



The Foundation oversees the evolution of the GRESB Standards, which includes setting, improving, reviewing and approving the Standards on an annual basis. These incremental improvements are needed to evolve the Standards while providing stability and predictability.

The following principles are proposed to improve the governance of making incremental improvements to the Standards.

Categories	Observation	Recommendations
Mission-Driven, High Ethical Standards and Independence	The Foundation recognizes its members must act as stewards of GRESB Standards.	The Foundation should act to safeguard the Standards so they remain independent, mission driven, investor led, and reflective of the industries and members they were created to serve.
Mission-Driven, High Ethical Standards and Independence	The Foundation recognizes that change (and the lack of change) creates the potential for real or perceived conflicts of interest.	<p>The Foundation should act in the best interest of the Standards. In line with the Foundation's Conflict of Interest form (available on the Foundation's website), all Foundation members will:</p> <ul style="list-style-type: none"> • Identify real or perceived conflicts of interest or other vested interest, which include engagement with potentially competitive activities or vested interests in the outcome of specific decisions. • Communicate any potential conflicts to the Foundation in the Conflict of Interest form, • Recuse themselves from decision making (e.g., voting) where conflict of interest has been identified. <p>At the discretion of the Chair, members may participate in discussions and provide input, subject to disclosure of potential conflicts.</p>
Stakeholder Engagement, Collaboration and Alignment	The Foundation recognizes the need to reduce reporting burden over time.	The Foundation should identify and prioritize changes to reduce participation costs and resource requirements.

Stakeholder Engagement, Collaboration and Alignment	The Foundation recognizes the importance of engagement and alignment with allied and related initiatives.	The Foundation should identify and prioritize changes to increase alignment with targeted initiatives over time. The Foundation will support this effort with a process to prioritize initiatives (Standards, schemes, etc.) for alignment.
Stakeholder Engagement, Collaboration and Alignment	The Foundation recognizes the importance of stakeholder engagement and community feedback to inform Standard development.	The Foundation should conduct at least four types of stakeholder engagement each year: <ul style="list-style-type: none"> • Broad surveys of all GRESB members - conducted annually. • Targeted surveys of Expert Resource Group members - conducted periodically. • On-going consultation with Standard Committees - final decisions on technical issues. • Final “red flag” review and sign-off by the Foundation Board - deferring to Standards Committees on technical issues and prioritizing strategic considerations.
Communication, Transparency and Disclosure	The Foundation recognizes the importance of providing information to stakeholders throughout the annual Standard development cycle.	The Foundation should follow an annual communication cycle: <ul style="list-style-type: none"> • Q1: Publication of Standards, Reference Guide. • Q2: Publication of technical findings and decision support materials. • Q3: Publication of annual results. • Q4: Publication of annual Roadmap and Standard Updates.
Risk Oversight, Stability and Predictability	The Foundation recognizes the need for forward-looking information about the evolution of Standards and score impacts.	The Foundation should classify changes with respect to potential scoring impact: <ul style="list-style-type: none"> • No impact • Scoring impact cannot be determined • Scoring impact can be estimated. When scoring impacts can be estimated, the Foundation will provide: <ul style="list-style-type: none"> • The expected magnitude of change (e.g. how many points a score should change) • The pace of change (e.g., by when and how fast this change should occur).

<p>Risk Oversight, Stability and Predictability</p>	<p>The Foundation recognizes the need to understand the impact of methodological changes on scores and ratings.</p>	<p>The Foundation should provide tools (when technically feasible) to assist participants’ understanding of the impact of methodological changes on:</p> <ul style="list-style-type: none"> • Previous year scores • Current year aggregate scores • Anticipated future scores <p>This analysis will help participants distinguish changes in entity performance, market trends, and methodological changes.</p>
<p>Risk Oversight, Stability and Predictability</p>	<p>The Foundation recognizes that benchmark-based scoring has the potential to create uncertainty in scoring.</p>	<p>The Foundation should identify opportunities to shift scoring toward fixed or absolute thresholds when practical.</p>
<p>Risk Oversight, Stability and Predictability</p>	<p>The Foundation recognizes the need for consistent processes to introduce, test, and formalize Standard changes.</p>	<p>The Foundation should formalize a development process, including:</p> <ul style="list-style-type: none"> • Changes requiring new data collection should follow a 3-year pattern: <ul style="list-style-type: none"> • Year 1 data collection • Year 2 test scoring • Year 3 required • Changes based on existing data collection should follow a 2-year pattern: <ul style="list-style-type: none"> • Year 1 test scoring • Year 2 required • Changes may be expedited if new data can be test scored during the first year of collection: <ul style="list-style-type: none"> • Year 1 data collection and test scoring • Year 2 required
<p>Risk Oversight, Stability and Predictability</p>	<p>The Foundation recognizes that small differences in scores (0-100) can result in significant differences in ratings (ratings).</p>	<p>The Foundation should research new methods to reduce the sensitivity of scoring and rating methods to small differences in participant data, e.g., the potential for immaterial differences in scores to result in the perception of significant changes in ratings.</p>
<p>Innovation and Research</p>	<p>The Foundation recognizes that some important issues are not ready to be incorporated into the Standards.</p>	<p>The Foundation should develop a mechanism to recognize exceptional performance and innovation to differentiate participants and inform the evolution of the Standards.</p>