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PRESS RELEASE

Institutional investors launch first global environmental benchmark for property sector

New report shows huge potential for improved environmental performance

Brussels - February 02, 2010: A major report on the environmental performance of the commercial real estate sector, supported by EPRA, has been published by three large European institutional investors - APG, PGGM, and the Universities Superannuation Scheme.

The report is based on a global survey of 700 listed property companies and fund managers, and was carried out by the European Centre for Corporate Engagement at Maastricht University. It reveals that, despite the fact that energy-saving investments can create value for property investors, the majority of survey participants are not yet actively managing environmental issues in their portfolios. Only a few investors from Australia, Sweden and the United Kingdom come close to attaining the top score in the global "Environmental Real Estate Index". These best practice property investors should serve as examples for others in the industry.

The survey also shows that a strikingly low number of property companies are able to report actual numbers on energy consumption (19% of respondents), water consumption (16%), or carbon emissions (14%).

The research has resulted in a new environmental benchmark, the global 'Environmental Real Estate Index', which includes scores on environmental management practices and on the implementation of these practices. By using information contained in the index, institutional investors can compare the environmental score of individual property investments with their environmental real estate targets. The intention is that this benchmarking will serve as a catalyst for environmental engagement in real estate investments.

"We fully support this initiative. It will encourage a much needed dialogue between investors and the real estate companies themselves on how to achieve consistency and transparency with respect to assessing the environmental performance of real estate companies." said Gareth Lewis, EPRA Director of Finance.

Angelien Kemna, CIO at APG, commented: "In the integration of environmental, social and governance factors across asset classes, we were finding it difficult to measure the environmental performance of our real estate investments. We therefore decided to develop our own environmental survey of the sector and to use the results



European Public Real Estate Association
Blvd de la Woluwe 62 Woluwelaan
1200 Brussels, Belgium

T: +32 (0) 2739 1010 F: +32 (0) 2739 1020 W. www.epra.com



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as the baseline for engagement. Ultimately, this should reduce the environmental impact of APG's real estate investments and improve financial return, given that emission reductions are directly linked to energy savings and therefore lower costs.”

Johan van der Ende, CIO at PGGM, said: “Improving the sustainability performance of real estate managers fits in our responsible investment belief. The results of this global survey provide useful information allowing us to engage with parties we invest with and to further improve the sustainability of our real estate investments. It will serve as a tool allowing us to further implement our responsible investment policy for real estate.”

Roger Gray, CIO at the Universities Superannuation Scheme, said: “As long-term investors, the environmental performance of our assets is a major consideration, even in the aftermath of the financial crisis. Management of environmental issues is an essential component of good management and financial performance of our property investments, and we believe that the drivers in this area will only get stronger.”

Dr. Nils Kok, professor at Maastricht University and principal author of the report, said: “Benchmarking the energy consumption of a real estate portfolio is the key first step to making properties more efficient, and the current lack of metrics indicates that we are standing just at the beginning of the road to energy efficiency in the commercial real estate sector. The environmental performance of the property sector is likely to improve, as many of the property companies surveyed indicated that the assets acquired or developed in 2008 comply with ‘green’ or energy-efficiency standards, such as LEED or BREEAM.

“Given the current financial crisis and its effects on the property industry, it would not come as a surprise if property investors were paying more attention to issues other than the energy efficiency of their portfolios. But that appears not to be the case. “

The complete report “Environmental Performance: A Global Perspective on Commercial Real Estate”, and a 2000-word summary can be downloaded [here](#).

Note to editors:

About The Universities Superannuation Scheme (USS)

USS is the second largest private sector pension fund in the United Kingdom and the principal pension scheme for UK universities, acting for 395 universities and academic institutions. It has in excess of USD 28 billion in assets as of December 31 2009, and approximately 260,000 members.



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About PGGM

PGGM is a leading Dutch pension fund administrator and asset manager. It administers the pension scheme for Pensioenfondsen Zorg en Welzijn and for pension fund AENA. Furthermore, PGGM provides asset management for these funds as well as for pension fund Particuliere Beveiliging and pension fund Architectenbureaus. PGGM has over EUR 88 billion of pension assets invested on behalf of over two million current and former employees.

About APG

APG was incorporated in March 2008 to administer the collective pension scheme for the government and educational sectors in the Netherlands. The pension scheme has assets of approximately EUR 211 billion (12/31/09). With 2,500 staff, APG administers the pensions of 2.7 million Dutch citizens. APG does not provide advisory services to persons in the US.

About ECCE

ECCE is an internationally oriented research consortium devoted to delivering high-quality research in the fields of corporate engagement and sustainable finance. The Centre helps practitioners and scholars understand how businesses and financial markets can promote sustainable development by considering Environmental, Social and Corporate Governance (ESG) issues. For more information, please contact: Andy Fleming/Lisa Haines, Penrose Financial, 44 (0) 207 786 4823/4871, uss@penrose.co.uk

About EPRA

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. Through the provision of better information to investors, improvement of the general operating environment, encouragement of best practices and the cohesion and strengthening of the industry, EPRA works to encourage greater investment in listed real estate companies in Europe.

For more information, contact:

Nils Kok, Maastricht University
Email: n.kok@maastrichtuniversity.nl



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