engagement programs, among other efforts.

To be eligible for these points

- Deploy at least one of the following strategies to advance the property's energy efficiency goals:
 - o Advanced energy management system
 - o Building technology solution
 - o Collaboration between landlord and tenant(s)
 - o Tenant engagement program beyond standard
 - o Project financing that overcame capital limitations, the split incentive, or another hurdle
 - o Project design that overcame site or structural limitations
 - o Technology pilot

To claim these points

- Submit a description of a program that advances the property's energy efficiency goals and aligns with those listed above.
 - o Identify any partners, tenants, service providers, and other organizations the applicant company engaged for the program.
 - o Provide a detailed implementation timeline.
 - o Provide estimated or actual energy reductions resulting from the project.

Standards and frameworks

GRESB Real Estate Assessment – Management: Risk Management

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 302: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Energy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental

Policy and Management

TCFD: Strategy

Resources

IREM technology resources



W.1 Provide water management best practices to tenant(s) (1 pt.)

In industrial real estate, where tenants often maintain control of the entire property or their suites, engagement is critical. Tenant engagement ensures tenants are familiar with best practices in water management and helps the landlord integrate tenant concerns into sustainability initiatives.

To be eligible for the point

- Send tenant(s) water management best practices.
- Include water management best practices related to operation of the property. Water management best practices specific to the tenant company's industry (e.g., light assembly, logistics) are not necessary.

To claim the point

- Submit a sample of a tenant communication or from the company's tenant engagement program.
- The sample must have been sent to tenant(s) no longer than one year prior to the date on which the application is submitted.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

TCFD: Strategy

Resources

IREM tools and templates

<u>ULI's Greenprint Center - Tenant Engagement</u>

W.2 Inspect the property's stormwater management system (1 pt.)

A properly functioning stormwater management system enhances the property's resilience, prevents pollution from run-off, and stops issues with flooding before they happen.

To be eligible for the point

- 1. Inspect the property's stormwater management system and take corrective action as necessary.
- 2. Repeat inspections on a regular basis, especially as seasons change and after severe weather.

To claim the point

• Submit a completed checklist or narrative description of the inspection, including systems inspected, observations, and any corrective actions taken.

Standards and frameworks

GRESB Real Estate Assessment - Performance: Risk Assessment

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

TCFD: Risk Management

Resources

<u>City of Bainbridge Island Private Stormwater System Management</u>

City of Bellingham Stormwater Facilities Inspection and Maintenance Handbook

Hamilton County Government BMP Maintenance Guidelines and Inspection Checklists

IREM tools and templates

Village of Buffalo Grove Stormwater Facility Maintenance Inspection Checklist

W.3 Reduce water use by 5% over baseline (1 pt.)

Setting water targets for the portfolio, with goals for each property, is the only way to advance the overall sustainability program and control utility expenses.

To be eligible for the point

The current water date must be no earlier than December 31 of the year prior to the year in which the application is submitted.

- 1. Establish the baseline water measurement.
 - The baseline year-ending date may be no earlier than December 31 three years prior to the year in which the application is submitted.
 - Examples:
 - o For a 2025 application, the baseline year-ending date may be no earlier than December 31, 2022.
 - o For a 2027 application, the baseline may be no earlier than December 31, 2024.
- 2. Establish the comparison water measurement.
 - The comparison year-ending date must be at least 12 months from the baseline year-ending date up to current water date.
- 3. Achieve at least a 5% reduction in water use over baseline as shown on the Metrics Summary table in ENERGY STAR Portfolio Manager.

Important Notes

- If you have access to water consumption data for the entire property, you must benchmark the whole property, including areas under management control and tenant suites, using that data.
- If you do not have access to whole-building water data, you have two options:

Option 1: Tenant data

Use water consumption data from the largest tenant by usable square footage willing to collaborate.

Option 2: Management-controlled areas

Use water consumption data for any management-controlled areas.

To claim the point

- 1. Share the property with IREM's account in ENERGY STAR Portfolio Manager. See the video on this page and the CSP FAQs for additional instructions. When adding IREM as a contact, search for IREMCSP (no spaces) in the username field in the Portfolio Manager search.
- 2. Submit a screenshot of the Portfolio Manager Metrics Summary table showing the water reduction you're claiming or a memo detailing baseline and comparison year-ending dates.

Related IREM CSP items

W.5 Reduce water use by 10% over baseline (2 pts.) W.6 Reduce water use by 15% over baseline (3 pts.)

If the property's water reduction meets the W.5 and W.6 thresholds, you may claim those points as well as the W.3 points for up to six points total.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. The property must have reduced water consumption by 5%+ at time of recertification.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Targets

GRESB Real Estate Assessment – Performance: Water

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

Science-Based Targets Initiative

TCFD: Metrics and Targets

Resources

ENERGY STAR Portfolio Manager

W.4 Install high-efficiency fixtures in areas under management control (2 pts.)

After operational changes to increase water efficiency, a property can reduce water use with high-efficiency fixtures. Faucets, toilets, urinals, and showerheads are all available as high-efficiency models under water use standards, and some components of landscaping irrigation are available in WaterSense options.

To be eligible for the points

• There are two options for eligibility:

Option 1: Interior fixtures

Management-controlled and/or total tenant kitchen, break room, and restroom fixtures. The following fixtures should be included:

- o Toilets
- o Urinals
- o Public lavatory faucets
- o Private lavatory faucets
- o Kitchen faucets
- o Showerheads
- o Dishwashers
- Washing machines

At least 75% of applicable water fixtures/equipment must be high-efficiency models according to at least one of the standards in the table below. Dishwashers and washing machines are eligible under the ENERGY STAR label.

Eligible water efficiency standards for interior fixtures

Standard	Toilets (gpf)	Urinals (gpf)	Public lavatory faucets (gpm)	Private lavatory faucets (gpm)	Kitchen faucets (gpm)	Showerheads
High efficiency	1.28	0.125	0.5	1.5	2.2	1.5
EPA WaterSense	1.28	0.5	0.5	1.5	N/A	2.0
UPC/IPC	1.6	1.0	0.5	2.2	2.2	2.5

Sample table to demonstrate eligibility

Fixture type	How many fixtures are there total at the property?	How many of that total are high-efficiency
Toilets		
Urinals		
Public lavatory faucets		
Private lavatory faucets		
Kitchen faucets		
Showerheads		
Dishwashers		
Washing machines		

Totals	
Percentage high efficiency (total high efficiency ÷ total overall x 100)	

Option 2: Irrigation components

Management-controlled irrigation components. These irrigation components are eligible for WaterSense certification and should be included in the count.

- o Irrigation controller
- o Spray sprinkler bodies

100% of irrigation controllers and spray sprinkler bodies must be WaterSense certified.

Note: This option focuses on irrigation controllers and spray sprinkler bodies. Other components of an irrigation system currently aren't eligible for the WaterSense label. U.S. EPA has gathered public comments on standards for water-efficient sprinkler heads but hasn't yet established those standards.

Sample table to demonstrate eligibility

Fixture type	How many fixtures are there total at the	How many of that total are WaterSense models?
Irrigation controller		
Spray sprinkler bodies		
Totals		
Percentage high efficiency		
(total high-efficiency ÷ total overall x 100)		

To claim the points

- 1. Indicate in the application the option through which the property is eligible—interior fixtures or irrigation components.
- 2. Submit the following with the application:
 - Option 1: Total interior fixtures and total high-efficiency models
 - o Option 2: Total irrigation controllers and spray sprinkler bodies and total WaterSense models
- 3. Provide sample specifications for high-efficiency fixtures or WaterSense irrigation components.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Risk Assessments

GRESB Real Estate Assessment – Performance: Water

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Climate Strategy

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

TCFD: Strategy

Resources

IREM tools and templates

U.S. EPA WaterSense

W.5 Reduce water use by 10% over baseline (2 pts.)

Setting water targets for the portfolio, with goals for each property, is the only way to advance the overall sustainability program and control utility expenses.

To be eligible for the points

The current water date must be no earlier than December 31 of the year prior to the year in which the application is submitted.

- 1. Establish the baseline water measurement.
 - The baseline year-ending date may be no earlier than December 31 three years prior to the year in which the application is submitted.
 - Examples:
 - o For a 2025 application, the baseline year-ending date may be no earlier than December 31, 2022.
 - o For a 2027 application, the baseline may be no earlier than December 31, 2024.
- 2. Establish the comparison water measurement.
 - The comparison year-ending date must be at least 12 months from the baseline year-ending date up to current water date.
- 3. Achieve at least a 10% reduction in water use over baseline as shown on the Metrics Summary table in ENERGY STAR Portfolio Manager.

Important Notes

- If you have access to water consumption data for the entire property, you must benchmark the whole property, including areas under management control and tenant suites, using that data.
- If you do not have access to whole-building water data, you have two options:

Option 1: Tenant data

Use water consumption data from the largest tenant by usable square footage willing to collaborate.

Option 2: Management-controlled areas

Use water consumption data for any management-controlled areas.

To claim the points

- 1. Share the property with IREM's account in ENERGY STAR Portfolio Manager. See the video on this page and the CSP FAQs for additional instructions. When adding IREM as a contact, search for IREMCSP (no spaces) in the username field in the Portfolio Manager search.
- 2. Submit a screenshot of the Portfolio Manager Metrics Summary table showing the water reduction you're claiming or a memo detailing baseline and comparison year-ending dates.

Related IREM CSP items

W.3 Reduce water use by 5% over baseline (1 pt.)
W.6 Reduce water use by 15% over baseline (3 pts.)

Since the property's water reduction meets the W.3 threshold as well, you may claim those points in addition to the W.5 points. If the property's water reduction meets the W.6 threshold, you may claim those points for up to six points total.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. The property must have reduced water consumption by 5%+ at time of recertification.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Targets

GRESB Real Estate Assessment – Performance: Water

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

Science-Based Targets

TCFD: Metrics and Targets

Resources

ENERGY STAR Portfolio Manager

W.6 Reduce water use by 15% over baseline (3 pts.)

Setting water targets for the portfolio, with goals for each property, is the only way to advance the overall sustainability program and control utility expenses.

To be eligible for the points

The current water date must be no earlier than December 31 of the year prior to the year in which the application is submitted.

- 1. Establish the baseline water measurement.
 - The baseline year-ending date may be no earlier than December 31 three years prior to the year in which the application is submitted.
 - Examples:
 - o For a 2025 application, the baseline year-ending date may be no earlier than December 31, 2022.
 - o For a 2027 application, the baseline may be no earlier than December 31, 2024.
- 2. Establish the comparison water measurement.
 - The comparison year-ending date must be at least 12 months from the baseline year-ending date up to current water date.
- 3. Achieve at least a 15% reduction in water use over baseline as shown on the Metrics Summary table in ENERGY STAR Portfolio Manager.

Important Notes

- If you have access to water consumption data for the entire property, you must benchmark the whole property, including areas under management control and tenant suites, using that data.
- If you do not have access to whole-building water data, you have two options:

Option 1: Tenant data

Use water consumption data from the largest tenant by usable square footage willing to collaborate.

Option 2: Management-controlled areas

Use water consumption data for any management-controlled areas.

To claim the points

- 1. Share the property with IREM's account in ENERGY STAR Portfolio Manager. See the video on this page and the CSP FAQs for additional instructions. When adding IREM as a contact, search for IREMCSP (no spaces) in the username field in the Portfolio Manager search.
- 2. Submit a screenshot of the Portfolio Manager Metrics Summary table showing the water reduction you're claiming or a memo detailing baseline and comparison year-ending dates.

Related IREM CSP items

W.3 Reduce water use by 5% over baseline (1 pt.)
W.5 Reduce water use by 10% over baseline (2 pts.)

Since the property meets the W.6 threshold, you may claim the W.3 and W.5 points as well for six points total.

Recertification impacts

IREM CSP recertification is due by December 31 in the third year after certification. The property must have reduced water consumption by 5%+ at time of recertification.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Targets

GRESB Real Estate Assessment – Performance: Water

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

Science-Based Targets

TCFD: Metrics and Targets

Resources

ENERGY STAR Portfolio Manager

W.7 Demonstrate innovation in water efficiency through new methods, technologies, and pilot programs (3 pts.)

This point item encourages landlords and tenants of industrial properties to be innovative in achieving greater levels of efficiency. Developments in proptech have allowed buildings to advance their water management programs. Property companies are demonstrating climate leadership through innovative project financing and tenant engagement programs, among other initiatives.

To be eligible for the points

- Deploy at least one of the following strategies to advance the property's water efficiency goals:
 - o Advanced water management system
 - o Building technology solution
 - o Collaboration between landlord and tenant(s)
 - o Tenant engagement program beyond standard
 - Project financing that overcame capital limitations, the split incentive, or another hurdle
 - o Project design that overcame site or structural limitations
 - o Technology pilot

To claim the points

- Submit a description of a program that advances the property's water efficiency goals and aligns with those listed above.
 - o Identify any partners, tenants, service providers, and other organizations the applicant company engaged for the program.
 - o Provide a detailed implementation timeline.
 - o Provide estimated or actual water reductions resulting from the project.

Standards and frameworks

GRESB Real Estate Assessment - Management: Risk Management

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 303: Water and Effluents

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Water

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

TCFD: Strategy

Resources

IREM technology resources



H.1 Provide tenant(s) with information on the health and productivity impacts of indoor environments (1 pt.)

Research shows that indoor environments have a profound impact on the health, wellness, and productivity of facility occupants.

To be eligible for the point

- Send information to tenant representative(s) on the health, wellness, and productivity benefits of healthy indoor environments. The following key research points should be included in the communication:
 - o Research by the Harvard T.H. Chan School of Public, in collaboration with other leading academic research institutions, found a 61 to 101% increase in cognitive function in office building occupants under green building conditions.
 - o Research in Indoor Air suggests that improving indoor air quality can lead to a 6 to 9% increase in productivity.
 - A study in the Journal for Clinical Sleep Medicine found that workers in offices with access to windows get 46 more minutes of sleep each night and experience better sleep quality.
 - O A study in Building and Environment investigated how daylight illuminance, luminance ratio, and diversity of illuminance in hospital patient rooms affect patients' average length of stay (ALOS). The ALOS was shorter by 16 to 41% in the well-illuminated area of the hospital compared to the poorly illuminated area.
 - o Office workers in a study in the British Journal of Psychology were 66% less productive when working in distracting noise.
 - O Skanska cut sick days by two-thirds at its office in Doncaster, UK, by making improvements to layout and noise, indoor air quality, and lighting. It helped the company save over \$36,000 in staff costs in one year.
- Deliver this message via email, app, as a meeting agenda item, or as part of any policies, handbooks, or build-out standards you provide to tenants.

To claim the point

- Include a copy of the communication to tenant(s) with your application.
- The communication must have been sent to tenant(s) no longer than one year prior to the date on which the application is submitted.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 416: Customer Health and Safety

TCFD: Strategy

Resources

<u>Harvard T.H. Chan School of Public Health – The 9 Foundations of a Healthy Building</u>

IREM tools and templates

MIT Sustainable Urbanization Lab – Healthy Buildings

H.2 Recommend healthy, low-emitting materials for build-outs and other construction projects (1 pt.)

Conventional materials used in build-outs, such as particle board, paints, adhesives, sealants, carpets, and furniture, emit volatile organic compounds (VOCs) and other unhealthy pollutants. Healthy, low-emitting alternatives are available.

To be eligible for the point

- Send recommendations to design and construction teams at the start of tenant improvement projects, send recommendations to tenant representatives, and/or include recommendations in a tenant improvement guide or on a tenant portal.
- Include the following recommendations for specifications and product labels:

Specifications

- o Zero or low-VOC (50 grams per liter or less) drywall primer/sealer, paint, caulks, adhesives, sealants, and wood finishes
- o Formaldehyde-free composite wood products, including plywood, particleboard, and medium density fiberboard (MDF)
- o Finish flooring that does not contain phthalate compounds
- o Workstations and furnishings that do not emit VOCs or formaldehyde
- o Chairs free of PBDE flame retardants

Product labels

- o U.S. EPA Safer Choice
- o C2C (Cradle to Cradle)
- o SCS (Scientific Certification Systems)
- o Green Seal
- o BIFMA Product Safety and Performance Standards and Guidelines (Business and Institutional Furniture Manufacturer's Association)
- o GREENGUARD Label
- o CRI Green Label and Green Label Plus (Carpet and Rug Institute)
- o International Living Future Institute's Declare Database

To claim the point

• Submit a copy of the communication to tenant(s).

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 416: Customer Health and Safety

TCFD: Strategy

Resources

H.3 Establish a wildlife management policy (1 pt.)

Industrial properties often have large sites with excess land. This land includes the habitats of local wildlife, and the operation of the property can impact the health of those habitats and ultimately the area's biodiversity.

To be eligible for the point

Develop and implement a policy on the handling and management of local wildlife.

To claim the point

• Submit a copy of the policy.

Related IREM CSP items

B.3 Implement at least five policies to advance sustainability at the property

The policy implemented in H.3 may not be counted in B.3.

Standards and frameworks

GRESB Real Estate Assessment – Management: Policies

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 304: Biodiversity

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Biodiversity

TCFD: Strategy

Resources

H.4 Establish a smoke-free policy for the property (2 pts.)

Second-hand tobacco smoke poses a health risk, and organizations and municipalities continue to implement smoke-free policies and laws based on this risk.

To be eligible for the points

- Smoking must be prohibited on the entire property.
- Management and/or tenant(s) may commit to implementing a no-smoking policy and take up to one year for the implementation.

To claim the points

- If the property is already smoke-free, submit a copy of the no-smoking policy, excerpt from the lease or tenant handbook with no-smoking policy, a photo of a no-smoking sign at the property, or some other proof of the property's no-smoking status with your application.
- If you're committing to establishing a no-smoking policy, submit a copy of the draft or new policy, excerpt from the lease or tenant handbook with new no-smoking provision, or some other proof that the property is implementing a no-smoking policy.

Standards and frameworks

GRESB Real Estate Assessment - Management: Policies

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 403: Occupational Health and Safety

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

TCFD: Strategy

Resources

H.5 Establish integrated pest management (IPM) practices (2 pts.)

Integrated pest management (IPM) uses products and processes that are less harmful to human health and wellness. Note the six essentials of an IPM program below.

To be eligible for the points

• Use a pest control service provider that employs an IPM program. Evaluate their IPM program against the six essentials:

Six essentials of an IPM program

- 1. Monitoring. This includes regular site inspections and trapping to determine the types and infestation levels of pests.
- 2. Record-keeping. A record-keeping system is essential to establish trends and patterns in pest outbreaks. Information recorded at every inspection or treatment should include pest identification, population size, distribution, recommendations for future prevention, and complete information on the treatment action.
- 3. Action levels. Pests are virtually never eradicated. An action level is the population size that requires remedial action for human health, economic, or aesthetic reasons.
- 4. Prevention. Preventive measures must be incorporated into the existing structures and designs for new structures. Prevention is and should be the primary means of pest control in an IPM program.
- 5. Tactics criteria. Under IPM, chemicals should be used as a last resort only, but when used, the least-toxic materials should be chosen, and applied to minimize exposure to humans and all non-target organisms.
- 6. Evaluation. A regular evaluation program is essential to determine the success of the pest management strategies.
- You have two options for eligibility:

Option 1: Management-procured services

Option 2: Tenant-procured services

To claim the points

- 1. Indicate the option through which the property is eligible.
- 2. Provide documentation on the service provider's IPM program from the contract, their website, or other collateral that describes their approach to pest management.

Standards and frameworks

GRESB Real Estate Assessment – Management: Policies

GRESB Real Estate Assessment – Management: Stakeholder Engagement

GRI 414: Supplier Social Assessment

S&P Global Corporate Sustainability Assessment—Economic Dimension: Supply Chain Management

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

TCFD: Strategy

Resources

<u>Beyond Pesticides—Ecological Pest Management</u>

<u>National Pesticide Information Center – Integrated Pest Management (IPM)</u>

H.6 Install at least one feature that supports local wildlife and biodiversity (3 pts.)

Use the site to support local wildlife and biodiversity. Make sure to use plantings that are native to the region, and consult the state's natural resources agency, a service provider, or an expert on native wildlife species and the specific features that might support them.

To be eligible for the points

- Add at least one of the following features to the site.
 - o Apiary
 - o Bioswale
 - o Bird or squirrel feeders
 - o New landscape feature, mosaic, or habitat patch
 - o New tree plantings
 - o Pollination zone (a cluster of flowers and vegetation that attracts pollinating birds and insects)
 - o Rain garden
 - Other features may qualify—contact IREM at sustainability@irem.org if you have questions

To claim the points

- 1. Describe the feature in a memo, including type of feature, location on the site, and wildlife supported by the feature.
- 2. Provide a photo of the feature or an invoice, contract, or other documentation for installation or service.

Standards and frameworks

GRESB Real Estate Assessment – Management: Policies

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 304: Biodiversity

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Biodiversity

TCFD: Strategy

Resources

Yale Center for Biodiversity and Global Change

H.7 Provide at least one wellness amenity for tenant(s) (3 pts.)

Wellness amenities support occupant health and wellbeing and may help with leasing goals.

To be eligible for the points

- The property must have at least one of the following amenities:
 - o Access to clean, filtered water, such as filtered drinking fountains
 - o Annual flu shot clinic
 - o Bicycle room, racks, or lockers
 - o Bicycle share station or complimentary rentals
 - o Garden
 - o Green space, such as a green roof or landscaped sitting area
 - Healthy food provided on a regular schedule (e.g., a quarterly lunch with healthy food options)
 - o Onsite fitness facility
 - o Skylight or other aperture that admits natural light into tenant work areas
 - o Walking path
 - Other amenities may be eligible—check with IREM at sustainability@irem.org if you have any questions.

To claim the points

- 1. Describe the amenity in a memo.
- 2. Provide a photo of the amenity or an invoice, contract, or other documentation for installation or service.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 403: Occupational Health and Safety

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

TCFD: Strategy

Resources

ULI Building Healthy Places Initiative



R.1 Provide recycling best practices to tenant(s) (1 pt.)

Providing the property's tenant(s) with recycling best practices can help them improve their diversion rate(s) and discover issues with their service.

To be eligible for the point

- Send recycling best practices to the property's tenant(s).
 - Send an email to tenant(s) or post to a tenant app, include the information in a tenant portal or handbook, or host a workshop or other event to send the information.

To earn the point

- Submit a copy of the communication to tenant(s).
- The communication must have been sent to tenant(s) no longer than one year prior to the date on which the application is submitted.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRESB Real Estate Assessment – Performance: Waste

GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and

Pollutants

TCFD: Strategy

Resources

R.2 Establish construction waste management best practices for build-outs and renovations (1 pt.)

Construction projects, including tenant build-outs, produce significant amounts of waste in different material types.

To be eligible for the point

- Establish best practices for managing and recycling construction waste.
 - o Provide these best practices to tenants, staff, and contractors, as applicable for the property.
 - o Consider requiring compliance with the plan in contracts.

To claim the point

• Submit a copy of the construction waste management best practices.

Standards and frameworks

GRESB Real Estate Assessment – Management: Policies GRESB Real Estate Assessment – Performance: Waste

GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and Pollutants

TCFD: Strategy

Resources

<u>CALGreen Construction Waste Management Plan template</u> <u>IREM tools and templates</u>

R.3 Determine the diversion rate (1 pt.)

Determining the diversion rate, or the percentage of total waste output diverted from the landfill through recycling and other waste management programs, will establish a baseline for future comparison as improvements to the recycling program are made.

To be eligible for the point

- Obtain or determine the diversion rate.
- You have two options for the diversion rate you use for eligibility.

Option 1: Management-controlled recycling

Determine the diversion rate for any management-controlled recycling.

Option 2: Tenant recycling

Work with the largest tenant by usable square footage willing to collaborate to determine or obtain their diversion rate.

- Waste haulers, recycling service providers, and waste stream audit services may provide diversion rate data.
- Property teams can also estimate a diversion rate by tracking volume of containers filled. See the resources section below for calculators and tools.
 - O Volume tracking by property staff to determine the diversion rate must have occurred over the course of at least six hauler/service provider pickups and in the year in which the IREM CSP application is submitted.

To claim the point

- 1. Indicate whether the diversion rate you're submitting represents management or tenant-controlled waste and recycling services.
- 2. Submit documentation of the diversion rate from the waste hauler or recycling service provider or through tracking volume of containers filled.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Waste

GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and

Pollutants

TCFD: Metrics and Targets

Resources

R.4 Recycle e-waste, batteries, light bulbs, and appliances (2 pts.)

Waste that cannot be recycled through standard services can be full of pollutants, including harmful metals and chemicals. These items include e-waste, batteries, light bulbs, and appliances.

To be eligible for the points

- The property must recycle all the materials e-waste, batteries, light bulbs, and appliances.
- You have two options for eligibility:

Option 1: Management program

Claim these points for management-controlled e-waste, batteries, light bulbs, and appliance recycling.

Option 2: Tenant program

Claim these points for tenant e-waste, batteries, light bulbs, and appliance recycling.

- The hauler for e-waste must provide documentation showing certification under one of these standards:
 - o Responsible Recycling Practices (R2)
 - o e-Stewards
- Haulers and recyclers should provide receipts or documents certifying that all items were recycled in a safe, responsible manner.

To claim the points

- Submit an e-waste, batteries, light bulbs, and appliances recycling policy, a service provider contract, invoice, or receipt, or a photo of receptacles.
- If necessary to show recycling of all materials, submit separate documentation for each type of material recycled e-waste, batteries, light bulbs, and appliance.

Related IREM CSP items

R.7 Establish an additional waste management program or recycling service (3 pts.)

You may not claim the R.7 points for recycling e-waste, batteries, light bulbs, and appliances covered under R.4.

Standards and frameworks

GRESB Real Estate Assessment—Management: Policies

GRESB Real Estate Assessment - Performance: Waste

GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Environmental Policy and Management

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and Pollutants

TCFD: Strategy

Resources

<u>e-Stewards</u>

IREM tools and templates

<u>R2</u>

R.5 Compost waste from landscaping maintenance (2 pts.)

Composting landscaping waste increases the overall diversion rate and recycles nutrients back into the plantings when used as a soil amendment or mulch.

To be eligible for the points

• Compost the organic byproduct of landscaping maintenance.

To claim the points

- Submit at least one of the following:
 - o A contract, invoice, website excerpt, or memo from a service provider proving composting of organic byproduct of landscaping maintenance.
 - o A photo of a compost bin or compost used in landscaping.

Standards and frameworks

GRESB Real Estate Assessment - Performance: Waste

GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and

Pollutants

TCFD: Strategy

Resources

US Composting Council

R.6 Achieve a minimum diversion rate of 30% (3 pts.)

Properties should expect to improve their diversion rate as adjustments are made to the recycling program.

To be eligible for the points

- Achieve a 30%+ diversion rate.
- You have two options for the diversion rate on which to base eligibility.

Option 1: Management-controlled recycling

Use the diversion rate for any management-controlled recycling.

Option 2: Tenant recycling

Use the diversion rate of the largest tenant by usable square footage willing to collaborate.

- Waste haulers, recycling service providers, and waste stream audit services may provide diversion rate data.
- Property teams can also estimate a diversion rate by tracking volume of containers filled. See the resources section below for calculators and tools.
 - O Volume tracking by property staff to determine the diversion rate must have occurred over the course of at least six hauler/service provider pickups and in the year in which the application is submitted.

To claim the points

- 1. Indicate the option through which the property is eligible for the points.
- 2. Submit documentation showing the diversion rate. This can be documentation from the hauler or recycling service provider, a container volume tracking sheet with a diversion rate calculation, or a diversion rate calculator.

Standards and frameworks

GRESB Real Estate Assessment - Performance: Waste

GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and

Pollutants

TCFD: Metrics and Targets

Resources

R.7 Establish an additional waste management program or recycling service (3 pts.)

Other waste management programs and recycling services can help with overall waste reduction and increase the diversion rate.

To be eligible for the points

• You have two options for eligibility.

Option 1: Management-controlled program

Cite a management-controlled waste management program or recycling service.

Option 2: Tenant program

Cite a tenant waste management program or recycling service.

- The following programs are eligible:
 - o Food waste composting
 - o Carpet or tile recycling, and other vendor takeback programs
 - o Reusable warehouse storage and transport containers
 - o Pallet rental (instead of purchasing)
 - o Lean warehouse and supply chain processes
 - Other programs may be eligible. Check with IREM at sustainability@irem.org if you have questions.

To claim the points

- 1. Indicate under which option the property is eligible.
- 2. Describe the additional waste management program or recycling service.
- 3. Submit a service provider or supplier contract, invoice, or receipt, a photo of a receptable or materials, or a tenant memo with your application.

Related IREM CSP items

R.4 Establish a policy for recycling e-waste, batteries, light bulbs, and bulk items (1 pt.)

You may not claim these points for recycling covered by another IREM CSP point item. For example, e-waste, batteries, light bulbs, and appliances are covered under R.4, so you may not claim the R.7 points for recycling those items.

Standards and frameworks

GRESB Real Estate Assessment - Performance: Waste

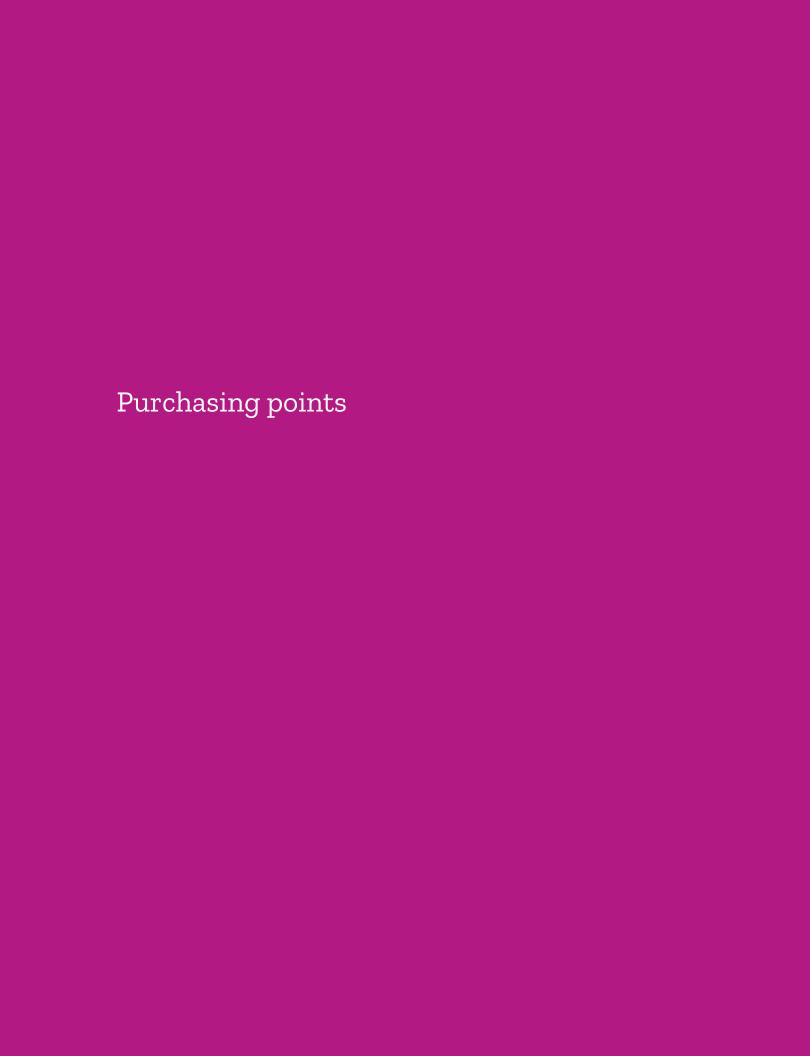
GRI 306: Waste

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Waste and Pollutants

TCFD: Strategy

Resources

<u>Association for Supply Chain Management – Green Logistics</u> <u>Reusable Packaging Association</u>



P.1 Provide tenant(s) with sustainable purchasing best practices (1 pt.)

Environmentally preferable purchasing (EPP) involves selecting sustainable products over conventional ones to reduce the negative environmental impacts in a supply chain.

To be eligible for the point

• Send sustainable purchasing best practices to tenant representatives or include best practices in a tenant app, handbook, or portal, or in another form of tenant communication.

To claim the point

- Provide a copy of the communication to tenant(s) with the application.
- The communication must have been sent to tenant(s) no longer than one year prior to the date on which the application is submitted.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 308: Supplier Environmental Assessment

 ${\tt S\&P\ Global\ Corporate\ Sustainability\ Assessment-Economic\ Dimension:\ Supply\ Chain}$

Assessment

TCFD: Strategy

Resources

P.2 Use environmentally preferable products for management operations (1 pt.)

Sustainable purchasing typically includes procurement based on an assessment of a product or material's life cycle environmental impacts, from sourcing and manufacturing to use and disposal.

To be eligible for the point

- At least 75% of products by quantity necessary for management operations must be verified sustainable or green-certified.
- Depending on the property and lease, these products may include:
 - o Adhesives and sealants
 - o Cleaners and cleaning products
 - o Landscaping products
 - o Light bulbs and lamps
 - o Lubricants
 - o Paints and coatings
 - o Polishers
- The following standards apply. This is not an exhaustive list. Please check with IREM if you are unsure.
 - o ENERGY STAR certified products and equipment
 - o Green Seal for cleaning products and supplies, industrial cleaners, paints and coatings
 - EPA Safer Choice for cleaning products, industrial cleaners, HVAC products, and lubricants
 - o GSA Sustainable Facilities Tool Green Procurement Compilation for products that meet federal standards for sustainability
 - o USDA BioPreferred cleaning products and lubricants
 - o UL ECOLOGO® for cleaning supplies and electronics

To claim the point

- 1. Provide a close estimate of the percentage of products by quantity that are green-certified or meet sustainability standards in the box below.
- 2. Provide a complete list of the products used in management operations, including brand name, purpose, and standard the product meets.

Related IREM CSP items

B.8 Assess procurement practices and options

The list of products and materials used in management operations developed for B.8 may be used for P.1.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRI 308: Supplier Environmental Assessment

S&P Global Corporate Sustainability Assessment—Economic Dimension: Supply Chain Assessment

TCFD: Strategy

Resources

IREM tools and templates
Sustainable Purchasing Leadership Council

P.3 Include sustainability clauses in vendor contracts for property management (3 pts.)

Service providers that work at the property should be aware of the sustainability program and commit to policies and procedures on sustainable operations. To achieve this goal, include sustainability clauses in vendor contracts.

To be eligible for the points

- Include clauses like the samples below in your vendor contracts.
- Depending on the property and lease, vendor contracts may be limited to exterior areas such as landscaping and parking lot lighting. You may base eligibility for these points off those limited areas.

Sample sustainability clauses

Sample #1

In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, wherever possible, Contractor will perform the Work by using durable products, reusable products and products (including those used in services) that contain the maximum level of post-consumer waste, post- industrial and/or recyclable content, without significantly affecting the intended use of the goods or services. It is recognized that a cost analysis may be required in order to ensure that such products are made available at competitive prices.

Sample #2

The Contractor is expected to provide the environmentally preferable type of product unless that type of product is not available competitively within a reasonable time, at a reasonable price, is not life cycle cost efficient in the case of energy consuming products, or does not meet reasonable performance standards.

Sample #3

In the performance of work under this contract, the Contractor shall exert its best efforts to provide its services in a manner that will promote the natural environment and protect the health and well-being of building occupants and contract service providers using the facility. Contractor shall provide a plan to meet this objective before project work begins.

To claim the points

• Submit a copy or excerpt of the contract.

Standards and frameworks

GRESB Real Estate Assessment – Management: Stakeholder Engagement

GRI 308: Supplier Environmental Assessment

S&P Global Corporate Sustainability Assessment—Economic Dimension: Supply Chain

Assessment

TCFD: Strategy

Resources

P.4 Use green power or purchase renewable energy credits (3 pts.)

Green power "sources" energy from renewables such as wind and solar farms while renewable energy credits (RECs) can compensate for the property's greenhouse gas emissions.

To be eligible for the points

- Adhere to these guidelines for the purchase.
 - o To calculate the energy use on which to base the purchase, according to the option you've selected below, average the previous three complete years of energy use.
 - o There must be at least a 3-year commitment to purchase the product.
 - o Products must be Green-e certified, a standard that verifies the sourcing and performance of the renewable energy installations associated with the product.
- Determine the energy usage on which to base the purchase. You have three options for making this determination.

Option 1: Management-controlled energy usage

Offset at least 50% of management-controlled energy usage through the purchase of green power or RECs, or a combination of these items.

Depending on the property and lease, management-controlled energy usage may be limited to exterior areas such as parking lot lighting. You may base the 50% of energy usage for Option 1 off these limited areas.

Option 2: Tenant energy usage

Cite the offset of at least 50% of energy usage by the largest tenant by usable square footage willing to collaborate.

Option 3: National median Site Energy Use Intensity (EUI)

Offset at least 20% of the value determined by multiplying the applicable national median Site EUI indicated in the following ENERGY STAR table by the property's total rentable square footage.

Primary function	Site EUI (kBtu/ft2)	Data source	
Distribution center	22.7	CBECS – Non-Refrigerated Warehouse & Distribution Center	
Non-refrigerated warehouse	,		
Refrigerated warehouse	84.1	CBECS – Refrigerated Warehouses	

Source: ENERGY STAR Portfolio Manager Technical Reference, "U.S. Energy Use Intensity by Property Type"

Option 3 Example

A non-refrigerated warehouse applying for the IREM CSP totals 500,000 rentable square feet. The value on which to base the purchase is determined by multiplying 500,000 by the national median Site EUI of 22.7 kBtu/ft², as found in the ENERGY STAR table, and then finding 20% of that number.

500,000 rentable square feet x 22.7 national median Site EUI x .20 = 2,270,000 kBtu

To claim the points

- 1. Indicate the option you're selecting for the property's eligibility.
- 2. Indicate the energy use on which you're basing the purchase.
- 3. Submit evidence of green power or RECs purchase and Green-e certification.
- 4. Share the property with IREM's account in ENERGY STAR Portfolio Manager. See the video on this page and the CSP FAQs for additional instructions. When adding IREM as a contact, search for IREMCSP (no spaces) in the username field in the Portfolio Manager search.

Related IREM CSP items

E.10 Use renewable energy (3 pts.)

Renewable energy produced onsite or contracted through community solar may be counted for P.4.

Standards and frameworks

GRESB Real Estate Assessment – Performance: Tenants and Community

GRESB Real Estate Assessment - Performance: GHG

GRI 305: Emissions

S&P Global Corporate Sustainability Assessment—Environmental Dimension: Climate Strategy

TCFD: Strategy

Resources

Green-e certified

The IREM Certified Sustainable Property (CSP) program is made possible by a Yardi Energy Efficiency Grant. IREM would like to thank Yardi for their support and valued partnership.

About IREM

For over 90 years, our members have made us the world's strongest voice for all things real estate management. Almost 20,000 leaders in commercial and residential management call this home for education, support and networking. Our CPM®, ARM®, ACOM®, and AMO® certifications are internationally recognized symbols of ethical leadership and a well-managed property. And our tools deliver decades of on-the-job know-how to help members get even better at what they do. Put simply – IREM and its members are here to elevate the profession. If you know real estate management, come get to know us. irem.org

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The IREM Certified Sustainable Property (CSP) program is a voluntary program that provides sustainability best practices and evaluation. Participation is open to all properties that meet program requirements as represented to IREM by program applicants. IREM makes no guarantee on the actual sustainability performance of a certified property at any particular time, and IREM takes no responsibility for claims about property performance, value, or insurability based on certification under the IREM CSP program.