



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

Sustainability Best Practices Recommendations Q&A

September 2017

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1. Introduction

This document shines a technical light on the usage of EPRA's key sustainability performance indicators and provides additional information to the Sustainability Best Practices Recommendations (sBPR) Guidelines but is not formally part of it.

The Q&A document includes questions submitted to the sBPR Adviser by EPRA member companies and answers drawn from EPRA and its external consultants. It is important to view this as a live document, which will be regularly edited and updated.

As EPRA sBPR are raising the standards and consistency of sustainability reporting for listed real estate companies across Europe, I would like to thank the EPRA team for their ongoing commitment to maintain and improve the sBPR quality and further build investors' confidence in this reporting benchmark.

EPRA welcomes any feedback on the Q&A document and encourages you to use the sBPR Adviser in case of any additional questions, hence contributing to the exchange of best practices and information between companies.



Olivier Elamine
Chairman, EPRA Sustainability Committee

2. Performance Measures

2.1 DH&C- Total district heating & cooling consumption (Abs and LfL)

- 2.1.1 None of the assets within my company boundaries use district heating & cooling – can I:
- not report the data without any explanative narrative, or
 - report the district heating & cooling consumption equal to zero or
 - not report the data and add an explanative narrative?

Options 2 and 3 are both accepted by EPRA. EPRA suggests to follow option 3 and to add a narrative explaining that your company is not reporting district heating and cooling data as you do not use it at any of your assets.

Omission of data (option 1) will be penalised.

2.2 Cer-Tot (Type and number of sustainability certified assets)

2.2.1 Which type of certifications should my company report under Cer-Tot?

The performance measure ‘Cert-Tot’ refers to the total number of assets within the portfolio boundaries (to be defined according to the EPRA recommendation on *Organisational boundaries*) which are certified according to voluntary schemes such as LEED, BREEAM etc., or mandatory schemes such as Energy Performance Certificates (EPC).

Companies are required to report for each type of certification (LEED, BREEAM etc. / EPC):

- the number of assets of their portfolio certified, or as alternative
- the percentage of their portfolio certified by floor area.

3. Overarching recommendations

3.1 Boundaries – Reporting on landlord and tenant consumption

3.1.1 EPRA sBPR Guidelines on Sustainability Reporting mentions “landlord-obtained” and “tenant-obtained”. Is there a precise definition of “landlord-obtained” or is the company free to define this according to its business model?

The intention of the Guidelines is to enable companies to produce consistent and comparable reports, so it is not intended nor desirable that companies adopt different definitions. “Landlord-obtained” is when the landlord has the purchasing contract with the utility company (and the energy consumed that they generated themselves too). “Tenant-obtained” is where the tenant has the purchasing contract with the utility company.

3.1.2 Should my company report just the consumption it is responsible to obtain itself as landlord, or also report the consumption purchased directly by the tenants?

Your company should report all utilities (energy, water etc.) that it buys or obtains, as landlord, regardless of who consumes it and where it is consumed. This is the minimum recommended by EPRA.

As options:

- Landlords may also choose to itemise and report tenant consumption that is sub-metered from the landlord supply, if data is available.
- Consumption data directly purchased and consumed by the tenants should be always reported separately, if available.

In addition to providing data, your company should clearly set out the approach to landlord-tenant boundaries in form of narrative. This means inclusion of consumption purchased by landlord, inclusion/exclusion of utility consumption purchased by tenants, etc.

Example of how utility consumption may be reported (narrative and data disclosure)

Narrative: “The consumption reported includes energy and water we purchased as landlord. This includes energy and water consumed in common areas as well as energy used for heating in tenant areas. It excludes any utilities directly purchased by tenants.”

Data Table

		2016	Notes
Electricity (MWh)	*For landlord shared services	20,000	A
	(Sub)metered exclusively to tenants	N/A	B
	Total landlord-obtained electricity	20,000	C=A+B

*To be reported as a minimum, as required by EPRA

		2016	Notes
Water (m ³)	*For landlord shared services	20,000	A
	(Sub)metered exclusively to tenants	N/A	B
	Total landlord-obtained electricity	20,000	C=A+B

*To be reported as a minimum, as required by EPRA

3.1.3 Should my company report its energy consumption divided into rented space, common parts area or rather according to metering arrangements? Which approach is aligned with the EPRA sBPR recommendation?

EPRA sBPR does not require a split between areas within a building per se, but rather of metering arrangements. This is exactly the reason why the sBPR requires that “As a minimum, companies should report on consumption that they are responsible for obtaining themselves”, i.e. disclosure of landlord-obtained consumption as a minimum and itemisation of sub-metered consumption whenever it is in place.

3.2 Organisational boundaries

3.2.1 Within the entire assets portfolio, my company owns utility contracts, and thus has direct access to consumption data, for the 19 assets which include warehouses and the corporate headquarter. Which is the number of assets that I should include within my boundaries?

In this case, your company is reporting on 100% of the portfolio for which it has operational control (that means being responsible for paying the utility bills) corresponding to 19 assets of the company's entire portfolio.

EPRA recommends to clearly state your approach in form of narrative.

Example: My company reports on 100% of the assets (19 in total) on which it has operational control. The number of properties within the boundaries are those for which we are responsible for purchasing a specific utility for.

3.3 Coverage

3.3.1 Do I lose points under Coverage if my coverage is less than 100% for a Performance Measure?

No. Full scores are awarded for disclosing the coverage whether it is 100% coverage or partial coverage.

3.3.2 Can I calculate an average coverage for all Performance Measures?

No. Coverage must be disclosed for each Performance Measures, as, most of the times, it varies according to the utility type.

You should report the coverage of each utility consumption (electricity, fuel, GHG, water etc.) both absolute and like-for-like.

3.3.3 I have the same coverage for all Performance Measures – do I need to add this in each row of the table, or can I simply add a footnote?

If coverage is the same across all Performance Measures, you can simply add a footnote to your table. (e.g. “Coverage is 100% for all Performance Measures reported”).

3.4 Estimation of landlord-obtained utility consumption

3.4.1 My company has come across cases of missing data and we would need to conduct estimations on consumption parameters. The EPRA recommendations make it clear that this is acceptable as long as there are indications from our side on the method used etc. Will a dataset which has been subject to estimations be treated differently compared to a full dataset where no estimations have been done?

Actual and partially estimated dataset are treated equally only if the company demonstrates having respected the following recommendations:

- Only estimate data to fill gaps for missing periods using known consumption from other periods for the metered supply in question.
- Disclose the proportion of total disclosed data that is estimated (as a percentage of the total disclosed for a certain Performance Measure).
- Disclose the method of estimation used.
- Use the same method of estimation for all Sustainability Performance Measures and all assets.
- If different methods of estimation must be used, this should be clearly indicated for each Sustainability Performance Measure.
- Assets should be excluded from the coverage of data being disclosed in the following cases:
 - Where data for one of more meters at an asset is missing for an entire year.
 - Where the only available data for the asset is unreliable.
- This means that fully estimated data assets must always be excluded.

3.4.2 Can I calculate an average estimation for all Performance Measures?

No. Data estimation must be disclosed for each Performance Measure, as, most of the times, it varies according to the utility type.

You should report the estimation of each utility consumption (electricity, fuel, GHG, water etc.) both absolute and like-for-like.

3.4.3 For a certain asset within the boundary, my company has all utilities consumption, except water consumption. Can my company estimate the water consumption for that asset? Or should my company exclude that asset from water-related Performance Measures?

Fully estimated data assets must always be excluded. In this case, you cannot estimate 100% of water consumption, and you must exclude that specific asset from the reporting of water-related Performance Measures. This exclusion will have an impact on the coverage related to water data.

3.5 Normalisation

3.5.1 My company calculates and reports intensity metrics on a like-for-like basis i.e. excluding any vacant, sold or bought property during the reporting year. Is this approach in line with EPRA's recommendation?

This approach is fully accepted by EPRA, as it allows companies to better understand their performance on 'a constant portfolio basis'. EPRA recommends to:

- include a brief explanation related to the approach used in the calculations.
- use the same approach for the current and the previous reporting year, in order to provide consistent and comparable data over the years.

3.6 Like-for-like definition

3.6.1 Which is the definition of like-for-like performance measures?

Like-for-like performance measures reflect only comparable data (i.e. the portion of the portfolio that has remained the same year-over-year). This means that assets, sold, acquired or that have undergone new construction or major renovation projects should be excluded from Like-for-Like calculations.

Like-for-like performance measures have to be built considering a like-for-like period of two years.

Example: if in 2015 you have 10% Data Coverage, but in 2016 your Data Coverage increased to 40%, please only report on the constant fraction, which is the 10% from 2015 and that same 10% for 2016.

3.6.2 How should I calculate Like-for-like performance measures?

Once the absolute figures have been calculated for two consecutive years – simply exclude assets that have been bought, sold or under major renovation in the two year like-for-like period, and calculate the change in percentage.

3.7 Adjustment

3.7.1 EPRA sBPR Guidelines states that adjustment (e.g. for weather, occupancy, etc.) is not acceptable for absolute / like-for-like / intensity measures. Can you confirm this?

The term 'adjustment' is used in two different ways in the Guidelines, one is related to data adjustment as based on climate/occupancy and the other one is related to adjustment as filling in gaps with estimation. In the first case, we confirm that EPRA recommends not to adjust data, based on weather or occupancy but only to comment on changes in performance, due to variation in occupancy rate or weather conditions (see example below).

Example: *Building energy intensity across 16 properties in our office portfolio equalled 182 kWh/m² in 2015, up 10% on a like-for-like basis in comparison with 2014. Greenhouse gas intensity from building energy across the same assets was 67 kgCO₂e/m², an increase of 11% on a like-for-like basis compared with 2014. These intensities are very similar to our 2013 measurements. We believe the increase in energy and GHG emissions intensity is attributable to the extremely hot weather during the summer of 2015.*

4. EPRA sBPR reporting examples

The following section includes examples of EPRA sBPR used in property companies' annual reports. Mainly selected from companies that achieved a Gold level in the 2016 EPRA sBPR Awards, these examples are not intended to be a pro forma for the sBPR, nor an endorsement of the specific formats used.

4.1 EPRA sBPR Performance Measures

4.1.1 Beni Stabili

Impact area	EPRA Sustainability Performance Measures		Intensity indicator	2014	2015	% change
Office						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	165	182	10%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / m ² / year	60	67	11%
		Proportion of energy and associated GHG estimated	%	0%	0%	0%
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / m ² / year	1.09	1.28	5%
		Proportion of water estimated	%	0%	0%	0%
		Net Lettable Area [m ²]		155,003	159,468	
		Number of applicable properties		16 /20	17 /25	
Retail						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	147	153	4%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / m ² / year	64	66	4%
Proportion of energy and associated GHG estimated			%	0%	0%	0%
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / m ² / year	N/A	N/A	N/A
Proportion of water estimated			%	N/A	N/A	N/A
		Net Lettable Area [m ²]		20,357	20,357	
		Number of applicable properties		1 /1	1 /1	
Residential / mixed use						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	52	59	14%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / m ² / year	22	26	14%
Proportion of energy and associated GHG estimated			%	0%	0%	N/A
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / m ² / year	6	N/A	N/A
Proportion of water estimated			%	0%	0%	N/A
		Net Lettable Area [m ²]		5,619	345	
		Number of applicable properties		1 /1	1 /1	
Headquarters						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	259	264	2%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / m ² / year	102	101	0%
Proportion of energy and associated GHG estimated			%	0%	0%	0%
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m3 / m2 / year	1.28	1.37	7%
Proportion of water estimated			%	0%	0%	0%
		Net Lettable Area [m ²]		7,123	7,245	
		Number of applicable properties		2 /2	2 /2	

Source: Beni Stabili, 2015 Sustainability Report, page 28

Impact area	measurement unit	EPRA Sustainability Best Practice Performance Measures	Total portfolio						Office						Retail						Residential/mixed use						Headquarters																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
			Absolute measures (Abs)			Like-for-like (L/L)			Absolute measures (Abs)			Like-for-like (L/L)			Absolute measures (Abs)			Like-for-like (L/L)			Absolute measures (Abs)			Like-for-like (L/L)			Absolute measures (Abs)			Like-for-like (L/L)			Absolute measures (Abs)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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Energy	MWh	Electricity Electricity Electricity Electricity	for landlord shared services			21,500	26,528	21,208	22,513	6.2%	N/A	N/A	N/A	N/A	N/A	18,190	23,398	18,190	19,382	6.6%	2,986	3,107	2,986	3,107	4.0%	32	24	32	24	-26%	1,497	1,508	0.8%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
			for landlord shared services			21,500	26,528	21,208	22,513	6.2%	N/A	N/A	N/A	N/A	N/A	18,190	23,398	18,190	19,382	6.6%	2,986	3,107	2,986	3,107	4.0%	32	24	32	24	-26%	1,497	1,508	0.8%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
			for landlord shared services			8,148	9,705	8,148	8,627	5.9%	8,066	9,705	8,148	8,627	5.9%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Beni Stabili, 2015 Sustainability Report, page 29

4.1.2 Derwent London

SUSTAINABILITY PERFORMANCE MEASURES

Elec-Abs (total electricity consumption) (annual kWh)²

11,748,376 – shown in Table 4 – Energy use across our total managed portfolio (landlord/common areas), page 62

Elec-LfL (like-for-like total electricity consumption) (annual kWh)

9,827,041 – shown in Table 5 – Energy use across our like-for-like portfolio (landlord/common areas), page 63

DH&C-Abs (total district heating and cooling consumption) (annual kWh)

None of our properties are connected to or benefit from district heating and cooling.

DH&C-LfL (like-for-like total district heating and cooling consumption) (annual kWh)

None of our properties are connected to or benefit from district heating and cooling.

Fuels-Abs (total fuel consumption) (annual kWh)

15,782,576 – shown in Table 4 – Energy use across our total managed portfolio (landlord/common areas) [a total of gas, oil and biomass consumption], page 62

Fuels-LfL (like-for-like total fuels consumption) (annual kWh)*

13,076,103 – shown in Table 5 – Energy use across our total managed portfolio (landlord/common areas) [a total of gas, oil and biomass consumption], page 63

Energy-Int (building energy intensity) (kWh per m²)

82.62 – shown in Table 4 – Energy use across our total managed portfolio (landlord/common areas), page 62

GHG-Dir-Abs (total direct greenhouse gas emissions) (annual metric tonnes CO₂e)

3,186 – shown in Table 1 – Total managed portfolio emissions (landlord influenced portfolio emissions) [a total of Scope 1 emissions], page 59

GHG-Indir-Abs (total indirect greenhouse gas emissions) (annual metric tonnes CO₂e)

5,406 – shown in Table 1 – Total managed portfolio emissions (landlord influenced portfolio emissions) [Scope 2 energy-use], page 59

GHG-Dir-LfL (like-for-like direct greenhouse gas emissions) (annual metric tonnes CO₂e)

2,249 – shown in Table 2 – Like-for-like emissions (landlord influenced portfolio emissions, building related only) [Scope 1 energy-use], page 60

GHG-Indir-LfL (like-for-like indirect greenhouse gas emissions) (annual metric tonnes CO₂e)

4,542 – shown in Table 2 – Like-for-like emissions (landlord influenced portfolio emissions, building related only) (Scope 2 energy-use), page 60

GHG-Int (greenhouse gas intensity from building energy consumption) (kg CO₂e/m²/year)

0.025 – shown in Table 3 – Intensity (Scopes 1 & 2) per m²/£m turnover/fair market value (reported in tCO₂e/m²), page 61

Water-Abs (total water consumption) (annual m³)

160,217 – shown in Table 7 – Water use across our total managed portfolio (excluding retail consumption), page 65

Water-LfL (like-for-like total water consumption) (annual m³)

133,662 – shown in Table 8 – Water use across our like-for-like portfolio (excluding retail consumption), page 65

Water-Int (building water intensity) (m³/m²/year)

0.50 – shown in Table 7 – Water use across our total managed portfolio (excluding retail consumption), page 65

Waste-Abs (total weight of waste by disposal route) (annual metric tonnes and proportion by disposal route)

2,413 total weight. 1,650 recycled (68%), 763 incinerated (32%) (with energy recovery), 0 to landfill (0%)

(all non-hazardous) – shown in Table 9 – Waste generated across our total managed portfolio, page 66

Waste-LfL (like-for-like total weight of waste by disposal route) (annual metric tonnes and proportion by disposal route)

2,178 total weight. 1,482 recycled (68%), 696 incinerated (32%) (with energy recovery), 0 to landfill (0%)

(all non-hazardous) – shown in Table 10 – Waste generated across our like-for-like portfolio, page 66

Cert-Tot (type and number of sustainability certified assets) (total number by certification/rating/labelling scheme) –

shown in Table 11 – Building certifications and labelling, page 67

² This data covers electricity procured by Derwent London only.

³ Although this EPRA recommendation seeks to report in kgCO₂e/m², for consistency and ease of use we have reported this in terms of tCO₂e/m² to align with the rest of our carbon reporting.

Source: Derwent London Sustainability report, page 71

4.2 EPRA sBPR Overarching recommendations

4.2.1 Beni Stabili

We report on our energy, GHG emissions, water and waste impacts in accordance with the EPRA Sustainability Best Practice Recommendations (sBPR).

Organisational Boundary & Data Coverage

Beni Stabili reports on 100% of the assets (28 in total) on which it has operational control. The number of properties reported in the table for each performance measure indicates the number of properties for which we are responsible for purchasing a specific utility for.

Landlord/Tenant Boundary

The consumption reported includes only energy and water which we purchase as landlords. This includes energy and water consumed in common areas as well as energy used for heating in tenant areas. It excludes any utilities directly purchased by tenants.

Normalisation

Intensities are reported excluding any vacant properties and any properties sold or bought during 2015.

Energy and GHG emissions intensities were calculated using ‘total absolute consumption/emission’ as a numerator, and Gross Leasable Area (GLA) as a denominator, as some energy consumed in tenant areas is landlord obtained. Beni Stabili is aware of the mismatch between numerator and denominator when calculating intensity metrics as the denominator does not include tenant obtained energy in the tenant areas.

Water intensity was calculated using ‘absolute consumption’ as a numerator, and GLA as a denominator, as this is where the majority of water is consumed. Beni Stabili is aware of a slight mismatch between numerator and denominator as a very small amount of water is consumed in common areas, including external areas.

OUR MANAGED ASSETS

Energy

In 2015, the electrical energy consumption across the 27 of our 28 managed assets where we have operational control totalled 26,528,193 kWh. Our indirect GHG emissions associated with electrical energy consumption was 11,492 tonnes CO₂e. On a like-for-like basis, this

corresponds to an increase of 6.2% for both indicators. The increase was mainly due to an extremely hot summer we experienced in Italy, during which energy consumption for air conditioning was significantly higher than the energy consumed in the same period of 2014.

We do not report district heating and cooling as we do not use it at any of our assets.

Total direct energy consumption from fuels across 19 of these properties was 9,704,931 kWh in 2015, up 5.9% on a like-for-like basis in comparison with 2014. Fuel types include gas oil (542,877 kWh) and methane gas (9,162,054 kWh). GHG emissions associated with fuel consumption (1,974 tonnes CO₂e in 2015) increased by 4.1% on a like-for-like basis. This includes 143 tonnes of CO₂e from gas oil and 1,830 tonnes of CO₂e from methane gas.

Building energy intensity across 16 properties in our office portfolio equalled 182 kWh/m² in 2015, up 10% on a like-for-like basis in comparison with 2014. Greenhouse gas intensity from building energy across the same assets was 67 kgCO₂e/m², an increase of 11% on a like-for-like basis compared with 2014. These intensities are very similar to our 2013 measurements. Once again, we believe the increase in energy and GHG emissions intensity is attributable to the extremely hot weather during the summer of 2015.

Water

Total water consumption across the 20 managed assets where we were able to obtain data in 2015 was 225,942m³. On a like-for-like basis, total water consumption increased by 19%. Building water intensity across the 20 office assets where we were able to obtain data was 1.28 m³/m² in 2015, a 5% increase compared to 2014.

Waste

Our waste management service providers do not provide any information regarding the quantity of waste produced nor its disposal routes of non-recycled waste. Therefore our data is 100% estimated. The estimation is carried out by determining the number of bin bags or full waste bins for recycled and non-recycled waste collected each month, at each asset. Using the bins' volume, we are able to estimate the annual volume of waste produced at an asset. Where waste is not collected in bins, but is put directly out on to the street for collection, we were not able to provide an estimate. We are now working closely with Revalo to ensure the data is collected regularly across all our managed portfolio to be able to estimate as precisely as possible.

Taking this into account, the volume of waste generated at 15 managed assets where we were able to estimate data was 5,918,108 litres, of which 68% was recycled. However, this data does not necessarily reflect our performance. Waste data is 100% estimated, involving various assumptions. We are constantly finding ways to improve the way waste data is collected and analysed but this will take time. Until we reach a point where we have high quality data that we can trust, trends in waste data over time are not easy to interpret.

Source: Beni Stabili, 2015 Sustainability Report, page 26

4.2.2 Derwent London

OVERARCHING RECOMMENDATIONS

5.1 Organisational boundaries

This is explained in the Reporting boundary section, see page 57.

5.2 Coverage

Please see our reporting scope on page 58 for a full breakdown of our various reporting scopes and subsequent coverage.

5.3 Estimation of landlord-obtained utility consumption

None of our data presented above is estimated. Where a property exited or came into the portfolio during the year we pro-rata the data to annualise the consumption as part of our intensity portfolio reporting – to ensure fair representation. We have stated which properties this affects (Davidson Building WC2, Portobello Dock W10 and 20 Farringdon Road E1) and against which utility type. Please see our reporting scope sections on page 58 for our approach to data pro-rating.

5.4 Third Party Assurance

We undertake assurance on our resource efficiency data in accordance with ISAE3000. A public assurance statement from our auditors Deloitte LLP can be found on pages 68–69.

5.5 Boundaries – reporting on landlord and tenant consumption

We report both landlord and tenant derived consumption for electricity and subsequently carbon, which is clearly shown in each relevant section of our data report. We report gas, biomass, oil (energy) and water consumption on a whole building basis. Please see our reporting boundary section on page 57.

5.6 Normalisation

Intensity indicators based on floor area (m²) are provided for energy, water and carbon. Please refer to the respective data report sections for the relevant intensity indicator. We also add a financial intensity indicator of tCO₂e/£m turnover and tCO₂e/fair market value to our carbon reporting for additional performance context.

5.7 Analysis – Segmental analysis (by property type, geography)

All our reporting portfolios (total managed, like-for-like and intensity) report on the one typology – commercial office space, which is all located in central London. As a result it is not possible to compare location and typology (segmentation) within our portfolio to establish geo-spatial differences across varying property types. Please see the Scope section on page 58 for confirmation of the basis of our reporting.

5.8 Disclosure on own offices

Please see Table 6 on page 64 for a breakdown of the energy use at our head office buildings.

5.9 Narrative on performance

Please see our performance summary on page 57. Likewise we provide commentary on the shifts in our carbon footprint in our carbon footprint section, see page 18

5.10 Location of EPRA sustainability performance measures in companies' reports

We provide a dedicated section in our 2015 Annual Reports and Accounts on sustainability (page 66-67), which also includes a full summary of our carbon footprint and headline performance and data results. This annual sustainability report then provides a detailed review of our sustainability work, performance and resource efficiency data. Moreover, we have developed this section of the report to enable our stakeholders to access quickly the best practice aspects set out in the EPRA recommendations document.

OTHER ISSUES TO CONSIDER

6.1 Materiality

As part of our move to GRI based reporting we have undertaken another materiality assessment/review, the results of which are shown in the 'key priorities and materiality' section of this report on pages 10–11.

6.2 Emerging indicator – return on carbon emissions (ROCE)

We report two sets of financially orientated carbon intensity measures - tCO₂e/£m turnover and tCO₂e/fair market value. These are presented in table 3 on page 61.

6.3 Socio-economic indicators related to sustainability performance

We have mandated a performance measure to undertake socio-economic assessments of our new developments 12 months after full occupation. Moreover, we are the only UK based REIT that operates its own community investment fund – details are provided in the 'Creating value in the community' section of this report, please see pages 36. Likewise we report on the community contributions via planning – this can be seen on pages 67.

6.4 Transport

In 2016 we have introduced a requirement to survey the transport emissions associated with our own employees travelling to work at our head offices. The outcomes from this survey will be included in our carbon footprint going forward. We do not yet measure and report the emissions associated with tenants travelling to and from our properties.

6.5 Refrigerant gases

We report fugitive emissions from our managed air conditioning and chilling equipment as part of our Scope 1 carbon figures. To see our emissions footprint please see table 1 on page 59 for more details.

Source: Derwent London Sustainability report, page 72-73

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