

MAKING AN IMPACT

2019

ENVIRONMENTAL,
SOCIAL, & GOVERNANCE
IMPACT REPORT



HARRISON STREET
Making an Impact.



CEO LETTER	3
FIRM OVERVIEW	4
CORPORATE IMPACT	6
IMPACT METRICS	8
CORPORATE OPERATIONS	10
INVESTMENT OPERATIONS	16
FUND ESG PERFORMANCE	22
DISCLOSURE INDEX	28

A WORD FROM OUR CEO

6TH

CONSECUTIVE YEAR

NAMED BEST PLACE TO WORK IN MONEY MANAGEMENT

FIRST IN FITWEL

CERTIFICATION

IN STUDENT AND SENIOR

GREEN STAR

ACHIEVED IN GRESB

FOR ALL REAL ESTATE FUNDS

INVESTOR OF THE YEAR

NORTH AMERICAN ALTERNATIVES

AWARDED BY PERE FOR 2019

322 GWH

RENEWABLE ENERGY PRODUCTION IN 2019

ENOUGH TO POWER 29,000 HOMES

The evolving global landscape of factors related to environmental and societal challenges presents unprecedented risks and opportunities to our assets. These evolving factors fall under the umbrella of environmental, social, and governance (ESG) management and include pressing issues like natural resource constraints, natural disaster and pandemic risks, energy transition, societal and demographic shifts, geopolitical and regulatory changes, and technology disruptions. In order to ensure the long-term success of our firm and investment strategies managed on behalf of our clients, these risks and opportunities need to be considered throughout an investment’s life cycle.

As a firm, our capacity for making an impact is growing. In 2019 Harrison Street achieved a number of key milestones, namely, the following:

- Sixth year in a row named as a Best Places to Work by Pensions & Investments
- Awarded PERE’s Alternatives Investor of the Year: North America
- Acquired our 1,000th asset
- Expanded property investments into Canada
- First to achieve Fitwel healthy building certification for both student and senior asset classes
- First senior living industry representative to join the Delos & Mayo Clinic Well Living Lab Alliance
- Raised \$3.9B of capital from new and existing clients

This past year we have also made an impact in our community, by partnering with organizations like Girls Who Invest, Pensions Real Estate Association Foundation, and America Needs You, to stimulate diversity across the firm and the industry. Our team has volunteered 5,000 service hours and donated to over 150 charities. We have invested in hydro, wind, and solar assets that produce enough electricity to power 29,000 US homes annually. Our open-end Social Infrastructure Fund invests in clean energy, deferred maintenance, and self-sustaining resources at universities, health systems, and municipalities.

As we enter our 15th year of business, we will continue to raise the bar on our expectations as a firm, including what we are doing to manage not only the traditional wins like energy efficiency, but also material issues like the health and well-being of occupants, team development and diversity, the cybersecurity of our operating partners, the emergency preparedness and resiliency of our assets, and the satisfaction of stakeholders. We are enhancing our long-standing ESG goals with heightened focus on carbon emissions and resiliency. In addition, we will strive to be an industry leader in establishing the gold standard for building health and safety for our tenants, residents, and staff. All these efforts combined will help us answer and act on what we are doing to address climate change and truly make an impact.

CHRISTOPHER MERRILL

CO-FOUNDER, CHAIRMAN, & CEO

FIRM OVERVIEW

The mission of Harrison Street is to combine innovation and process rigor to execute differentiated strategies that improve the lives of its stakeholders.

Harrison Street is a leading alternative investment management firm with 156+ employees located in Chicago and London. Since inception in 2005, Harrison Street has created a series of differentiated investment solutions focused on demographic-driven, needs-based assets. As of the end of 2019, the Firm has invested approximately \$32.1 billion in gross cost across senior housing, student housing, healthcare delivery, life sciences, and storage real estate as well as social and utility infrastructure. The Firm has investments on or near 150 universities, and deep relationships with 30 top healthcare systems and 50 top-tier operating partners.

FIRM SCALE & ACTIVITY

FIRM SCALE	
12	Funds
\$17.4B	Capital raised since inception
\$24.8B	Assets under management
1,039, \$32.1B	Assets acquired since inception (#,\$)
434, \$8.9B	Assets sold since inception (#,\$)
2019 ACTIVITY	
131, \$6.1B	Assets acquired
50, \$1.9B	Assets sold
\$3.9B	Capital raised
FUNDS	
CORE OPEN-END FUND	Vintage 2011
US OPPORTUNISTIC FUND	7 Funds: Vintages 2006, 2008, 2010, 2013, 2014, 2016, 2018
EUROPEAN OPPORTUNISTIC FUND	3 Funds: Vintages 2015, 2017, 2019
NORTH AMERICAN SOCIAL INFRASTRUCTURE OPEN-END FUND	Vintage 2018

INDUSTRY MEMBERSHIPS

- Pension Real Estate Association (PREA)
- National Association of Real Estate (NAREIM)
- A Fellowship for International Real Estate (AFIRE)
- Investors in Non-Listed Real Estate Vehicles (INREV)
- National Multifamily Housing Council (NMHC)
- Self Storage Association (SSA)
- American Senior Housing Association (ASHA)
- Revista Medical Real Estate Forum

NOTES

As used in this report, unless the context otherwise requires, “Harrison Street” or the “Firm” refers collectively to Harrison Street Real Estate Capital, LLC (“HS”) and its subsidiaries including Harrison Street Advisors, LLC. Unless otherwise stated, all information is as of 12/31/19. Past performance does not necessarily predict future success.



15 YEARS OF MAKING AN IMPACT

“At Harrison Street, we strive to do our best—our investors, our employees, our community, and our environment—deserve nothing less. We are driven toward achieving goals that continually raise the bar, pushing us to increase our impact footprint. We learn, we evolve, we create, and we grow. As we enter our 15th year, we reflect on the impact Harrison Street has been able to make with the collective efforts of our investors, partners, and stakeholders. We thank you for your support and look forward to positively impacting the next 15 years with the same drive and passion.”

– CHRISTOPHER MERRILL, CO-FOUNDER, CHAIRMAN, & CEO

CORPORATE IMPACT

Harrison Street believes corporate sustainability and responsibility practices support the long-term success of the Firm and its clients.

Since inception in 2005, Harrison Street has sought to combine innovation and process rigor to execute differentiated strategies that improve the lives of its stakeholders. In 2013 Harrison Street began a formal effort to expand its focus and reporting of environmental, social, and governance (ESG) aspects of the business, which included its first submission to GRESB. To date, robust policies and procedures have been implemented across the investment life cycle to monitor, manage, and report ESG risks and opportunities.

LEADERSHIP TEAM

ESG is integrated throughout the Firm and into each employee’s responsibilities and is rated accordingly in annual employee performance reviews. The Firm’s CEO and select members of the Executive Committee are responsible for making appropriate resources available to implement the policies, monitor ongoing adherence to the policies, and continually evaluate for ongoing improvements. The overall initiative is overseen by the Firm’s Chief Impact Officer and the Sustainability Leadership Team.

Team members are chosen based on their expertise and representation across departments, which include Transactions, Asset Management, Investor Relations, Operations, and Portfolio

Management. The team leaders report activities and progress toward meeting ESG objectives quarterly to Harrison Street’s Executive Committee and the Firm at large. The Firm’s CEO and Executive Committee are responsible for reviewing the annual Corporate Responsibility Report, annual GRESB performance, and strategic priorities.

POLICY

The Firm first established an ESG policy in 2013 and updates this policy annually. The policy applies across corporate and investment operations and provides a framework for ESG integration. Each investment vehicle defines a specific approach to ESG integration aligning with the investment strategy, asset class, investment time horizon, and portfolio construction. The ESG approach and objectives are customized to best meet the goals of the investment vehicle.

CONTACT

Jill Brosig, Chief Impact Officer, jbrosig@harrisonst.com
Stephanie Barr, Vice President, Sustainability, sbarr@harrisonst.com

ESG ASSOCIATIONS & FRAMEWORKS



2020 MATERIALITY ASSESSMENT

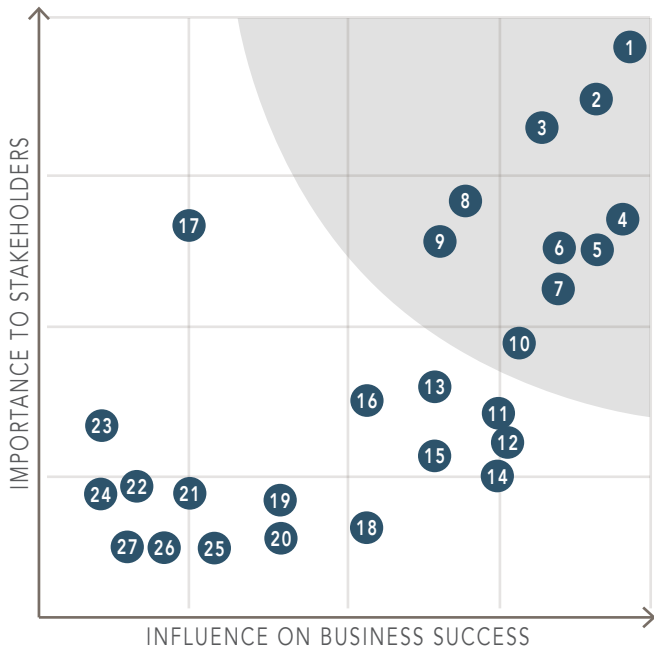
Refining the environmental, social, and governance topics that are most material to stakeholders and business success.

Harrison Street recognizes that incorporating the feedback of its stakeholders is vital to delivering superior investment strategies and a focused ESG strategy. The Firm regularly engages with employees, investors, third-party operators, joint venture partners, tenants/residents, lenders, and consultants to understand priorities and concerns. Forums for engagement include the annual investor conference and advisory board meetings for each fund, annual operating partner sector-specific conferences, quarterly investor webinars, satisfaction surveys, and a materiality survey conducted every three years. Ad hoc feedback from industry conferences, one-on-one calls, industry trade magazines, and webinars is also integrated into materiality assessments.

CONCLUSIONS

In the Firm’s 2017 materiality assessment, the topics of highest priority were more focused on the individual issues within assets. Now in 2020, the results show focus is moving toward a more global, collective mindset. Instead of focusing singularly on energy reduction, the Firm will be focusing on net carbon emissions which includes energy reduction but also includes topics like clean energy procurement, on-site renewable energy development, and on-site fuel choices. As well, the focus on tenant satisfaction will be broadened to encompass a complete picture about the residents and tenants served at assets, encompassing health, wellness, safety, and even affordability.

This global mindset is also reflected in the Firm’s new tagline, *Making an Impact*, and the creation of the Impact Department. *Impact* not only includes the effects of Harrison Street operations on the world, but also the impact of the Firm’s products and services.



MOST MATERIAL TOPICS	LESS MATERIAL TOPICS
1. Climate Risk & Resiliency	11. Business Ethics
2. Carbon Emissions & Clean Energy	12. Risk Management
3. Diversity & Inclusion	13. Employee Relations, Satisfaction, & Development
4. Governance Structure	14. Cybersecurity
5. Transparency & Audits	15. Reputation
6. Board & Management Diversity	16. Water Conservation
7. Building Energy Efficiency	17. Waste & Resources
8. Income Inequality, Affordability, & Social Services	18. Communication & Management
9. Health, Safety, & Wellbeing	19. Compensation
10. Social Shifts / Aging Demographics	20. Stakeholder Alignment
	21. Community Engagement
	22. Air & Water Quality
	23. Deforestation & Biodiversity
	24. Human Rights
	25. Certification
	26. Education
	27. Shareholder rights

Harrison Street Materiality Assessment, 2020

IMPACT FRAMEWORK

As Harrison Street enters its 15th year of business, the Firm will continue to raise the bar on its ESG performance.

The results of the Firm's 2020 materiality assessment have been used to update the Firm’s guiding framework. This framework is used to communicate the Firm’s ESG Impact approach internally and externally, and has also been used to organize this report.

The Firm’s approach is defined in two parts, Corporate Operations and Investment Operations. Within Investment Operations, each investment vehicle follows this framework to define a specific approach to ESG integration that aligns with the investment strategy, control, asset class, investment time horizon, and portfolio construction. The ESG objectives are customized to best meet the goals of the investment vehicle.



“Our purpose in this work is to embody our corporate values of teamwork, innovation, passion, integrity, and excellence. Our fiduciary duty compels us to minimize risk, recognize opportunities for increased efficiency, and generate long-term value in both returns and broader societal impact. We share our policies, procedures, and annual metrics in the spirit of transparency and continuous improvement.”

-JILL BROSIG, CHIEF IMPACT OFFICER

COVID-19 RESPONSE

See page 21

Though the economic disruption of coronavirus did not greatly affect the US and Europe until 2020, it would be remiss not to provide a timely response to this highly material ESG topic. See page 19 for details on the Firm's response and resiliency practices.

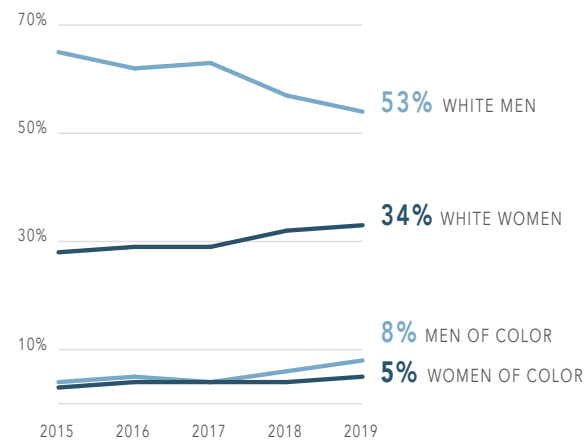
IMPACT METRICS

DIVERSITY & INCLUSION



22%

OF LEADERSHIP
ARE WOMEN OR
MINORITY



DIVERSITY OF TOTAL WORKFORCE
OVER TIME

47%

OF NEW HIRES
IN 2019 WERE
WOMEN

100%

RETURN TO WORK
RATE

FOR THOSE WHO TOOK
PARENTAL LEAVE IN 2019



TEAM WELLNESS & SERVICE

150

UNIQUE CHARITIES

SUPPORTED BY EMPLOYEE
MATCH GIFTS

8

HOURS

VOLUNTEERED PER
EMPLOYEE DURING
WORKING HOURS

PROUD SUPPORTER OF
CHICAGO'S

**MY BLOCK
MY HOOD
MY CITY™**
★★★★

4.3/5

EMPLOYEE
SATISFACTION
SCORE

100%

OF EMPLOYEES

RECEIVE CAREER
DEVELOPMENT REVIEWS
ANNUALLY

IMPACT METRICS

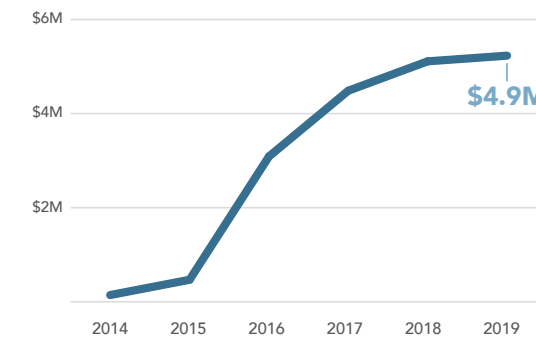
OPERATIONS & VALUE CREATION



2,800

TONS OF CARBON
EMISSIONS SAVED

BY ON-SITE SOLAR IN THE
CORE FUND IN 2019



\$4.9M

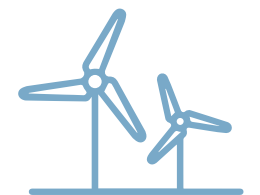
SAVED SINCE 2014

FROM EFFICIENCY INVESTMENTS &
SOLAR IN CORE FUND

SOCIAL INFRASTRUCTURE & CORE
FUND
RENEWABLE ASSETS
PRODUCE ENOUGH ENERGY
TO POWER

29,000

HOMES



HEALTH & WELLNESS

**3 FITWEL
CERTIFICATIONS**

ACHIEVED AT ONE STUDENT
AND TWO SENIOR LIVING
ASSETS

IN 2019 IN THE CORE FUND



CLIMATE RISK & RESILIENCY

100%

OF ASSETS EVALUATED
FOR PHYSICAL, NATURAL
DISASTER RISKS IN 2019

\$9.8M

INVESTED IN ENERGY
EFFICIENCY AND
SOLAR

SINCE 2014 IN CORE FUND

\$38.3M

INVESTED INTO
RENEWABLE ENERGY

IN SOCIAL INFRASTRUCTURE FUND

GOVERNANCE & CORE VALUES

Harrison Street strives to be best-in-class through disciplined execution of strategy, reflection on performance, and continuous improvement.

GOVERNANCE STRUCTURE

The company’s governance is managed by a three-pronged approach. The Investment Committee, which includes the CEO and the Firm’s Partners, oversees Harrison Street’s investment transactions and management. The Executive Committee, comprised of the CEO, Partners, and select Managing Directors, sets the strategic priorities, targets, and direction of the firm. The Management Committee, appointed by the Executive Committee, is comprised of Managing Directors and select Directors. This group both executes the strategy set by the Executive Committee, via project task forces, and oversees the day-to-day operations of the Firm.

The Firm also has several additional committees and initiatives including Valuation, Allocation, Investment, Focus, Diversity & Inclusion, Capital Markets, Compensation, and Sustainability, all of which influence the Firm’s strategic direction and overall performance.

CORE VALUES

TEAMWORK	To work inclusively with loyalty and respect to achieve both collective and individual goals
INNOVATION	To create opportunity through developing the “new” and approaching all things with an exploratory mindset
PASSION	To pursue work with a positive attitude, high energy, and purpose
INTEGRITY	To collaborate and execute honestly and ethically in all aspects of business
EXCELLENCE	To strive to be best-in-class through disciplined execution of strategy, reflection on Firm performance, and continuous improvement

RISK MANAGEMENT

The Firm follows detailed data privacy and security procedures for all IT infrastructure, software, maintenance, and training. Operators are analyzed and provided with recommendations on their IT policies and emergency preparedness.

Firm-wide risk assessments are led by the Firm’s Chief Compliance Officer (CCO) and are conducted every three years. Risk topics are identified by the CCO team and Firm Directors, with input from industry trends, analysts, stakeholders, and investors. The Firm actively prepares for unforeseen interruption to normal business practices and has established the following policies and procedures: Disaster Recovery, Business Continuity, and “Black Swan” events. Finally, risk management concepts are incorporated in the investment committee and asset management processes including reviewing strategy, expenses, budget plans, and reporting to investors.

COMPLIANCE

Partners, investors, and employees are engaged in and educated about Harrison Street’s ethics policies. Employees must attest quarterly to the Code of Ethics and may share any ethical concerns with HR or the CCO. Trainings on ethics, anti-corruption, and specialized topics like foreign corrupt practices and cybersecurity are provided annually, during quarterly certifications, and when new regulations or situations arise.

Investment policies and procedures promote compliance with the SEC’s Investment Advisor requirements and assist the Firm in preventing, detecting, and correcting violations. Policies against bribery and corruption are maintained, consistent with the US Foreign Corrupt Practices Act and similar laws in other countries. Anti–money laundering checks are conducted for every new investor and background checks are conducted on all new joint venture partners and employees. The Firm uses a sophisticated web-based compliance tracking system to report and monitor Code of Ethics items such as political contributions, personal trading, conflicts of interest, and gifts.

DIVERSITY & INCLUSION

Harrison Street is committed to building an inclusive environment which allows team members to thrive and celebrates unique backgrounds and perspectives.

D&I PRACTICES

Establishing and growing a diverse workforce is a priority for Harrison Street. The Firm has put in place deliberate and intentional actions with the goal of creating a safe and inclusive environment for all employees. The Firm’s dedicated D&I Committee is tasked with raising awareness, forming strategic partnerships to help develop the next generation of talent, and implementing a range of programs to foster inclusion and increase diverse representation at all levels.

Best hiring practices are implemented, such as auditing job descriptions to eliminate unconscious bias, providing accessibility assistance to disabled applicants, presenting diverse candidate slates, screening resumes blindly, and providing interview feedback forms. The Firm has conducted mandatory employee training, led by third-party expert consultants, on implicit bias to understand how unconscious processes undermine recruiting efforts and employee development.

Employee and management statistics are reported quarterly, showing trending gender and ethnicity data in order to evaluate the effectiveness of hiring practices and employee retention.


The company actively works to expand its pipeline of potential talent by engaging in the following aligned foundations and minority internship programs.

- Girls Who Invest®
- My Block My Hood My City
- University of Wisconsin—Madison Women in Real Estate (WIRE)
- PREA Foundation
- America Needs You (ANY) Career Exploration Day

PARENTAL LEAVE

A key component of a strong and invested team is ensuring that employees are supported during life events. All full-time employees are entitled to parental leave, regardless of gender. In 2019, the parental leave policy increased from 12 weeks to 16 weeks, and employees are not required to exhaust their PTO during their leave.

The Firm also added a phased return to work plan, allowing employees to gradually return to work from their parental leave. Upon returning to work, nursing mothers are provided a dedicated sanitary, equipped, secure, and comfortable room for pumping. To help offset childcare costs for working parents, employees are provided a subsidized Dependent Care Account.



Founded in 2015, Girls Who Invest® (“GWI”) is a non-profit organization dedicated to increasing the number of women in portfolio management and executive leadership in the asset management industry. GWI targets rising junior college students and consists of an intensive 10-week summer program including an educational program and internship.

Prior to the internship, participants learn core finance and investment concepts from business school professors at either the University of Pennsylvania or the University of Notre Dame. The educational training includes essential finance concepts including the time value of money, risk and return, capital asset pricing modeling, financial statement analysis, and valuation. This program focuses across all asset classes.

A six-week paid internship with sponsor firms follows the education program. GWI received 750 applications (for 150 spots) for the 2019 summer program from over 80 different colleges and universities. Since 2019, Harrison Street has been a proud sponsor of GWI. In addition, in 2019 we hosted a day of learning at the Firm’s office for over 80 GWI interns, participated as a guest speaker at the University of Notre Dame campus, and hosted four interns during the summer who worked alongside other interns on the company’s Acquisitions and Asset Management team.

TEAM WELLNESS & SERVICE

The Firm has comprehensive employee development and wellness programs, ensuring all team members have the tools they need to make their personal well-being a priority.

TEAM DEVELOPMENT

Employee development is a top priority at Harrison Street. Harrison Street University (HSU) is the training platform, offering employees a variety of training topics and learning options to further develop their skills related to performance, productivity, communication, team building, problem solving, and personal well-being. Sustainability training is also provided to all employees, and targeted sustainability trainings are provided to specific departments. Full-time employees can also be reimbursed up to \$10,000 annually toward education and professional development courses with managerial approval.

One hundred percent of employees receive annual reviews. Employees and Managers have two formal meetings throughout the year including annual reviews and mid-year appraisals in order to reflect on progress and set goals. The process is monitored and evaluated by Human Resources, which continually seeks enhancement through employee feedback.

SATISFACTION & RETENTION

Harrison Street employees participate in an annual engagement survey conducted by an independent third party. Responses are anonymous to provide a safe venue for employees to share honest feedback. Based on the results of this survey, action plans are created for addressing areas of concern. Action plan items may include additional surveys, employee enhancements, and department feedback sessions. The results of the surveys, as well as the action plans, are then shared with the company.

With the substantial growth the company has undergone since its 2005 founding, the commitment to retention has only strengthened. The holistic approach includes providing a positive and comfortable working environment with best-in-class culture, dedication to employee development and growth, and competitive compensation.

The Firm's compensation package is highly competitive and performance-oriented to attract and retain a highly talented team. A detailed third-party compensation study is undertaken every three years to ensure the Firm is offering a compelling package that is aligned to the industry.

OFFICE WELLNESS

Fostering healthy and productive team members is also a priority at Harrison Street. The Firm's comprehensive wellness program includes voluntary health evaluations, personal action plans, lifestyle coaching, wellness challenges, and healthy meals and snacks in the office. The physical office space has enhanced wellness features such as the following:

- Ergonomic workspace evaluations
- Free gym membership for employees along with regular group activities including step challenges, 5K events, and group fitness classes
- The Chicago headquarters holds both LEED and Fitwel certifications.
- Office layout and design provides an active, engaging, and ergonomic workspace with abundant natural light, external views, and an internal staircase to encourage physical activity.
- There is also a wellness room that can be used for various purposes, such as by nursing mothers, staff who are not feeling well, meditation, prayer, or rest and relaxation.
- A robust cleaning schedule is maintained for common areas and workspaces, including proper storage and separation of any chemical/cleaning supplies. An automated external defibrillator (AED) is on-site for emergencies, and several employees have been trained on CPR and proper usage of the AED.
- The company headquarters is near multiple public transportation options and positioned near a green space and Riverwalk.



VOLUNTEERING

Every year since 2013, the company partners with local non-profits for an annual Firm-wide volunteer day to clean up neighborhoods and enhance community buildings. Local community needs are evaluated annually to determine how philanthropic donations should be invested. Each summer all Chicago-based employees participate in an annual company-wide day of service. Volunteer opportunities are also offered to employees to engage with the community throughout the year.

PHILANTHROPIC GIVING

Harrison Street serves the cities where they have offices by connecting employees to meaningful volunteer opportunities and through their Charitable Gift Match Program, which supports the generosity of employees and extends their impact. The Firm matches up to \$500 per employee each year through the Charitable Gift Match Program. This year the Firm contributed \$39,000 to non-profit organizations, representing over 150 unique charities.

In December 2019, Harrison Street sponsored families in the annual ReVive Holiday Gift Basket Program. ReVive Center is a vital resource on the city's west side, providing community assistance, life skills development, and resources for thousands of families and almost a hundred permanent supportive housing clients.

Additional 2019 Events:

- My Block, My Hood, My City annual day of service
- Meals from the Heart, Ronald McDonald House
- Christmas light decorating with My Block, My Hood, My City
- Cycle for Survival
- Gilda's Club

**MY BLOCK
MY HOOD
MY CITY™**
★ ★ ★ ★

On July 7, 2019, Harrison Street partnered with My Block, My Hood, My City ("M3") for the Firm's seventh annual volunteer event. Employees spent their time at Orr High School getting the school ready for the upcoming school year. Projects included painting

and refreshing the halls, gardening and beautifying the school landscape, and creating an outdoor seating area for students to enjoy.

M3 provides the youth from under-resourced neighborhoods of Chicago with new experiences, exposing them to possibilities beyond their own communities. Their mission is to help teenagers overcome the poverty and isolation they face, boosting educational attainment and opening them to opportunities that make a difference in their lives.

In addition to the annual company-wide day of service, Harrison Street partnered with M3 by hosting the kids of M3 in the Chicago office to learn more about real estate as a potential career avenue, and by decorating and lighting homes in under-resourced neighborhoods to bring holiday spirit.

My Block, My Hood, My City continues to do amazing work for communities in the South and West sides of Chicago, and Harrison Street is proud to continue to work with and support them.

OPERATING PARTNER SERVICES

Harrison Street takes a unique approach to working with its operating partners by dedicating resources who serve as their advocate and help them implement best practices at assets.

The Firm’s Operating Partner Services function differentiates Harrison Street by providing operating partners with groundbreaking, business enhancement services and opportunities. The mission is to serve as advocate for each of the firm’s JV operators and third-party providers, ensuring they have access to best practices and research, relevant ancillary services and technology, and key benchmarking industry data.

OPERATIONAL IMPROVEMENTS

New technologies and ancillary products and services are evaluated in order to identify those opportunities that can enhance asset operations and solve common issues experienced in the Firm’s asset classes. These technologies and services are then introduced to operators and piloted in order to evaluate effectiveness. Examples include:

- Adopting performance-based wellness building design standards that ensure building occupants are demonstratively healthier, and ultimately leading to both the attraction and retention of staff and tenants
- Investing in AI and machine learning that predict anxiety, depression, and dementia, thus providing better care and concern for senior and student residents
- Heightening efforts on reducing the carbon footprint of assets by expanding investment in clean energy
- Creating intergenerational experiences by providing volunteer and paid positions for our students within senior living communities
- Building air quality systems and sanitization that promote healthy indoor environments
- Energy and water efficiency technologies, and smart building controls

PERFORMANCE BENCHMARKING

Evaluating and comparing the performance of operators within the same asset class reveals best practices that can be applied to underperforming assets. Data on operators are used to rate and rank across the portfolios and peers to pinpoint strengths, weaknesses, and highlight opportunities to improve. Predictive analytics are used to capture trends within verticals that can be used to enhance asset design, delivery, and lease up.

NETWORK ENGAGEMENT & RESEARCH

To further enhance the sharing of best practices among operators in the same asset space, the Firm holds annual operating partner conferences which brings together the firm’s partners, operators, and managers to discuss current and future issues faced by their peers and discuss operational improvements at their respective assets. External industry experts, who are conducting research that is applicable to the asset class, are regularly featured as keynotes.

Finally, the Firm partners with world renowned research centers focused on key areas of interest including healthy aging, health and wellness for the built environment, and ESG standard bodies. These relationships further define strategies for improving asset design and operation. In addition, these partnerships also entail educational sessions and interactive workshops for operators on leading-edge research and best practices.

Senior Living, United States





BELMONT VILLAGE SENIOR LIVING

CHICAGO, IL

Belmont Village Lincoln Park, which opened mid-2019, announced that it has achieved LEED Gold certification by implementing practical and measurable strategies and solutions aimed at achieving high performance in sustainable site development, water efficiency, energy & atmosphere, indoor environmental quality, and materials and resources.

“We are constantly striving towards building better communities for our residents and part of that effort is ensuring our buildings meet the highest sustainability and energy efficiency standards possible,” said Patricia Will, founder and CEO, Belmont Village Senior Living. “In a city as environmentally conscious as Chicago, our LEED efforts were made more attainable due to our community’s proximity to excellent public transportation and our location within the larger Lincoln Park community.”

The 149-unit building includes several environmentally friendly components including a green roof, energy efficient plumbing and light fixtures, repurposed materials from the original Nellie Black

building, CFC-free refrigerant systems, multiple-level lighting and thermal controls, easy access to CTA buses and trains, an emphasis on indoor air quality and maintaining a non-smoking premises, and preferred parking for low-emitting and fuel-efficient vehicles. The LEED certification represents the second of the company’s 31 communities to meet the US Green Building Council’s (USGBC) stringent environmental guidelines.

“Transforming our buildings and spaces happens one project at a time. Belmont Village Senior Living understands the value of LEED and has shown extraordinary leadership in reshaping the market,” said Mahesh Ramanujam, president and CEO, USGBC. “The success of LEED is due to the partnership and support of those committed to advancing green building and sustainability. Each new LEED certification brings us one step closer to revolutionizing the spaces where we live, learn, work and play.”

STRATEGY & DECISION-MAKING

ESG factors are integrated into risk and opportunity analysis, informing investment decision-making.

PORTFOLIO-LEVEL STRATEGY

Portfolio Management and Sustainability Leadership define the material ESG objectives, initiatives, data tracking, and reporting strategy for the applicable investment vehicle. Funds invest in the areas of Education, Healthcare, Life Science, and Storage in accordance with the investment restrictions as outlined in each fund’s respective Limited Partnership Agreements.

INVESTMENT DUE DILIGENCE

Sustainability metrics are integrated into due diligence processes, and evaluation criteria include alignment with Harrison Street governance and ethics standards, presence of certifications, and opportunity for increased efficiency in the future.

Internal due diligence policies, procedures, and checklists are defined for specific asset class and investment vehicles. ESG risks and opportunities are captured in the initial investment underwriting process, the Investment Committee presentation, and during the due diligence period.

DEVELOPMENT PARTNER ENGAGEMENT

The company seeks to develop or acquire assets that prioritize the highest efficiency standards and occupant health attributes. Development partners are engaged in enhancing their sustainable practices in design, construction, and operation. The Firm offers guidance resources and access to expert consultants to evaluate sustainable building strategies and ensure long-term economic benefit and tenant well-being.

The Firm collaborates with development partners to integrate viable sustainability strategies into project proforma and design plans on a case by case basis, considering location, building type, tenant population, and portfolio goals.

Harrison Street’s Asset Management team continues to monitor the property during the development phase and engages third-party vendors to review construction drawings to determine energy optimization and utility expense estimates.

OPERATIONS & VALUE CREATION

Harrison Street Asset Managers work closely with operators to implement ESG best practices and find innovative ways to enhance business operations.

OPERATOR ENGAGEMENT

Operators are a critical extension of the Harrison Street team, as through them, sustainability projects reach completion. The Firm strives to partner with operators and vendors that share similar values. Partners are encouraged to align with and participate in ESG projects and reporting efforts, and the Firm provides educational resources to support them in adopting best practices.

BENCHMARKING & RETROFITS

The Firm imports and monitors energy, water, carbon, certifications, and projects on Funds included in ESG efforts. Through this data platform, assets are benchmarked, and the financial return of efficiency investments is monitored. Consumption monitoring helps the internal team target operational efficiencies, address spikes, and prioritize retrofits. Energy and water use intensities are evaluated and normalized for weather and square footage. The data platform also supports properties in reporting energy use to municipal benchmarking programs. Monitoring is in place for operational assets in funds submitting to GRESB. Assets that are self-managed by tenants and are excluded from utility monitoring.

Those properties with the highest consumption and cost are targeted for retrofits. Retrofits are evaluated through site audits by operations teams or external vendors, and these audit reports detail the investment opportunity and potential impact. Each Fund establishes retrofit return thresholds that align with portfolio strategy. Retrofitted properties are then monitored to validate that projected savings have been met.

BUILDING LABELS & CERTIFICATIONS

Third-party evaluation of company assets and certification or labeling is employed where it is strategically advantageous. The Firm prioritizes LEED, Fitwel, and Energy Star in the US and BREEAM, Fitwel, and EPC in Europe. Municipal benchmarking requirements are increasing in cities where Harrison Street owns assets, thus it actively monitors and participates in these programs.

HEALTH & WELLNESS

The satisfaction and overall health of tenants and residents are vital and essential to the success of the Firm’s assets and sustainability goals.

TENANT/RESIDENT ENGAGEMENT

The value of an asset lies not only in the quality of the building but also in the satisfaction of the tenants. Tenants and residents are engaged in annual satisfaction surveys pursuant to the Harrison Street Property Manager ESG Policy. Based on survey results, programs are implemented to ensure tenants are engaged in meaningful dialogue and content with the asset and property management. Tenant leases integrate ESG clauses as relevant to the tenant type and asset class.

EMERGENCY PREPAREDNESS

The safety of residents, tenants, building staff, and occupants during emergencies is of critical importance to the Firm and operators. Harrison Street conducts diligence on its operating partners to ensure robust emergency management protocols are in place.

The Firm regularly audits the emergency preparedness plans of its various operators in order to optimize tenant safety. The Firm provides guidelines to partners and third-party managers for enhanced Emergency Preparedness and Response Plans and works with partners and property managers to develop strong cybersecurity, active shooter policy, infectious disease controls, resident evacuation/relocation procedures, etc.

Senior housing operators follow industry-leading infectious disease policies and procedures to protect against influenza, which have been supplemented to further protect residents and staff against COVID-19. To support residents in the event of natural disasters or power outages, appropriate energy backup systems are in place to maintain life safety systems.

HEALTH & WELLNESS PROGRAMMING

Resident programming is very important for senior living and student housing assets in order to provide a safe and enjoyable living environment, and health and wellness strategies are central to this programming.

Senior living communities have resident events and activities that promote health and wellness, such as gardening, yoga and fitness programs, community outings, and healthy diets. Facilities also host community events at assets in order to connect residents and their surrounding neighborhood. Common events include open houses, community lunches, walking clubs, outside speakers, and various fundraising events.

Student housing assets have resident programs such as yoga and fitness, money management classes, and sexual health.

HEALTHY BUILDINGS

Occupant health and well-being are prioritized in asset design and construction by incorporating key strategies in the design such as exposure to daylight and high-quality, circadian, indoor lighting. Enhanced fresh air ventilation and air filtration, and occupant temperature and lighting controls are also often included.

Many projects are sited in walkable districts, within easy walking or biking distance of high-quality food, basic services, and public transportation. Community gathering spaces and fitness facilities, often including pools, are also included in building designs.

Indoor environmental quality is evaluated upon acquisition of a standing asset through an environmental condition report and a building condition report. Energy audits performed on standing assets include review of building ventilation, filtration, thermal comfort, and general indoor environmental quality.

CLIMATE RISK & RESILIENCY

The evolving global landscape requires enhanced attention to climate-related risks and opportunities to ensure the long-term resilience of assets.

GOVERNANCE & STRATEGY

Climate risk and resiliency are managed alongside the broader ESG impact initiative, which is defined on page 6.

Harrison Street recognizes that changing climate conditions can impact the operation, performance, and value of real assets. Natural disasters pose a high potential financial loss to assets in key geographic areas, and other societal risks (like geopolitical disruptions or pandemics) influence the operational performance of assets. Therefore, the Firm has implemented resilience and risk management procedures in order to recognize and plan for these events, thus supporting long-term value creation and minimizing risk. These practices are continuously evaluated and enhanced as the global landscape of risks and evaluation processes evolve.

RISK MANAGEMENT

In 2019, the Firm audited existing internal processes for climate risk and natural disaster evaluation and management. The following summarize strategies in place in 2019. Further enhancements shall be implemented in 2020.

NEW DEVELOPMENTS & ACQUISITIONS

- Material climate risk indicators across investment entities and assets are assessed, including but not limited to wildfires, inland flooding and severe storms, hurricanes and storm surge, sea level rises, and the respective loss risk.
- Environmental risk is evaluated using a third-party environmental assessment and a property condition assessment that includes efficiency evaluation and sustainability systems inventory.
- Social risk evaluates employment practices of operators, emergency response procedures, and site aspects such as walkability, proximity to healthcare, and access to public transportation.
- Rising energy prices, energy generation regulation, water price/scarcity are evaluated in order to identify on-site generation or aligned efficiency measures that should be included in asset design.

- Asset resiliency to natural disasters is approached by integrating backup systems, fire suppression, site generation, and demand response to maintain life safety systems in the event of power outage.
- Existing assets and new developments are analyzed to determine the economic viability of renewable energy installations. These installations reduce GHG emissions and are a hedge against the risk of increasing energy prices.

EXISTING BUILDING OPERATIONS

- Natural disasters are evaluated annually in order to confirm appropriate insurance coverage and on-site risk mitigation/adaptation strategies are in place.
- Harrison Street works alongside operators to review policies and procedures and to help implement new tools to enhance and expand health and safety programs.
- Guidelines are provided to operators for enhanced Emergency Preparedness and Response Plans for cybersecurity, active shooters, infectious disease control, resident evacuation/relocation procedures, etc.

METRICS

The Firm has developed plans to track the following metrics at assets under operational control in funds submitting to GRESB.

GREENHOUSE GAS EMISSIONS	Scope 1 and 2 emissions shall be tracked
ENERGY USAGE	Fuel type and usage shall be tracked, along with renewable asset size and annual production.
WATER USAGE	Water usage and intensity shall be tracked
NATURAL DISASTER RISK	Exposure to physical climate risk, including coastal risk and flooding, shall be evaluated
RISK ADAPTATION CAPEX	Capital invested in the deployment of low-carbon technology, energy efficiencies, and resiliency capabilities shall be tracked

SPECIAL REPORT: COVID-19 & EMERGENCY RESPONSE

Vetting operating procedures to ensure the health of occupants and the resiliency of assets during emergencies.

Though the economic disruption of coronavirus did not greatly affect the US and Europe until 2020, it would be remiss not to describe the Firm’s response to this highly material ESG topic. The pandemic has highlighted the importance of resilient business practices in the face of changing global conditions. Some of these approaches include the following:

WORK WITH WELL-VETTED, EXPERIENCED OPERATORS

- Audit Emergency Preparedness and Response Plans of partners and third-party managers, provide guidelines for enhancing these plans, and work with them to develop cybersecurity, active shooter policy, infectious disease controls, resident evacuation/relocation procedures, etc.
- Evaluate that energy backup systems are in place and operational to maintain life safety systems in case of natural disaster, power outage, or lockdown.
- Evaluate physical natural disaster risk and ensure appropriate insurance coverage is in place. These risks include wildfires, inland flooding and severe storms, hurricanes, and storm surges.
- An audit of the emergency response plans of the majority of US operators was conducted in 2018 by a third-party consultant and these plans are reviewed annually by Harrison Street.

“Staff at senior living communities are beyond proud to be working on the front lines of this pandemic, and although a stressful situation, they believe in the good work they are doing on behalf of the residents they care for and serve. ”

BEN MOHNS, SENIOR MANAGING DIRECTOR, ASSET MANAGEMENT

EMERGENCY PREPAREDNESS PLAN IN ACTION: COVID-19 AND SENIOR LIVING OPERATORS

Although the United States and Europe is still in the midst of combating this disease at the time of this writing, how the Firm’s senior living operating partners initially addressed this pandemic deserves mention. Not only do Harrison Street’s partners follow the standard precautionary screening and isolation protocols as recommended by the CDC and authorities overseeing Long-Term Care, but their practices are proactive and often go beyond minimum requirements. These operators are highly experienced, and they seasonally deal with infectious diseases, like influenza. Key protocols like washing hands, not touching faces, washing down surfaces, and even lockdowns of sections of a community are built into their culture and processes.

The physical and mental health of the residents and staff are of the utmost importance, and collectively some of the actions these operators took to address both include the following:

- Prevented non-essential individuals from entering communities weeks prior to government mandates
- Utilized check-in systems early in the year to question if visitors had traveled overseas in the past 14 days
- Provided company-wide T-shirts to staff that read “I am Essential”
- Developed plans to secure PPE (personal protective equipment) early on to enhance safety of both residents and staff
- Leveraged digital technology to maintain connection with loved ones
- Used virtual tours to replace in-person visits in leasing process
- Offered discounts on food provided to staff and their families
- Utilized TeleHealth services to maintain regular medical visits
- Organized task forces at the corporate level to quickly coordinate procurement, staffing, media/PR, etc.
- Implemented enhanced wellness programs like doorway conversations, one-on-one fitness, meal deliveries, mobile hydration and healthy snack carts, and socially distant karaoke, bingo, and dance parties conducted in hallways, preserving separation among residents

WWW.HARRISONST.COM/COVID-19/

US CORE FUND



FUND OVERVIEW

Launched in 2011, Harrison Street’s open-end Core Fund was created to provide investment in stabilized, cash-flow-producing real estate with demographic-driven demand. This fund invests in student housing, both on and off campus, and other education-related real estate investments; senior housing including independent living, assisted living, and memory care communities; medical office buildings and other healthcare-related real estate investments; life science buildings; and storage properties. Since its inception, the fund has consistently produced an attractive distribution yield. As of the end of 2019, the Core Fund is valued at nearly \$9.3 billion and consists of a diversified portfolio of 298 properties.

ESG VALUE-ADD STRATEGY

MATERIALITY	2019 INITIATIVES
OPERATIONS & VALUE CREATION	
As the fund is primarily focused on the long-term operation of high-performance assets, reducing utility expenses by investing in efficiency retrofits that increase NOI and property value is highly material.	The Firm conducted an RFP process with lighting and energy consultants in order to reveal the best vendors for price, service, and access to bulk purchase opportunities for their asset classes. This thorough process streamlines implementation of value-add efficiency retrofits across assets.
The energy and water consumption of all directly managed assets are tracked, benchmarked, and evaluated for reduction potential. High-potential sites are audited and retrofitted accordingly.	To continually improve the effectiveness and efficiency of how ESG data are collected, reported, and acted upon, Harrison Street implemented a new sustainability data management platform called Measurabl. This product connects to utility data, benchmarks consumption, prioritizes assets for retrofit investments, and submits to GRESB, all from one platform. The Firm has also grown the internal staff and consultant support in these efforts, further increasing data quality and coverage, which leads to even better decisions.
TENANT HEALTH & WELLNESS	
Senior care, student living, and medical office assets provide care for often vulnerable populations. The physical and emotional well-being of students and seniors at an asset is a high priority. This demands great attention to the design of assets and the operational program of the operating partners.	In 2019 Harrison Street collaborated with organizations such as The Well Living Lab, a Delos and Mayo Clinic collaboration, and Fitwel, a global standard for designing and operating healthier buildings, to create healthy building practices specific to the Harrison Street asset classes. The Firm received Fitwel certification at three assets in 2019, which included the first to receive Fitwel certification in senior housing and student housing.
CLIMATE RISK & RESILIENCY	
It is essential to the performance, operational stability, and, foremost, the safety of residents to ensure that emergency preparedness plans and energy backup systems are in place at each individual asset. Evaluating and mitigating increased physical and societal risk during annual planning and diligence are also material to the fund.	In collaboration with external consultants, a portfolio-wide analysis of natural disasters was performed in order to review site-level risks and ensure appropriate insurance coverage. Evaluated risks included wildfires, inland flooding and severe storms, hurricanes, and storm surges. An audit of the emergency response plans of the majority of US operators was conducted in 2018 by a third-party consultant and these plans are reviewed annually by Harrison Street.

ESG METRICS

METRIC	2018	2019	YOY CHANGE	YOY TARGET
Carbon Intensity (kgCO ₂ e/ft ²) * ^	5.5	5.3	↓ 3.5%	-3%
Energy Use Intensity (kBtu/ft ²) *	50.9	48.6	↓ 4.4%	-3%
Data Coverage *	79%	95%		
Water Use Intensity (gal/ft ²) *	17.9	16.3	↓ 9.6%	-3%
Data Coverage *	56%	75%		
Renewable Energy Asset Size (MW)	4.19	4.46	↑ 7%	
Renewable Energy Production (MWh)	5.80	5.67	↓ 2%	
Green Building Certification Coverage (ft ²)	12%	13%	↑ 1%	
GRESB Score of Fund (Score out of 100)	67	75	↑ 12%	
TO DATE				
Investment in Proactive Efficiency & On-Site Renewable Energy			\$9.9M	
Annual Savings			\$1.8M	
Cumulative Savings since 2014			\$5.2M	

* Like-for-like metrics, assets held for at least 24 mo. under operational control
^ Scope 1 and Scope 2 Greenhouse Gas Emissions
† Including energy efficiency, renewable energy, and resiliency measures

FIRST IN FITWEL FOR STUDENT HOUSING & SENIOR LIVING

Since its initial launch in 2017, Fitwel has become a leading global health certification system, advancing a unique portfolio-based approach, and engaging with more than 600 companies worldwide. Generated by expert analysis of over 5,600 academic studies, and evolved by leading industry experts in building design, development, construction, and operations, Fitwel is implementing its vision to build health in communities across the globe. Originally developed as a joint effort by the US Centers for Disease Control and Prevention (CDC) and the General Services Administration (GSA), the operations are run by the Center for Active Design.

In 2019, three Harrison Street Core Fund properties received Fitwel certification. One student housing asset received certification, making it the first student housing property and the first multifamily residential project in Arizona to achieve Fitwel certification. Two senior living assets received certification, achieving two stars (out of three) and are the first and only projects to certify with the new senior housing standard. Today, achieving a three star rating remains a coveted and competitive score, with only 5% of all properties awarded Fitwel’s highest star. The majority of certifications, 52%, received one star, and 22% have two stars.



NORTH AMERICAN SOCIAL INFRASTRUCTURE FUND

FUND OVERVIEW

Launched in 2018, Harrison Street’s Social Infrastructure Fund was developed to service universities, health systems, and government users. Deferred maintenance, decarbonization, and resiliency trends have driven demand for capital solutions in the space. The fund focuses on highly structured assets within these segments, supported by long-term contractual arrangements that produce consistent financial performance across economic cycles. The fund is structured as an open-end vehicle given the long-term nature of the Firm’s partnerships and the intention of holding investments for long-term operation.

ESG VALUE-ADD INITIATIVES

MATERIALITY	2019 INITIATIVES
OPERATIONS & VALUE CREATION	
The fund focuses on adding value to development and operating partners across infrastructure asset types.	In 2019 the Firm invested in two projects and four portfolios of renewable energy assets, helping these projects achieve operations by providing capital to trusted partners.
Upon acquiring an asset, the fund validates asset performance in several ways including tracking actual vs. forecasted production (for an energy asset). The fund continuously seeks to improve operations of the assets in its portfolio.	The Firm started a process at the end of 2019 to further improve the software and tools utilized to track performance of its infrastructure assets. The Firm has also increased the size of the infrastructure team, which will result in improved focus on the portfolio’s operating metrics.
HEALTH & WELLNESS	
The fund invests in critical infrastructure that serves educational facilities and healthcare systems. By utilizing the fund’s investments in such projects, these institutions can free up their own capital to better invest in the health and well-being of building occupants and utility facility staff.	Harrison Street partners with best-in-class operators and construction companies that have robust environmental, health and safety programs. Operating assets in the portfolio have been reviewed to confirm the health and safety of utility space workers is entrenched with policies, incident reporting, and active management systems.
CLIMATE RISK & RESILIENCY	
Distributed, localized energy generation and storage infrastructure are increasingly important as power grid operators seek resiliency amid natural disasters and more frequent climate change induced storms.	In 2019 the fund invested in a district energy system that serves the City of Cincinnati by providing chilled water within the central business district. District energy assets will be key elements of a more resilient grid in the future. The Fund also invested in two projects and four portfolios of renewable energy assets in 2019.

ESG METRICS

METRIC	2019
Total Invested in Renewable Assets (4Q19)	\$38.3M
Renewable Energy Asset Generation (GWh)	315.8
Renewable Energy Asset Size (MW)	136
Equivalent U.S. Homes Supplied Through Electricity (#)	28,871
GRESB Fund Score	62



FUND STRATEGY

Harrison Street’s Social Infrastructure Fund focuses on Education, Healthcare and Government facing assets, as well as utility infrastructure and real asset segments. The demand for real assets offered within these sectors is driven in part by aging infrastructure, demographic changes, decarbonization pledges, and a need for additional capital sources by institutions and private investors.

The Fund is actively seeking opportunities to enhance long-term stakeholder value while contributing to improving the environment. Investments provide critical service providers, such as healthcare and higher education institutions, with clean energy and sustainable buildings. The Fund focuses on highly structured assets within these segments, supported by long-term contractual arrangements should produce consistent financial performance across economic cycles. The Fund does not invest in the oil and gas sector or manufacturing and refining.

Examples of sustainable value-creation investments within the Fund’s strategy include:

- Renewable Energy:** Energy generated by renewable sources without the use of fossil fuels
- Decarbonization:** Support service providers in their efforts to reduce carbon emissions with alternative fuel sources and technologies
- LEED Certified Buildings:** Achieve high levels of energy efficiency, water usage, air quality and sustainable building materials selection
- Water Solutions:** Conserve drinking water by processing wastewater for utility water needs



EUROPEAN OPPORTUNISTIC FUND II

FUND OVERVIEW

Harrison Street has invested €2.6 billion in approximately 16,000 student housing beds, 13,000 specialty residential units, and 1.6 million square feet of life sciences throughout Europe. European Opportunistic Fund II was launched in 2017 has €500 million in commitments with a Co-Invest of €200 million in commitments.

ESG VALUE-ADD INITIATIVES

MATERIALITY	2019 INITIATIVES
OPERATIONS & VALUE CREATION	
The Fund is heavily focused on the development of new assets; therefore, the greatest impact on the ESG performance of assets is achieved by overseeing projects to implement building design best practices and evaluating the inclusion of technologies to reduce operating expenses and carbon emissions.	Efficient and healthy building design practices are essential to the long-term operational performance of our assets. The Firm partners with leading development and operations teams in order to ensure assets employ best practices for energy efficiency and resident well-being. The Firm works directly with project teams to monitor implementation of these practices, monitor performance, and support teams in pursuing new, leading-edge strategies.
HEALTH & WELLNESS	
Student housing and multifamily residential are primary focuses for the fund. To care for the physical and emotional well-being of residents, operators pay special attention to the physical design of amenity spaces and the programs offered on-site in order to ensure assets provide the best living environment for residents.	In 2019 Harrison Street collaborated with organizations such as The Well Living Lab, a Delos and Mayo Clinic collaboration, and Fitwel, a global standard for designing and operating healthier buildings, to create healthy building practices specific to the Harrison Street asset classes. Fitwel certification is being piloted at a student housing project, registered to achieve certification in 2020.
CLIMATE RISK & RESILIENCY	
It is essential to the performance, operational stability, and, foremost, the safety of residents to ensure that emergency preparedness plans and energy backup systems are in place at each individual asset. Physical climate risk and energy transition adaptation are also present in the fund and these risks and opportunities are evaluated during diligence.	Development and operating partners have robust emergency preparedness plans, which are reviewed by the Harrison Street team to ensure appropriate measures are in place to protect assets and their occupants. Natural disaster risks are evaluated at all new developments, and for any that are considered “at risk” for occurrences like floods, more detailed assessments are conducted to further understand and mitigate these physical risks. To mitigate local regulation risks at assets, the development team works closely with projects to align with local planning regulations on energy efficiency and reduced carbon emissions of new developments.

ESG METRICS

METRIC	2019
Active Developments Registered for Certification (m²)	36%
2019 GRESB Fund Score	78
2019 GRESB New Construction Section Score	68



TRINITY VIEW STUDENT HOUSING

COVENTRY, UNITED KINGDOM

Opened in September 2019, Trinity View is a 614-bed student accommodation that brings the latest in modern city living to students who want to be in the heart of the city and university life. The six new residential blocks surround a private landscaped courtyard to make a great place to socialize and work.

The development is a joint venture between Crosslane and Harrison Street Real Estate and is operated by Prime Student Living. Located at the southern edge of central Coventry, inside the ring road on a major pedestrian thoroughfare from Coventry train station to the city center. The property is less than a half-mile walk to Coventry University main campus.

SUSTAINABLE DESIGN FEATURES

The site has a walk score of 94, provides secure bicycle storage, and is highly accessible to public transportation. The building was designed with efficient lighting and smart building controls. Health and safety of students were a top priority in the property’s design, accomplished through healthy building materials, fitness facilities, resident social events, and an on-site security team. To validate the health and wellness attributes of the building and the residential program, Fitwel operational certification is being sought in 2020.



DISCLOSURE INDEX

REPORTING FRAMEWORKS

This report summarizes the company’s environmental, social, and governance (ESG) performance for the 2019 calendar year and is reported annually. The last published report covered the 2018 calendar year and was published April 2019.

This report seeks to cover the impact of material sustainability topics. The contents of this report and identification of material topics were determined by the Firm’s sustainability leadership team, stakeholder materiality assessment, and guidance from external consultants.

This report is indexed using the Global Reporting Initiative (GRI) Standards, including sector-specific guidance for real estate, and is reporting at the Core level. The Task Force for Climate-Related Financial Disclosures (TCFD) items are also indexed in the table below.

This report has not been externally assured but has been checked for accuracy and completeness by the internal sustainability leadership team and external consultants.



SERIES / NUMBER	DISCLOSURE	LOCATION
GRI STANDARDS		
102.01	Name of organization	Firm Overview
102.02	Activities, brands, products, and services	Firm Overview
102.03	Location of headquarters	Firm Overview
102.04	Location of operations	Firm Overview
102.05	Ownership and legal form	Firm Overview
102.06	Markets served	Firm Overview
102.07	Scale of organization	Firm Overview Firm Scale & Activity
102.08	Information on employees and other workers	Firm Overview
102.09	Supply chain	Operations & Value Creation Operator Engagement
102.10	Significant changes to the organization and its supply chain	Firm Overview
102.11	Precautionary principle or approach	Corporate Responsibility & Impact
102.12	External initiatives	Firm Overview Memberships
102.13	Membership of associations	Firm Overview Memberships
102.14	Statement from senior decision-maker	CEO Letter
102.15	Key impacts, risks, and opportunities	Corporate Responsibility Engagement & Materiality
102.16	Values, principles, standards, and norms of behavior	Governance & Core Values
102.18	Governance structure	Governance
102.19	Delegating authority	Corporate Responsibility Leadership Team
102.20	Executive-level responsibility for ESG topics	Corporate Responsibility Leadership Team
102.21	Consulting stakeholders on ESG topics	Corporate Responsibility Engagement & Materiality
102.22	Composition of the highest governance body	Governance Governance Structure
102.23	Chair of the highest governance body	Governance & Core Values
102.24	Nominating and selecting the highest governance body	Governance & Core Values
102.40	List of stakeholder groups	Corporate Responsibility Engagement & Materiality
102.41	Collective bargaining agreements	Team Wellness Satisfaction & Retention

102.42	Identifying and selecting stakeholders	Corporate Responsibility Engagement & Materiality
102.43	Approach to stakeholder engagement	Corporate Responsibility Engagement & Materiality
102.44	Key topics and concerns raised	Corporate Responsibility Engagement & Materiality
102.45	Entities included in the consolidated financial statements	Firm Overview
102.46	Defining report content and topic boundaries	Disclosure Index Reporting Frameworks
102.47	List of material topics	Corporate Responsibility Engagement & Materiality
102.48	Restatement of information	Disclosure Index Reporting Frameworks
102.49	Changes in reporting	Disclosure Index Reporting Frameworks
102.50	Reporting period	Disclosure Index Reporting Frameworks
102.51	Date of most recent report	Disclosure Index Reporting Frameworks
102.52	Reporting cycle	Disclosure Index Reporting Frameworks
102.53	Contact point for questions regarding report	Corporate Responsibility Contact
102.54	Claims of reporting in accordance with GRI	Disclosure Index Reporting Frameworks
102.55	GRI Content Index	Disclosure Index
102.56	External assurance	Disclosure Index Reporting Frameworks
103.10	Explanation of the material topic and its boundary	In Topic Section
103.20	The management approach and its components	In Topic Section
103.30	Evaluation of the management approach	In Topic Section
205.10	Operations assessed for risks related to corruption	Governance & Core Values Risk Management
205.20	Communication and training about anti-corruption policies	Governance & Core Values
302.30	Energy intensity	Core Fund
302.40	Reduction of energy consumption	Core Fund
305.40	GHG intensity	Core Fund
401.10	New employee hires and employee turnover	Team Wellness Retention & Satisfaction
401.30	Parental leave	Diversity & Inclusion Parental Leave
403.30	Occupational health services	Team Wellness Office Wellness
403.60	Promotion of worker health	Team Wellness Office Wellness
404.20	Programs for upgrading employee skills	Team Wellness Team Development
404.30	Percentage of employees receiving regular reviews	Team Wellness Team Development
405.10	Diversity of governance body and employees	Diversity & Inclusion
406.10	Nondiscrimination management	Diversity & Inclusion
413.10	Operations with local community engagement	Giving & Service
416.10	Assessment of the health and safety impacts	Tenant Health & Wellness Emergency Preparedness
417.10	Requirements for product labeling	Operations & Value Creation Building Labels & Certifications

TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES

1-A	Board oversight of climate-related risks and opportunities	Corporate Responsibility Leadership Team
1-B	Management’s role in assessing and managing climate-related risks and opportunities	Corporate Responsibility Leadership Team
2-A	Climate-related risks and opportunities the organization has identified over the short, medium, long term	Climate Risk & Resiliency
2-B	Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Climate Risk & Resiliency
2-C	The resilience of the organization's strategy, considering different climate-related scenarios, including a 2C or lower scenario	Not Reported
3-A	Processes for identifying and assessing climate-related risks	Climate Risk & Resiliency
3-B	Processes for managing climate-related risks	Climate Risk & Resiliency
3-C	Processes for identifying, assessing, and managing climate-related risks that are integrated into the organization's overall risk management	Climate Risk & Resiliency
4-A	Metrics used to assess climate-related risks and opportunities in line with its strategy and risk mgmt. process	Climate Risk & Resiliency
4-B	Greenhouse gas emissions	Core Fund
4-C	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	Not Reported

