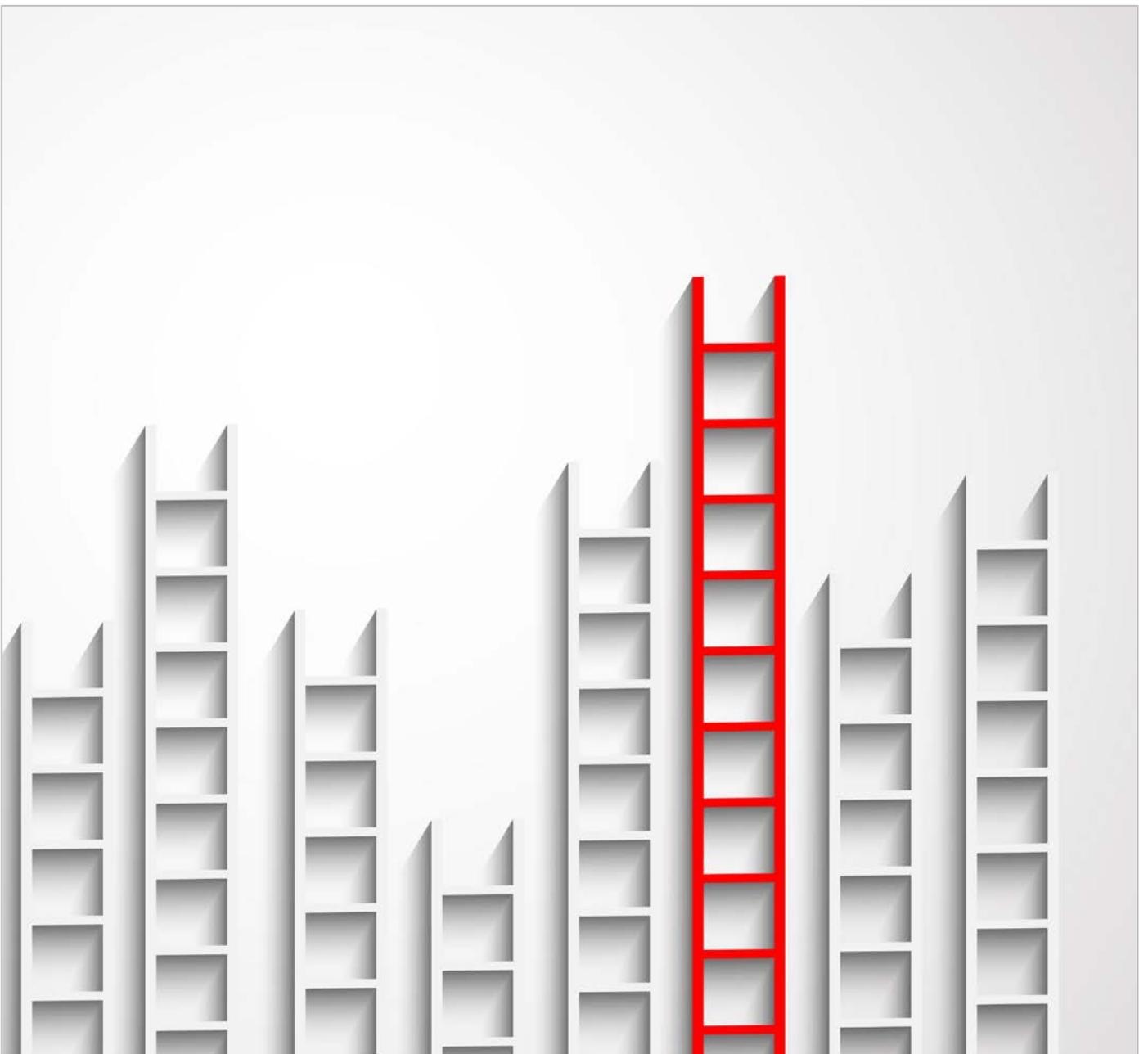


Rise to the Challenge

EPRA Sustainability Awards 2015



Foreword

JLL is delighted to announce the winners of the 4th EPRA Sustainability Awards.

The awards are based on a review of public disclosure of sustainability performance of the 91 publicly listed real estate companies in the FTSE EPRA/NAREIT Developed EMEA Index¹ as of March 31, 2015.

The EPRA Sustainability Best Practices Recommendations (sBPR) are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe. As with the EPRA Financial BPR awards, those companies judged to have the best compliance with the sBPR have been given gold, silver and bronze awards. Beyond, recognising outstanding companies, the awards also aim to raise awareness of and encourage the uptake of the EPRA sBPR and guidelines.

This 4th year of awards is the first to be based on the second edition of the EPRA sBPR, launched in September 2014. The new guidance draws on the latest Global Reporting Initiative's (GRI G4 CRESSD) guidelines and provides greater clarity on the existing recommendations. It also includes new sustainability performance measures and overarching recommendations, which were intended to raise the bar and further challenge those companies already complying with the first version of the guidelines.

Less than a year after launching the second version of the EPRA sBPR, it is encouraging to see companies continue to raise the bar, reflected in an increase in the number of companies achieving awards. This year almost a third of companies received an award; 23% received a Gold award (compared to 18% in 2014). Even some of the 2014 Gold award-winners improved their scores again this year, and in some cases by more than 10 percentage-points. This proves that even at the top end of the spectrum, companies are finding ways to enhance reporting and transparency. Moreover, the leaders are not alone, 54% of companies improved their scores this year compared to last year, and the average score for all companies rose from 22% in 2012, to 34% in 2015.

Not only has the quality of reporting improved, the number of companies reporting has also increased. In 2015 59% of 91 companies disclosed at least one sustainability performance measure (compared to 56% of 86 companies in 2014). This means that those companies not disclosing are being left even further behind.

We congratulate all the award winners and improvers in 2015, especially British Land, Citycon, Klépierre and Unibail-Rodamco for consistently winning Gold awards over the last 4 years. We commend Icade, IGD (Immobiliare Grande Distribuzione) and LondonMetric Property for dramatically improving their disclosure; going from no award, straight to gold, in just one year.

These success stories demonstrate that many companies have already adopted the sBPR and have done so in a relatively short timeframe. For others it has not been so easy. For example, companies with early reporting cycles would have had insufficient time to fully comply with all aspects of the new guidelines introduced in September 2014. For these, and others with room to improve, 2016 provides an opportunity to revisit the guidance in detail and understand what they need to do to 'make it on to the podium' next year. Indeed, we offer all Index constituents the option to discuss their results and can provide further recommendations on how to make improvements. Please contact myself or Graeme Gibbs at EPRA if you would like any further information.

Lastly, I would like to thank EPRA and its Sustainability Committee for making this initiative so successful.



Mathew Tippet

Director, Upstream
Sustainability Services

¹ A full list of companies in the FTSE EPRA/NAREIT Developed EMEA Index is provided at the end of this report.

The EPRA Sustainability Awards

The EPRA sBPR Awards were launched in 2011. The aim of the awards is to raise awareness around sustainability reporting amongst and beyond EPRA members and to encourage the uptake of the EPRA sBPR guidance. The growing number of companies reporting sustainability data and winning awards for compliance with the EPRA sBPR reflects EPRA's success in achieving these goals. This 4th year of awards is the first to be based on the 2nd version of the EPRA sBPR, launched in September 2014.

Award Process

Each year, a panel of JLL sustainability reporting experts scores each Index constituent's public disclosure against the following 2 areas of the EPRA sBPR guidance:

- **18 Performance Measures**, consisting of seven 'absolute' performance measures (which quantify total impact), seven 'like for like' measures (which compare the performance of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years), three 'intensity' measures (which divide the total footprint by a relevant denominator like floor area) and one performance measure for building certifications.
- **10 Overarching Recommendations**, consisting of ten principles which underpin good quality disclosure and should be applied when reporting EPRA's Sustainability Performance Measures.

The latest version of the EPRA sBPR guidance can be found at <http://epra.com/sustainability>

Announcement of EPRA sBPR Award Results

The awards winners are announced each year at EPRA's annual conference.

Individual Feedback on Awards and Results

Following the awards, JLL provides all assessed companies with the opportunity to discuss their results and can provide further recommendations on how to improve their results going forward.



“Following the release of the 2nd version of the EPRA sBPR, it is encouraging that we continue to see more companies reporting against these comprehensive guidelines, which have increased transparency and provided stakeholders with a clearer picture of the sector’s environmental impacts.”

Olivier Elamine, Chair of EPRA Sustainability Committee and CEO of Alstria Office REIT-AG



“EPRA is extremely pleased to see more disclosure in line with EPRA’s Sustainability Best Practice Recommendations, both in terms of the number of companies reporting and by market cap, which reached 75% in 2015. As uptake of the guidelines steadily increases, our attention is now turning to quality. This year alone, 54% of companies successfully improved their scores and more companies than ever before received Gold awards (21 companies). We hope that the second edition of the sBPR launched last September, will help and inspire the industry to raise the bar further, enhancing the quality of reporting in 2016 and beyond.” Fraser Hughes, Deputy CEO, EPRA

Gold Award Winners

We are delighted to present Gold awards to the following 21 companies for achieving exceptional compliance with the EPRA Sustainability BPR in their public reports and disclosures.



Highlights | Gold award winners

- 5 new Gold award-winners; LondonMetric Property; Igd-Immobiliare Grande Distribuzione, Hammerson; Befimmo and Icade
- Average score of 92% for Gold Medallists
- 86% of Gold Medallists reported all 18 indicators with the remaining 14% reporting 16
- 90% of Gold Medallists received 100% for their disclosure of organisational boundaries
- 81% of Gold Medallists reported their own occupation impacts
- Over half of Gold Medallists assured their sustainability data with a third party

Silver Award Winners

We are pleased to present Silver awards to the following 4 companies for compliance with the EPRA Sustainability BPR in their public reports and disclosures.



Bronze Award Winners

We are pleased to present Bronze awards to the following 4 companies for compliance with the EPRA Sustainability BPR in their public reports and disclosures.



Spotlight on...

Solid Gold

The number of Gold award winners has increased by almost one third in one year to 21 companies. Of these, a special mention goes to four companies who have achieved a Gold award for all four years of the EPRA SBPR awards. These consistently outstanding performers are:



The new EPRA SBPR guidance aims to raise the standards for those who have already reached them. It's therefore, really encouraging to see some of the 2014 Gold award-winners improve their scores again this year, and in some cases by more than 10%. This proves that even at the top end of the spectrum, companies are finding ways to enhance reporting and transparency.

Action points: Gold award-winners

- Only 29% of Gold Medallists stated the extent to data estimation for all impact areas
- Only 43% of Gold Medallists used meaningful segmentation in the presentation of all their data
- Only 52% of Gold Medallists clearly referenced EPRA Performance Measure codes (e.g. Elec-LfL) in their reports or accompanying documents
- Only 48% of Gold Medallists make a clear distinction between landlord and tenant consumption for all performance measures
- While 80% of Gold Medallists gave some information about certified assets, most did not express this as a percentage of their overall portfolio

Zero to Hero

This year 25 companies reported on at least one sustainability performance measure but did not receive a medal and a further 37 companies did not report on any sustainability performance measures. This does not mean that these companies can't be Gold winners in 2016!

As we have seen in previous years, companies can go 'from zero to hero' in a year. We would like to congratulate the following companies that received no medal in 2014 but have dramatically improved their score this year:



Icade's environmental performance indicators are now consistent with EPRA's recommendations. Icade decided to disclose summary tables in the CSR Chapter of its 2014 Management Report and its most comprehensive tables in a dedicated EPRA reporting document, available on its website.

LondonMetric Property Plc recently published its Responsible Business Policy, laying the foundation for its strategy, and included extensive information within its 2015 Annual Report and Responsible Business Report. They have established a baseline and benchmarks for the environmental performance of its portfolio and now collects and reports comprehensive data on energy, carbon, water and waste in line with EPRA's recommendations.

IGD: IGD's latest sustainability report is framed around 15 material issues and the implementation of the sustainability targets contained in its Business Plan. IGD has highlighted transparency and accessibility to information as an area that will distinguish it to its stakeholders. GRI-G4 and EPRA GRI-G4 and EPRA summary tables can be found in the appendix of its Sustainability Report.

Picton Property Income Limited: In 2014 it reported for the first time its overall energy, greenhouse gas, water and waste usage by sector and in 2015 it has been able to build on those figures by including like-for-like measures. All EPRA performance measures are set out in its 2015 Annual Report.

Going for Gold?

Some companies have made a significant effort to report on their environmental impact, demonstrating their motivation to provide investors with transparent disclosure of their sustainability performance.

The majority of companies, who have started to report their performance, disclose absolute consumption of electricity, fuels and water and their direct and indirect greenhouse gas emissions, as well as at least two intensity indicators, but clarity would be much improved by applying the sBPR's Overarching Recommendations.

Best practice disclosure includes the reporting of like-for-like performance so that the trend for consistent portfolios can be seen. Disclosure against the EPRA sBPR overarching recommendations also enables investors to understand what data represents.

Leading approaches to environmental disclosure include:

- A description of the organisational boundaries of the data that has been disclosed to identify which assets and operations are included in the reporting scope.
- Disclosure of how complete their data is and the extent to which it has been estimated
- Reference to the EPRA performance measures in their sustainability or financial reports or produce a separate EPRA sBPR table
- Distinction between consumption that is obtained by the landlord but sub-metered to tenants and consumption that is tenant-obtained; and
- Clarity over which EPRA performance measures and data have been assured.

Sustainability performance data is fundamental, but where disclosure lacks context investors and stakeholders cannot tell how complete or accurate it is.

Ultimately this means that the sustainability risks and opportunities are unclear to potential investors.

2016 provides an opportunity to revisit the guidance in detail and understand what is required to 'go for gold' next year. Indeed, we offer all constituents the option to discuss their results and can provide further recommendations on how you can improve your company's results going forward.

The latest version of the EPRA sBPR guidance can be found at <http://epra.com/sustainability>

Does transparency drive performance?

We all know that buildings are key to securing a low carbon economy. This year is especially important because of the UN climate negotiations taking place in Paris in the autumn. For the first time, COP21 climate change negotiations will include a dedicated “Buildings Day”, bringing together leaders who are collectively committed to driving action in the sector to help limit global warming to below two degrees.

To achieve continuous improvement of portfolios companies should not only collect accurate and complete data but should be using it strategically to create meaningful results. After all, delivering genuine cuts in emissions is the only sure-fire way to tackle global emissions and limit global temperature rises. So how well are public real estate companies actually performing? Is the sustainability data more accurate and complete? Are buildings being more efficiently designed and managed? Well, it would appear so.

For a start, 80% of Gold Medallists provided investors with better information on their certified assets - a new performance measure introduced in September 2014. It is abundantly clear that in the long-term, buildings with low resource requirements are more likely to hold their value and certifying assets to widely recognised standards such as LEED and BREEAM is a way of providing investors and tenants with confidence that tried and tested environmental practice is incorporated into building design.

An increasing number of companies are also tracking the efficiency of their portfolios with like-for-like performance measures which have been given greater prominence in the 2nd edition of the sBPR. 30% of all constituents reported like-for-like energy, carbon and water – twice as many as last year. Many have also seen their consumption patterns improve. For example, the Gold award-winners reduced their like-for-like emissions on average by 8% this year, with some reporting decreases of over 30%. The good news does not end here either. The quality of the information disclosed by these same companies has also improved, suggesting that better reporting though quality data disclosure helps to drive performance.

While these results suggest that the sector on the whole is moving in the right direction, we must not be complacent; the rest of the sector now needs to do more to achieve its share of the reductions needed. Imagine the opportunity for improving the efficiency of the assets of all 91 constituents (with a collective market capitalisation worth over €200 billion) for carbon and cost savings. Now that’s something to think about.

“Quality disclosure of environmental performance sends a clear message to shareholders that companies are effectively managing environmental risks and opportunities.

Matthew Tippet

Director, Upstream Sustainability Services,
JLL

Hallmarks of quality | Gold award winners

Whilst like-for-like data is informative, the quality of the data is fundamental to understanding and managing performance.

- All Gold Medallists provided information about their organisation boundaries, enabling stakeholders to understand the extent of operations and activities included in the performance analysis
- All Gold Medallists provided some information about the coverage or completeness of their data; on average data was provided for 92% of eligible assets (by number or value).
- Most Gold Medallists provided information on the method and extent of data estimation.
- Over half of Gold Medallists assured their sustainability data with a third party

Index Constituents List

The following 91 companies were constituents of the FTSE EPRA/NAREIT Developed EMEA Index as at March 31, 2015

Adler Real Estate AG	Hansteen Holdings	Unibail-Rodamco
Aedifica	Helical Bar	Unite Group
Affine	Hemfosa Fastigheter AB	Vastned Retail
Allreal Hld N	Hufvudstaden A	Wallenstam AB
Alstria Office	Icade	Warehouses De Pauw
ANF-Immobilier S.A.	IGD (Immobiliare Grande Distribuzione)	Wereldhave
Assura	Inmobiliaria Colonial S.A.	Wereldhave Belgium
Befimmo (Sicafi)	Intervest Offices & Warehouses	Wihlborgs Fastigheter
Beni Stabili	Intu Properties	Workspace Group
Big Yellow Group	Klépierre	
British Land Co.	Klovern (B)	
BUWOG - Bauen und Wohnen GmbH	Kungsleden	
Ca Immobilien	Land Securities Group	
Capital & Counties Properties	Leasinvest Real Estate	
Castellum	LEG Immobilien AG	
Citycon	LondonMetric Property	
Cofinimmo	Medicx Fund	
Conwert Immobilien Invest	Mercialys	
Daejan Hdg	Merlin Properties Socimi S.A.	
Derwent London	Mobimo	
Deutsche Annington Immobilien AG	NSI NV	
Deutsche EuroShop	Norwegian Property ASA	
Deutsche Wohnen AG	Picton Property Income	
Development Securities	Primary Health Prop.	
DIC Asset AG	Prime Office AG	
Dios Fastigheter AB	PSP Swiss Property	
Entra ASA	Quintain Estates and Development	
Eurobank Properties Real Estate Investment Co	Redefine International	
EuroCommercial Ppty	Safestore Holdings	
FABEGE	Schroder Real Estate Investment Trust	
F&C Commercial Property Trust	Segro	
F&C UK Real Estate Investments	Shaftesbury	
Fastighets AB Balder B	Sponda Oyj	
Foncière des Régions	Standard Life Inv Prop Inc Trust	
Gecina	St.Modwen Properties PLC	
Grainger	Swiss Prime Site	
Grand City Properties	TAG Immobilien AG	
Great Portland Estates	Technopolis	
Green REIT PLC	TLG Immobilien GmbH	
Hamborner REIT AG	Tritax Big Box REIT	
Hammerson	UK Commercial Property Trust	



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As market leaders in sustainability reporting, we are well positioned to help organisations understand and adopt EPRA's sBPR in their upcoming reporting cycle. For further information, please visit our website:

www.jll.co.uk/sustainability



The European Public Real Estate Association is the voice of the publicly traded European real estate sector. With more than 200 active members, EPRA represents over EUR 250 billion of real estate assets and 90% of the market capitalisation of the FTSE EPRA/NAREIT Europe Index.

EPRA activities reflect its mission to promote, develop and represent the European public real estate sector. Its underlying objective is to foster trust for and encourage greater investment in listed real estate in Europe. This is achieved by a full commitment to transparency, from EPRA and its members alike.

Founded in 1999, EPRA is a not-for-profit association registered in Belgium. The association is governed by a Management Board, which delegates some of its functions to an Executive Board. www.epra.com



JLL

London
30 Warwick Street
W1B 5NH

Matthew Tippet

Director, Upstream
Sustainability Services

T: +44 (0)207 399 5655
M: +44 (0)7800 916740

Matthew.Tippet@eu.jll.com

Lewis Claxton-Teagle

Consultant, Upstream
Sustainability Services

T: +44 (0)207 399 5487
M: +44 (0)7710 059808

Lewis.Claxton-Teagle@eu.jll.com

www.jll.co.uk/sustainability

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