

This creates an added value which justifies the efforts for extended data collection routines. Moreover, functions like sustainability reporting and sustainability assessment serve the traditional ones as an additional information source (e.g. sustainability assessments feed into / serve valuations, and sustainability reports feed into / serve annual reports).

For these reasons it also appears advisable to screen processes like facility management or due diligence services (which are often sub-contracted to third parties) in order to ascertain whether or not the additionally required data already exists. If not, then existing contracts with service providers could be modified and extended accordingly.

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## **Box 2**

### **An example of establishing an internal sustainability information- and management-system**

#### **Generali Deutschland Group, Germany**

Generali Deutschland Group recently established a sustainability reporting system to measure the sustainability performance of its whole real estate portfolio in collaboration with AAAcon. Notable is its integration into the existing portfolio management system (which already provides extensive information) and that it is linked into Generali's existing ICT-database. Another important aspect identified is the measurement of all key performance indicators (KPI) both by the company's own staff and by responsible external service providers. The local management works in daily close contact with tenants and users of the properties and thus is familiar with all problems in detail. In addition to a continuous and successful idea management, this ensures an optimal improvement of the property performance in terms of competitiveness and users benefit.

The system enables Generali Deutschland to integrate its sustainability strategy as a considerable element of a comprehensive Total Quality Management approach. The advantage is not only that performance data is available cheaper, faster and in better quality but also that property development and operating processes can be improved continuously.

The implemented system has a user-friendly data input interface. Thus it allows its operation without the need of extensive training. The asset management acts as a quality auditor, is responsible for the reporting based on property and portfolio level and takes all decisions related to particular assets.

Due to the comprehensive and carefully selected catalogue of KPIs, the system is suitable to check whether a single asset would qualify for a certification according to well-known sustainability schemes such as BREEAM and LEED. In addition it serves as data source whenever single assets are to be certified or information needs to be provided in order to prepare sustainability reports and to participate in initiatives like IPDs EcoPAS.

The example in **Box 2** is further evidenced by the following statement:

“This real estate sustainability management system represents a major step towards the process of integrating sustainability in our core business. Within a five-level maturity model it enables us to determine the sustainability performance of our property portfolio. While it is still difficult to exactly quantify the cost-benefit ratio of the sustainability management system, we observe several added values:

The system is future-proof as all data required are collected and stored in-house. It is also more cost-effective and faster than any external certification since we are able to build upon existing data management and reporting systems. As a result, the expenses per building amount up to approximately 2,000 Euros within the first two years only; this is less than our typical marketing expenses per building within a single year. In addition, the system generates positive marketing effects and allows us to better serve our existing tenant base which shows an increased interest in sustainability issues. Finally, the system enables strategic optimisation at the building level through more sophisticated ancillary cost analyses. Above all, at Generali Deutschland Group (the second-largest primary insurance group in Germany) we are convinced that sustainability management ensures our future long-term corporate success and competitiveness.”

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**Michael Hermanns**

Head of Sustainability

Generali Deutschland Group