EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

Sustainability Best Practices Recommendations Q&A

March 2019

Contents

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 ofit.

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.

Louise Ellison
Chairwoman, EPRA Sustainability Committee

2. Performance Measures

2.1 Elec-Abs, Total electricity consumption

2.1.1 Should I report the proportion of renewable energy by sources (% of solar, wind, hydro etc.)?

Under the Elec-Abs, companies are required to report, as a minimum, the proportion of energy consumption from renewable sources as a whole. This should be accompanied by a narrative about how the renewable energy is supplied to the assets (self-generated on site, generated off-site, purchased from providers of RECs certified electricity or other eco labelled electricity).
The breakdown of the renewable energy by sources is not mandatory, but companies may decide to provide additional disclosure.
The list of renewable sources on p.12 of the EPRA sBPR Guidelines – 3rd edition has an indicative purpose only.

2.2 Elec-LfL, Like-for-like total electricity consumption

2.2.1 Should I also report the proportion of renewable energy for the LfL figure?

The percentage of electricity consumption from renewable sources should be disclosed only under Elec-Abs. This information allows property companies' stakeholders to better understand the alignment of the overall portfolio performance with the GHG emission reduction targets.

2.3 DH&C Abs and LfL, Total district heating & cooling consumption

2.3.1 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.

2.3.2 Should I report the proportion of renewable energy by sources (% of biomass, etc.)?

Under the DH&C Abs, the breakdown of the renewable energy by sources is not mandatory. The list of renewable sources on p.13 of the EPRA sBPR Guidelines – 3rd edition has an indicative purpose only.
Companies are required to report the proportion of energy consumption from renewable sources as a whole. This should be accompanied by a narrative about how the renewable energy is supplied to the assets (self-generated on site, generated off-site) and which types of renewable energy sources were used.

2.4 GHG-Indirect-Abs, Total indirect greenhouse gas

2.4.1 Under GHG-Indirect-Abs, "companies must report the total amount of location-based indirect greenhouse gas emissions (kg/CO2e) emitted by offsite generation". Does this

mean that companies should necessarily report GHG emissions on a location based-approach even if they already report GHG emissions on a market-based approach?

To comply with this EPRA performance measure, the adoption of the location-based approach is recommended. The location-based approach allows comparability between companies' performances.
As an additional disclosure, companies, which have implemented GHG emission reduction strategies, are encouraged to report their emissions according to the market-based approach.

2.5 Cer-Tot, Type and number of sustainability certified assets

2.5.1 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.

2.5.2 As part of the EPRA best practice guidelines, my company tracks and reports the EPC ratings of its buildings. My company is now coming across a problem as some EPCs, particularly in France, have run out but the customer is still under a lease for up to 10 more years. In France an EPC is only valid for 5 years for example. The options are to obtain a new EPC with the customer in place or to wait until the end of the lease and to take the building back before conducting a new EPC. The problem is that, with the customer in place, the new EPC rating will be impacted by the amount of fit out that has been conducted. This in turn means that any new EPC will not be reflective of the building at the point of which we take it back and re-market, as all previous customer fit out will be removed. The logical business position would be to wait until the customer leaves before commissioning a new EPC. I would like to understand what benefit, outside of the sBPR scores, there is in getting a new EPC on a building with an existing lease? Failing that, could I just report what the original EPC was at the end of construction, even if the EPC is no longer valid?

EPRA agrees that in this scenario there is a limited benefit to obtaining a new EPC on an existing building/lease and it would make more sense to wait until the existing lease expires and obtain a new EPC at this point (for marketing / letting purposes).
The only benefit would be for reporting initiatives such as EPRA's sBPR, but as per the EPRA guidelines, EPRA does not score or deduct points for having 'unscored' or 'unrated' properties; instead, EPRA scores transparency and disclosure. This implies that the full scores are obtained for reporting the number of buildings with EPCs at each level and also buildings without EPCs ('unrated').
EPRA recommends to include 'unrated' assets within the company reporting together with a data note explaining that some [or all or the exact %] of the 'unrated' assets were rated but that the EPCs have expired and that these will be re-assessed as part of the process of marketing/letting the space during the next leasing event.

2.6 H&S-Asset, Asset health and safety assessments and H&S-Comp, Asset health and safety compliance

2.6.1 Does the group of assets to be assessed change across the H&S-Asset and H&S-Comp performance measures?

Under H&S-Comp, companies are required to report on the outcome of the assessments reported under H&S-Asset. This means that the group of assets (controlled assets) a company is required to report on, is the same across H&S-Asset and H&S-Comp.

2.7 Diversity-Pay, Gender pay ratio

2.7.1 Currently our company does not disclose the ratio of salary of women to men (absolute and by employee categories) at a global scale, as in our view, this information is relevant only if there are enough employees to make it statistically comparable. Our company has led an analysis on a relevant comparable perimeter that comprises 30% of the employees. Can our company communicate this indicator based on this perimeter?

In this case, the company's approach is fully compliant with the EPRA guidelines, but the company has to communicate the reason behind the approach taken, in the form of a narrative or with data qualifying notes in the EPRA tables.

2.7.2 Our governance body, i.e. board members, do not receive a remuneration but an attendance fee. This is based on the attendance at board and committee meetings, and on the chairmanship of a committee. The policy is applied equally to male and female board members, however actual fees paid might differ depending on the attendance rate and the chairmanship. Moreover, a few board members waive their fees. Since there is no remuneration for the governance body, we thus consider this ratio not relevant to be communicated. Would it be possible not to communicate it if we explain the reason?

This is covered by the EPRA Overarching recommendation about Materiality on p. 48 of the EPRA sBPR Guidelines - 3rd edition. If a reporting company chooses not to respond to a performance measure because they do not consider it to be material, 'not material' should be stated in the EPRA Sustainability Performance Measures tables.
However, EPRA considers an impact can only be legitimately accepted as non-material if shown to be so through a materiality review.

2.8 Gov-Select, Nominating and selecting the highest governance body

2.8.1 Under the Gov-Select, companies are required to describe the nomination and selection process for the highest governance and the criteria used to guide it. Among others:

- Nomination and selection processes for the highest governance body and its committees.
- Criteria used for nominating and selecting highest governance body members, including whether and how:
  - stakeholders (including shareholders) are involved;
  - diversity is considered;
  - independence is considered;
  - expertise and experience relating to economic, environmental, and social topics are considered.

Is it compulsory to disclose each one of the previous criteria, even if they are not relevant for our company?

This is covered by the EPRA Overarching recommendation about Materiality on p. 48 of the EPRA sBPR Guidelines - 3rd edition. If a reporting company chooses not to respond to a performance measure because they do not consider it to be material, 'not material' should be stated in the EPRA Sustainability Performance Measures tables.
However, EPRA considers an impact can only be legitimately accepted as non-material if shown to be so through a materiality review.

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*

		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.*

3.2.2 Vacancy: if a building has in average more than 20% of its surface vacant during a reporting year, should this asset be excluded from the reporting boundaries?

EPRA does not set any vacancy threshold for inclusion/exclusion of an assets in/from the reporting boundaries. Depending on the asset type, a 20% vacancy rate could be perfectly normal for a building and therefore it could be included in the reporting boundaries (hence in Abs, LfL and intensity metrics). However, if it is unusual then it could be excluded from the LfL performance measures; or normalised for vacancy rate. Either way, EPRA recommends defining the threshold for inclusion in LfL performance measures, and be transparent about the calculation method (and any normalisation applied) in the data notes.

3.2.3 If an office building goes from property management to renovation during the year – how should my company consider that asset for the reporting purpose (for instance: an asset is under management for most of the year (9 months) and under renovation the remaining 3 months)? And the other way around (for instance: an asset is under renovation for most of the year (9 months) and under management the remaining 3 months)?

EPRA does recommend to set a threshold to define what can be considered ‘under renovation’. In this case, GRESB definition represents a good starting point (e.g. alterations that affect more than 50 percent of the total building floor area or cause relocation of more than 50 percent of regular building occupants). If, according to the previously set threshold, the building is to consider under renovation, then the building can be kept in reporting boundaries but it has to be included in the Abs measures only and excluded from LfL and intensity measures.

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 The reporting deadline of our company is so short that for the 2017 reporting year some of the figures need to be estimated. The same approach was adopted for the 2016 CSR report. Considering that EPRA recommends like-for-like comparison: How should we treat the 2016 figures? Should we update them based on the actual energy consumption, registered in 2016?

In this case, for the 2017 CSR report, EPRA recommends:

- To restate the 2016 data based on actual consumption with a footnote to explain why the data has been restated;

- To estimate the 2017 data based on the same approach adopted in previous years.

To increase the compliance, EPRA would also recommend:
- To disclose the proportion of the 2017 estimated data and to clearly include it in the EPRA tables;
- To clearly state where and why any 2016 data has been restated.

3.4.3 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.

3.4.4 For a certain asset within the boundary, my company has access to all utilities consumption, expect water. 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, the company cannot estimate 100% of water consumption, and the company 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 withEPRA'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/m^2 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 kgCO_2e/m^2, 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, according to the EPRA sBPR Guidelines – 2nd edition[1].
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 / m2 / year	165	182	10%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO2e / m2 / year	60	67	11%
		Proportion of energy and associated GHG estimated	%	0%	0%	0%
Water	Water-Int	Building water intensity (GRI-CRESS: CRE2)	m3 / m2 / year	1.09	1.28	5%
		Proportion of water estimated	%	0%	0%	0%
			Net Lettable Area (m2)	155,003	159,468	
			Number of applicable properties	16/20	17/25	
Retail						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m2 / year	147	153	4%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO2e / m2 / year	64	66	4%
		Proportion of energy and associated GHG estimated	%	0%	0%	0%
Water	Water-Int	Building water intensity (GRI-CRESS: CRE2)	m3 / m2 / year	N/A	N/A	N/A
		Proportion of water estimated	%	N/A	N/A	N/A
			Net Lettable Area (m2)	20,357	20,357	
			Number of applicable properties	1 /1	1 /1	
Residenial / mixed use						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m2 / year	52	59	14%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO2e / m2 / year	22	26	14%
		Proportion of energy and associated GHG estimated	%	0%	0%	N/A
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m3 / m2 / year	6	N/A	N/A
		Proportion of water estimated	%	0%	0%	N/A
			Net Lettable Area (m2)	5,619	345	
			Number of applicable properties	1 /1	1 /1	
Headquarters						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m2 / year	259	264	2%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO2e / m2 / 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 (m2)	7,123	7,245	
			Number of applicable properties	2 /2	2 /2	

Source: Beni Stabili, 2015 Sustainability Report, page 28

[1] In Q3/2018 updated examples of EPRA sBPR Reporting according to the EPRA sBPR Guidelines – 3rd edition will be added to this document. In the meantime, please refer to p. 54 of the [EPRA sBPR Guidelines – 3rd edition].

Source: Beni Stabili, 2015 Sustainability Report, page 29

Impact area	measurement unit	EPRA Sustainability Best Practice Performance Measures			Total portfolio					Office					Retail					Residential/mixed use					Headquarters		
					Absolute measures (Abs)		Like-for-like (LfL)			Absolute measures (Abs)		Like-for-like (LfL)			Absolute measures (Abs)		Like-for-like (LfL)			Absolute measures (Abs)		Like-for-like (LfL)			Absolute measures (Abs)		
					2014	2015	2014	2015	% change	2014	2015	2014	2015	% change	2014	2015	2014	2015	% change	2014	2015	2014	2015	% change	2014	2015	% change
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	for landlord shared services	21,500	26,528	21,208	22,513	6.2%	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%
				(sub)metered exclusively to tenants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
				Total landlord-obtained electricity	21,500	26,528	21,208	22,513	6.2%	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%
		Fuels-Abs, Fuels-LfL	Fuels	for landlord shared services	8,148	9,705	8,148	8,627	5.9%	8,066	9,705	8,148	8,627	5.9%	-	-	-	-	0%	-	-	-	-	0%	346	405	17.3%
				Total landlord-obtained fuels	8,148	9,705	8,148	8,627	5.9%	8,066	9,705	8,148	8,627	5.9%	-	-	-	-	0%	-	-	-	-	0%	346	405	17.3%
	№ of applicable properties			Energy and associated GHG disclosure coverage	24/24	27/28	23/23			20/20	24/25	20/20			1/1	1/1	1/1			3/3	2/2	2 /2			2/2	2/2	
	%			Proportion of energy and associated GHG estimated	0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	
Green-house gas emissions	tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1	1,690	1,974	1,690	1,759	4.1%	1,690	1,974	1,690	1,759	4.1%	-	-	-	-	0%	-	-	-	-	-	78	82	4.5%
		GHG-Indir- Abs, GHG-Indir-LfL	Indirect	Scope 2	9,314	11,492	9,187	9,753	6.2%	7,880	10,136	7,880	8,396	6.6%	1,294	1,346	1,294	1,346	4.0%	14	10	14	10	-26%	648	653	0.8%
			Indirect	Scope 3	No data	No data	No data	No data		No data	No data	No data	No data		No data	No data	No data	No data		No data	No data	No data	No data		No data	No data	
			Total	Scopes 1 + 2 (only)	11,003	13,466	10,877	11,511	5.8%	9,570	12,110	9,569	10,155	6%	1,294	1,346	1,294	1,346	4%	14	10	14 10 -26%			726	735	1%
Water	cubic metres (m^3)	Water-Abs, Water-LfL	Water	for landlord shared services	180,179	225,942	146,350	174,048	18.9%	146,350	225,942	146,350	174,048	18.9%	N/A	N/A	N/A	N/A		33,829	N/A	N/A	N/A		9,093	9,926	9.2%
				Total landlord-obtained water	180,179	225,942	146,350	174,048	18.9%	146,350	225,942	146,350	174,048	18.9%	N/A	N/A	N/A	N/A		33,829	N/A	N/A	N/A		9,093	9,926	9.2%
	№ of applicable properties			Water disclosure coverage	17/24	20/28	16/16			16/20	20/25	16/16			N/A	N/A	N/A	N/A		1/3	N/A	N/A	N/A		2/2	2/2	
	%			Proportion of water estimated	0%	8%	0%	0%		0%	0%	0%	0%		N/A	N/A	N/A	N/A		0%	0%	N/A	N/A		0%	0%	
Waste (landlord-handled)	litres	Waste-Abs	Waste	Waste by disposal route	5,243,600	5,918,108	3,606,042	4,026,348	12%	4,793,360	5,106,908	2,606,682	3,814,188	46.3%	No data	811,200	N/A	N/A		450,240	N/A	N/A	N/A		No data	1,015,572	
				Recycled	40%	68%	41%	70%	71.5%	38%	75%	38%	69%	80.3%	No data	23%	N/A	N/A		64%	N/A	N/A	N/A		No data	75%	
				Incineration with energy recovery	No data	No data	No data	No data		No data	No data	No data	No data		No data	No data	N/A	N/A		No data	N/A	N/A	N/A		No data	No data	
	№ of applicable properties			Waste disclosure coverage	14/24	15/28	11/11			13/20	15/25	10/10			0/1	1/1	0/0			1/3					0/2	2/2	
	%			Proportion of waste estimated	100%	100%	100%	100%		100%	100%	100%	100%							100%						100%	
Certified assets	%	Cert-Tot		% of portfolio certified by floor area	97.4	98.2	97.4	97.7	0.3%	98.7	99.1	98.7	99.0	0.3%	100	100	100	100	0%	63.67	10.76	0	11	11%	100	100	0%
	№ of applicable properties				24/24	28/28	24/24			20/20	25/25	20/20			1/1	1/1	1/1			3/3	2/2	2/2			2/2	2/2	
Certified assets	%	Cert-Tot	Mandatory (EPC)	% of portfolio certified by floor area	97.4	98.2	97.4	97.7	0.3%	98.7	99.1	98.7	99.0	0.3%	100	100	100	100	0%	63.67	10.76	0	11	11%	100	100	0%
	№ of applicable properties				24/24	28/28	24/24			20/20	25/25	20/20			1/1	1/1	1/1			3/3	2/2	2/2			2/2	2/2	
Certified assets	%	Cert-Tot	Voluntary (BREEAM, BRAVE, LEED)	% of portfolio certified by floor area	8.4	34.7	8.4	44.1	424%	6.7	37.7	6.7	40.3	499%	0	0	0	0	0%	63.67	0.00	0	0	0%	0	39	39%
	№ of applicable properties				24/24	28/28	24/24			20/20	25/25	20/20			1/1	1/1	1/1			3/3	2/2	2/2			2/2	2/2	

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 m^2)
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 CO_2e)
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 CO_2e)
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 CO_2e)
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 CO_2e)
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 CO_2e/m^2/year)
0.025 – shown in Table 3 – Intensity (Scopes 1 & 2) per m^2/£m turnover/fair market value (reported in tCO_2e/m^2), 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 $kgCO_2e/m^2$, for consistency and ease of use we have reported this in terms of tCO_2e/m^2 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 CO_2e. 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 CO_2e in 2015) increased by 4.1% on a like-for-like basis. This includes 143 tonnes of CO_2e from gas oil and 1,830 tonnes of CO_2e from methane gas.

Building energy intensity across 16 properties in our office portfolio equalled 182 kWh/m^2 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 $kgCO_2e/m^2$, 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 225,942m^3. 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 m^3/m^2 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

Organisational boundaries

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

Coverage

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

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.

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.

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.

Normalisation

Intensity indicators based on floor area (m^2) 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 tCO_2e/£m turnover and tCO_2e/fair market value to our carbon reporting for additional performance context.

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.

Disclosure on own offices

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

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

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

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.

Emerging indicator – return on carbon emissions (ROCE)

We report two sets of financially orientated carbon intensity measures - tCO_2e/£m turnover and tCO_2 e/fair market value. These are presented in table 3 on page 61.

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.

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.

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

5. 2019 sBPR Awards Assessment

For the 2019 assessment, the entire environmental social and corporate governance set of performance measures will be assessed and scored against the EPRA sBPR Awards Methodology. Companies will be required to report the environmental performance measures according to the reporting requirements of the 3rd edition.

The EPRA sBPR Awards Methodology is available under this link.

ELIGIBLE COMPANIES

EPRA Members and FTSE EPRA Nareit Developed Europe Index constituents as of 31 March 2019.

sBPR DISCLOSURE FORMAT

EPRA sBPR disclosure should be publicly available on the company's website in annual report, CSR or sustainability reports or in standalone document by 30 June 2019.

ASSESSMENT PERIOD

From July to mid-August 2019.

AWARDS ANNOUNCEMENT

On 11 September 2019, during the 2019 EPRA Conference in Madrid. Results will be available online under this link.

FOR MORE INFORMATION, PLEASE CONTACT:

EPRA Sustainability Department

EPRA
EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

European Public Real Estate Association

T +32 (0)2739 1014

M +32 474 700 164

E sustainability@epra.com

TT @EPRA_realestate

W www.epra.com

Head Office
Square de Meeus 23
1000 Brussels, Belgium
T +32 (0)2 739 1010

UK Office
Berkeley Square House
London WIJ 6BD, United Kingdom
T +44 (0)7 973 109 117

Hong Kong Office
Suite 2207-09, Tower II Lippo Centre 89
Queensway Admiralty, Hong Kong
T +852 2530 8170