



EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION



Assessment methodology for the EPRA sBPR Awards



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SECTION 1

Introduction

The EPRA sBPR guidelines

The EPRA Sustainability Best Practices Recommendations (sBPR) are raising the standards and consistency of sustainability reporting for listed real estate companies across Europe. First published in 2011, the second version of the guidelines was published in 2014, drawing on the new Global Reporting Initiative guidelines (GRI G4 CRESSD). A third version has been released in September 2017, to align with the updated Global Reporting Initiative's (GRI) Standards 2016 and to establish common metrics to support companies with their reporting on wider social and governance issues as set out in Directive 2014/95/EU of the European Parliament and of the Council on disclosure of non-financial and diversity information. sBPR complement the existing and well established EPRA Financial BPR.

The EPRA sBPR Awards

The aim of the EPRA sBPR Awards is to encourage the uptake of the EPRA sBPR guidance and to raise awareness around sustainability reporting amongst and beyond EPRA members. 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.

Assessment methodology

The assessment methodology described in this document is structured based on the second version of the sBPR guidelines (2014).

By the end of 2018, this document will be replaced by the updated version of the scoring methodology which will reflect the social and corporate governance impact categories introduced in the third version of the sBPR Guidelines.

The social and corporate governance performance measures will remain unscored for 2018 Award assessment.

SECTION 2

The Awards

Based on adherence to the EPRA sBPR in their public disclosure, companies are identified for Gold, Silver or Bronze Awards. The awards winners are announced each year at EPRA's Annual Conference.

Gold Award

Exceptional adherence with the sBPR.

Scoring above 85%.

At least 12 Performance Measures disclosed.



Silver Award

High adherence with the sBPR.

Score between 85% and 70%.

At least 12 Performance Measures disclosed.



Bronze Award

Reasonable adherence with the sBPR.

Scoring between 69-60%.

At least 12 Performance Measures disclosed.



Most Improved Award

30 percentage points YoY increases in score in comparison to the previous year.



SECTION 3

Scope of Award participants

Since the initiation of the sBPR Awards, participants have only included members of FTSE EPRA/NAREIT Developed Europe Index. However starting from 2016, the list of participants has been expanded by adding companies that are EPRA members, as at April 30.

The cut-off date for inclusion in the sBPR Awards assessment is the June 30 of each year.

SECTION 4

Assessment Methodology

Each year, a panel of sustainability reporting experts scores each eligible company's public disclosure against the following areas of the EPRA sBPR guidance:

- EPRA 18 sBPR Performance Measures, consisting of Absolute, Like-for-like and intensity measures.
- EPRA sBPR Overarching Recommendations, consisting of 10 principles which underpin good quality disclosure and should be applied when reporting EPRA's sBPR Performance Measures.

Review Procedure

1. A detailed primary review of annual reports is initiated by sustainability reporting experts at the end of 2nd quarter of the year, using a scorecard based directly on the EPRA sBPRs.
2. A second review by a different member of the team is carried out.
3. Any discrepancies between the primary and secondary review score are addressed.
4. Any changes of Awards compared to the previous year are analysed and explained.
5. Companies are ranked according to their survey score.
6. Based on the results and after a moderation process, companies are identified for Gold, Silver or Bronze Awards.
7. The results are shared with EPRA to determine final allocation of Awards.

Scoring and weighting methodology

1 Allocation of points for Performance Measures

Half of the total points are allocated to the disclosure of the 18 performance measures. Within this, the weighting is:

- 35% to 7 Energy measures
- 25% to 5 GHG emissions measures
- 15% to 3 Water measures
- 15% to 2 Waste measures
- 10% to 1 Green Building Certification measure

Scoring for these is assessed as 'Achieved' / 'Not achieved' / 'Not applicable'. Disclosure on a Performance Measure is assessed as 'Not applicable' only when a valid reason is provided for not disclosing on a Performance Measure (for example, if there is no district heating/cooling, or a company has undertaken and publicly published a materiality review stating that an impact area is not material). When a Performance Measure is deemed 'Not applicable', the company is not penalised in its score.

2 Allocation of points for Overarching Recommendations

Half of the total points are allocated to the application of the 10 Overarching Recommendations. Within this, the weighting is:

ORGANISATIONAL BOUNDARIES	10%
COVERAGE	20%
ESTIMATION OF LANDLORD-OBTAINED UTILITY CONSUMPTION	10%
THIRD PARTY ASSURANCE	10%
BOUNDARIES – REPORTING ON LANDLORD AND TENANT CONSUMPTION	20%
ANALYSIS – NORMALISATION	10%
ANALYSIS – SEGMENTAL ANALYSIS (BY PROPERTY TYPE, GEOGRAPHY)	5%
DISCLOSURE ON OWN OFFICES	5%
ANALYSIS – NARRATIVE ON PERFORMANCE	5%
LOCATION OF EPRA SUSTAINABILITY PERFORMANCE MEASURES IN COMPANIES' REPORTS	5%

Reporting in line with the Overarching Recommendations is assessed as:

- 'Fully compliant' (full point)
- 'Mostly compliant' (2/3 point)
- 'Partially compliant' (1/3 point)
- 'Not compliant' (zero)

Disclosure on an Overarching Recommendation is scored as 'Not applicable' only when the Performance Measure to which it should have been applied is assessed as 'Not applicable'. In this case, the company is not penalised in its score.

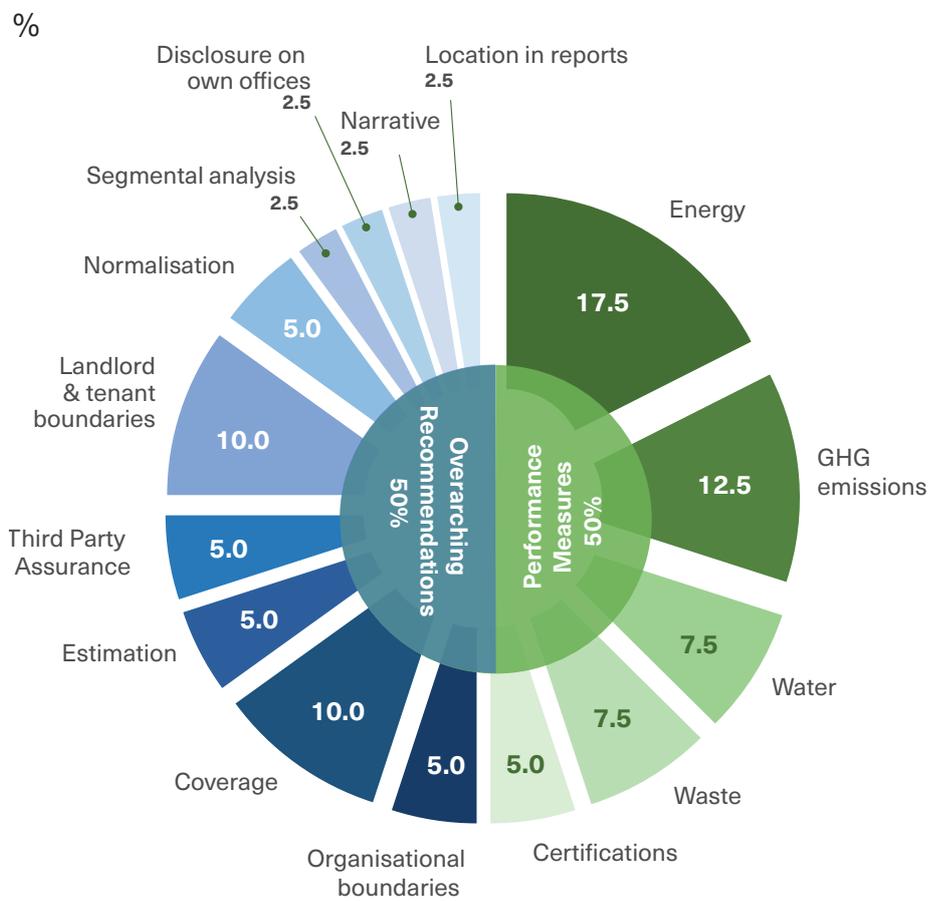


Figure 2 Awards assessment – criteria weighting

SECTION 6

Individual feedback and additional support

Starting from 2017, companies will receive an individual sBPR feedback report to help them identify main focus areas where disclosures need to be improved.

This individual report aims to provide a tangible roadmap for companies to meet the minimum threshold and to improve sBPR reporting, and the award from a lower category to a higher one, accordingly.

This new feedback report is part of the initiatives of the EPRA Sustainability Committee to enhance the non-financial reporting of listed property companies and to strengthen the adoption of the EPRA sBPR.

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