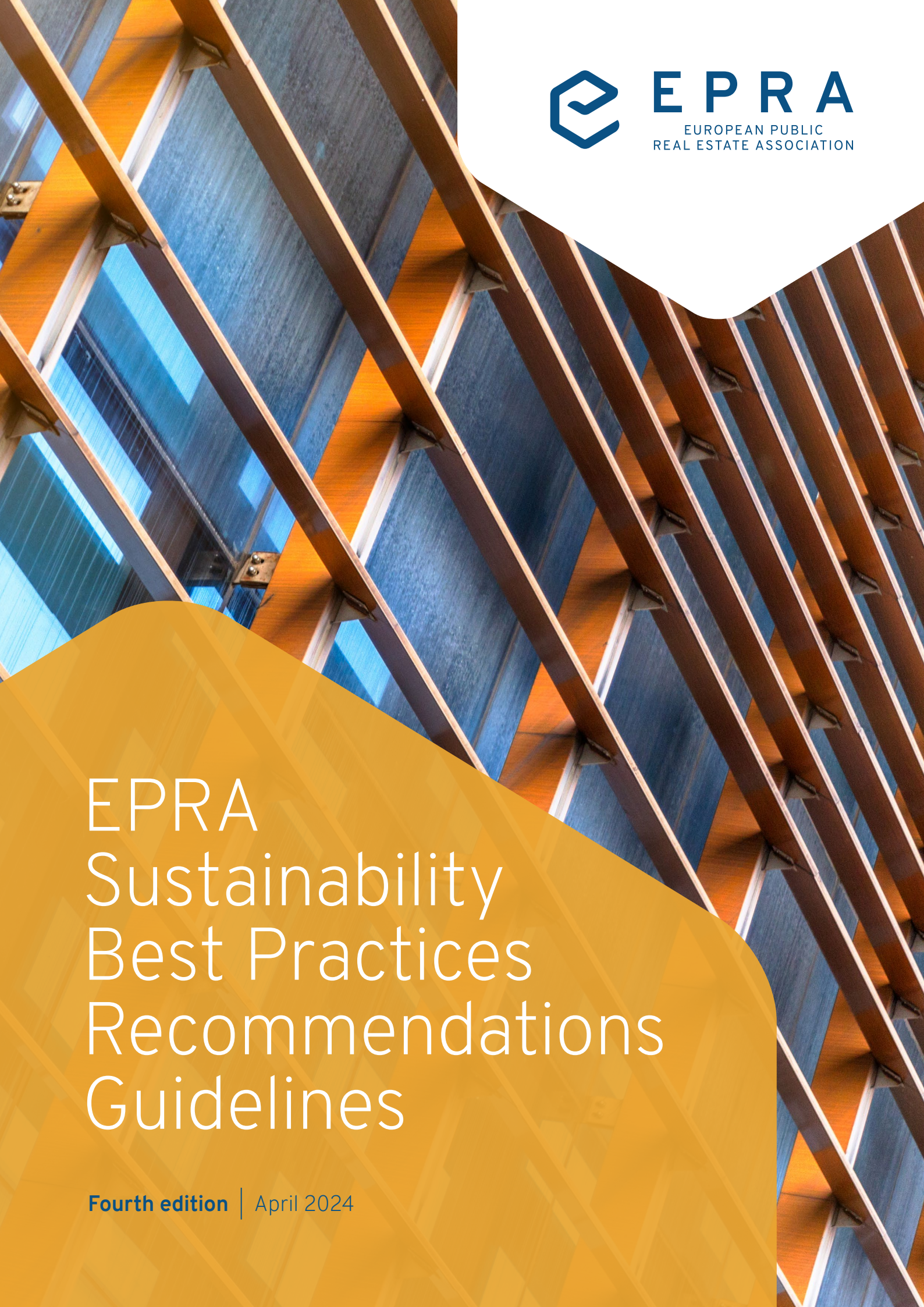

EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

EPRA Sustainability Best Practices Recommendations Guidelines

Fourth edition | April 2024

Contents

Foreword

We are pleased to announce the launch of the fourth edition of the EPRA Sustainability Best Practices Recommendations (sBPR) Guidelines. Since their inception in 2011, and in conjunction with the EPRA sBPR Awards, there has been a marked increase in their adoption by our listed members in their annual reports, particularly in Europe.

This progress underscores the commitment of our members to enhance their sustainability reporting by incorporating more EPRA sBPR Performance Measures and Overarching Recommendations, and adhering more strictly to the guidelines. These efforts are helping to make sustainability reports within the industry more comparable, harmonised and transparent. As a respected framework within the LRE industry, adopting EPRA sBPR Guidelines allows these entities to effectively communicate their sustainability achievements, strategies and initiatives in the environmental, social, and governance (ESG dimensions, demonstrating their steadfast dedication to sustainability.

This new edition of EPRA sBPR Guidelines emerged to support EPRA members in managing the reporting complexities as mandated by the "sector-agnostic" European Sustainability Reporting Standards (ESRS), while making the guidelines more comprehensive. These standards have been formulated by the European Financial Reporting Advisory Group (EFRAG) to develop the Corporate Sustainability Reporting Directive (CSRD), and were officially adopted by the European Commission (EC) on July 31, 2023. The "sector- agnostic" standards require certain companies including many EPRA members), independent of the sector in which they operate, to disclose selected non-financial metrics from January 2024 onwards. We aim to facilitate a starting point for listed real estate (LRE) companies by supplying them with guidelines on how to report EPRA sBPR Performance Measures under the CSRD, while identifying relevant "sector-agnostic" ESRS for the LRE sector (ESRS Mapping to EPRA sBPR).

We also include a Materiality Assessment Guide tailored for the LRE sector and a reporting template (***Sample Data Table of EPRA sBPR Sustainability Performance Measures***). In summary, the fourth edition of EPRA sBPR Guidelines achieves the following objectives:

- Provides Bridge Requirements between EPRA KPIs and the "sector-agnostic" ESRS,[1] in particular to the topical standards,[2]
- Identifies relevant sector-agnostic ESRS to the LRE industry and guides on their reporting,
- Acquires further adherence to the Global Reporting Initiative's (GRI) Standards as a consequence of their latest update and
- Provides further clarity, conciseness, and support to LRE companies wishing to disclose their performance in accordance with EPRA sBPR Guidelines.

To conclude, this latest release of the guidelines marks a significant milestone in our journey towards sustainable development within the LRE industry. It not only addresses the evolving demands of sustainability reporting, but also serves as a testament to our collective endeavour to promote transparency, accountability, and environmental stewardship. As we move forward, we encourage all our members and the broader industry to follow these guidelines, leverage the new tools and resources provided, and continue to lead by example. Together, we can achieve remarkable strides in demonstrating our sector's commitment to a sustainable future, enhancing stakeholder trust, and contributing to a more sustainable and resilient world.

Filip Elland
Chief Sustainability Officer, Castellum
Chairman, EPRA Sustainability Committee

Hassan Sabir
Finance & ESG Director, EPRA

April 2024

1 Existing EPRA KPIs since the 3rd edition of EPRA Guidelines (2017).

2 The "sector-agnostic" ESRS can be break into: "cross cutting standards" obligatory to all undertakings, and "topical standards" that are subject to materiality assessment.

EPRA Sustainability Committee

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Olivier Elamine	alstria office
Laurent Lavergne	AXA Investment Managers Real Assets
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Gabriella Zepf	SEGRO
Clément Jeannin	Unibail- Rodamco-Westfield
Jonathan Przybylski	Vonovia

Public disclosure of data is a fundamental component of a sustainable approach to real estate. EPRA aims to bring greater consistency and clarity to companies' disclosure around their environmental performance. By releasing the updated fourth version of the EPRA Sustainability Best Practices Recommendations, we hope to enhance further stakeholders' access to quality environmental, social, and corporate governance performance data that clearly states the positive direction of travel within the sector.

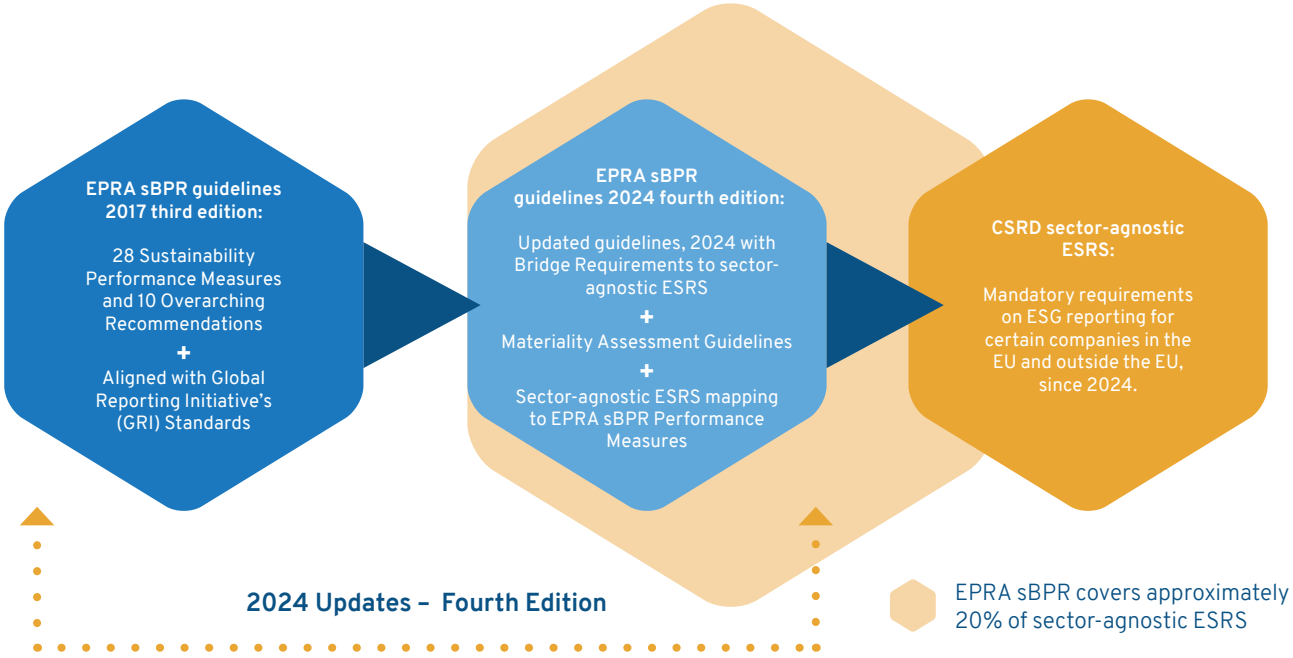
Filip Elland
Chief Sustainability Officer, Castellum
Chairman, EPRA Sustainability Committee

3 Executive Summary

3.1 Introduction

EPRA Sustainability Performance Measures and Overarching Recommendations have been developed by EPRA Sustainability Reporting Committee ('the Committee') Members. The sBPR were launched in 2011 driven by the market concerns, to provide the listed real estate sector with industry-specific advice on non-financial reporting. They were based on the GRI Standards and they have adapted over the years to capture the changes and challenges presented the reporting landscape. The fourth edition of the EPRA sBPR aligns with the most recent GRI Standards, which have been updated across various Topic Standards since 2016. This edition also incorporates guidance on several aspects of the CSRD related to the sector-agnostic ESRS, to facilitate compliance in annual reporting for EPRA members.

Figure 1 - EPRA sBPR relation to sector-specific ESRS



This document contains a number of **CORE recommendations** for sustainability reporting, which must be reported by all EPRA members, alongside **ADDITIONAL recommendations** based on the Committee's observations of good practice. These additional recommendations are especially relevant to companies with a long-standing track record of sustainability reporting.

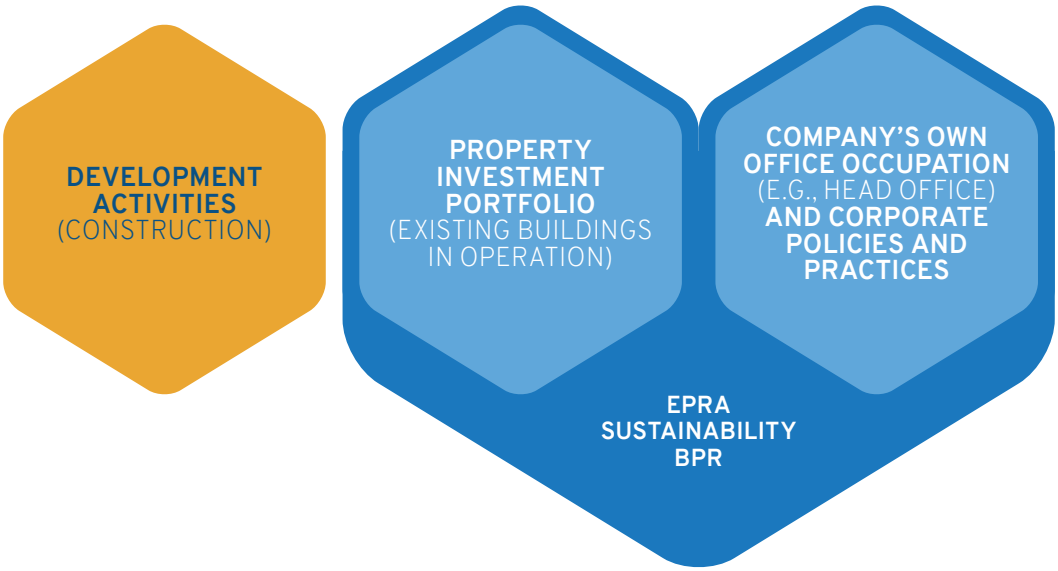
BRIDGE REQUIREMENTS are a key addition to the fourth edition of the EPRA sBPR. These requirements serve as indicators to EPRA members, highlighting measures that are not mandated by the sBPR but are necessary according to the ESRS. The BRIDGE REQUIREMENT may encompass additional metrics or narrative elements drawn from the sector-agnostic ESRS, specifically relevant to the listed real estate sector and considered material to EPRA. If a Performance Measure does not include a BRIDGE REQUIREMENT, it is because the sBPR already covers the ESRS requirements or goes beyond the scope of the ESRS mandates.

Please see our *Sample Data Table of EPRA sBPR Sustainability Performance Measures* as additional guidance on how to publish Performance Measure data.

3.2 Scope of EPRA sBPR

The scope of the EPRA sBPR covers companies' investment activities and own occupation (e.g., environmental impacts from a company's headquarters), and corporate-level policies and practices as shown in Figure 2.

Figure 2 – Activities within the scope of EPRA sBPR



The EPRA sBPR do not currently cover real estate development activities (e.g., environmental impacts from construction sites).[3]

3.3 EPRA Sustainability Performance Measures

The EPRA Sustainability Performance Measures should relate to the scope illustrated in Figure 2.[4]

The following table outlines the Performance Measures that should be reported by real estate property companies. Please refer to the following supplementary documents for further guidance on reporting:

- *EPRA Materiality Assessment Guidance for Listed Real Estate* can be used for advice on how to conduct materiality assessments, determining which data points are relevant to individual companies.
- *EPRA ESRS Mapping to EPRA sBPR* provides additional information on ESRS topical standards not captured throughout EPRA sBPR Performance Measures but are relevant to listed real estate.
- *EPRA Emerging Topics in Listed Real Estate* explores other ESG disclosure measures beyond the scope of the current EPRA sBPR Guidelines.
- *EPRA Sample Data Table of EPRA sBPR Sustainability Performance Measures* can be used as an example of how to report data points.

[3] Should companies choose to report separately on their development activities in their sustainability reports, EPRA recommends that they consult the relevant sections of the GRI Standards and Set 1 of the ESRS implementation guidelines from EFRAG IG.

[4] EPRA Sustainability Performance Measures, Definitions, Issues, and Rationale are based on the GRI Standards and Set 1 of the ESRS; hence reference to the GRI Standards and the ESRS is used throughout the EPRA sBPR. The recent inclusion of the ESRS and ISSB has encouraged harmonisation between the sBPR and regulatory requirements. Companies wanting to consider the interoperability of ESRS and ISSB standards may consider accessing the following guidance by EFRAG and IFRS: www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/esrs-issb-standards-interoperability-guidance.pdf

Table 1. EPRA Sustainability Performance Measures

EPRA Code	Performance Measure	GRI Standard	ESRS Sector-agnostic[5]	Unit(s) of measure
ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES				
Elec-Abs	Total electricity consumption	302-1	E1-5	annual kWh
Elec-LfL	Like-for-like total electricity consumption	302-1		annual kWh
DH&C-Abs	Total district heating & cooling consumption	302-1	E1-5	annual kWh
DH&C-LfL	Like-for-like total district heating & cooling	302-1		annual kWh
Fuels-Abs	Total fuel consumption	302-1	E1-5	annual kWh
Fuels-LfL	Like-for-like total fuel consumption	302-1		annual kWh
Energy-Int	Building energy intensity	302-3	E1-5	kWh/appropriate denominator
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	305-1	E1-6	annual metric tonnes CO_2e
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	305-2 305-3	E1-6	annual metric tonnes CO_2e
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	305-4	E1-6	tonnes CO_2e/appropriate denominator
Water-Abs	Total water consumption	303-3-a 303-5-a	E3-4	annual cubic metres (m^3)
Water-LfL	Like-for-like total water consumption	303-3-a 303-5-a		annual cubic metres (m^3)
Water-Int	Building water intensity		E3-4	m^3/appropriate denominator
Waste-Abs	Total weight of waste by disposal route	306-4 306-5	E5-5	annual metric tonnes and proportion by disposal/diversion routes
Waste-LfL	Like-for-like total weight of waste by disposal route	306-4 306-5		annual metric tonnes and proportion by disposal/diversion routes
Cert-Tot	Type and number of sustainably certified assets		E1-9	Total number by certification/ rating/ labelling scheme
SOCIAL PERFORMANCE MEASURES				
Diversity-Emp	Employee gender diversity	405-1	GOV-1 S1-9	Number and percentage of employees
Diversity-Pay	Gender pay ratio	405-2	S1-16	Ratio
Emp-Training	Employee training and development	404-1	S1-13 G1-3	Average hours
Emp-Dev	Employee performance appraisals	404-3	S1-13	Percentage of employees
Emp-Turnover	New hires and turnover	401-1	S1-6	Total number and rate
H&S-Emp	Employee health and safety	403-9	S1-14	Injury rate, absentee rate, and number of work related fatalities
H&S-Asset	Asset health and safety assessments	416-1		Percentage of assets
H&S-Comp	Asset health and safety compliance	416-2		Number of incidents
Comty-Eng	Community engagement, impact assessments	413-1	S3-2	Percentage of assets and development programmes
GOVERNANCE PERFORMANCE MEASURES				
Gov-Board	Composition of the highest governance body	2-9	GOV-1	Total number
Gov-Selec	Process for nominating and selecting the highest governance body	2-10		Narrative on process
Gov-COI	Process for managing conflicts of interest	2-15		Narrative on process

[5] The "sector-agnostic" ESRS can be categorised by: cross-cutting standards (general requirements and disclosures) and topical standards. References in Table 1 only relate to the topical standards.

3.4 Overarching Recommendations

Section 7 of this document describes the 'Overarching Recommendations' – principles that should apply to the reporting of EPRA Sustainability Performance Measures. The following section briefly describes each of these principles. It is important that readers of this document familiarise themselves with Section 7 in detail before embarking on reporting on EPRA Sustainability Performance Measures since these principles underpin meaningful disclosure.

Organisational boundaries (see section 7.1)

Organisational boundaries for asset-level Performance Measures as defined by the GHG Protocol include Operational Control, Financial Control and Equity-share. Boundaries definition is important because it determines, among other things, which assets a reporter will include or exclude from its reporting. Companies should state the company's total investment in real estate and what percentage of their investment portfolio is represented within the chosen organisational boundary. Determining organisational boundaries should be preceded by defining one's ownership structures (specifically, establishing whether assets are owned by subsidiaries, associates or joint ventures) in line with the GHG Protocol.[6] EPRA is not advocating, at this stage, for any specific organisational boundary (the Committee is aware that operational control is the most common approach).

Coverage (see section 7.2)

Coverage shows the percentage or number of assets (within the organisational boundary) that are included in the data disclosed for each asset-level Performance Measure. Ideally, all assets within the organisational boundary should be included in each asset-level Performance Measure. Data coverage should be disclosed (as percentages or values) in terms of number, floor area or financial value of assets within the organisational boundary.

Estimation of landlord-obtained utility consumption (see section 7.3)

When landlord-obtained utility consumption data for some/all asset-level Performance Measures is partially unavailable or unreliable for an asset, missing data can be estimated. Estimation should be carried out as little as possible. When estimating landlord-obtained utility consumption, a company should:

- Only estimate utility data to fill gaps for missing periods using known consumption from a recent and comparable period for the metered supply in question;
- Disclose the proportion of total disclosed data that is estimated (as a percentage of the total disclosed for that Performance Measure);
- Disclose the method of estimation used;
- Use the same method of estimation for all assets per Performance Measure.

[6] Please visit www.ghgprotocol.org/ for further information

Third party assurance (see section 7.4)

The credibility of sustainability data increases when third party assurance is carried out by an objective and independent assurance provider.

When undertaking third party assurance, consider the following:

- The 26 EPRA sBPR quantitative Performance Measures should be verified – ideally all of them and to the same level and specified the level of assurance ("limited" or "reasonable"). Please refer to Table 2 for guidance on all Performance Measures which are subject to third party assurance;
- The level of verification for each Performance Measure must be disclosed and should ideally be to the same level as for financial reporting;
- The full verification statement must be publicly available, and a link should be provided if it is not included in the report;
- Each Performance Measure that had been assured should be indicated either in the verification statement provided or made clear in the company's data tables.

Boundaries – reporting on landlord and tenant consumption (see section 7.5)

There is no single, optimal way to report on base (landlord only) or whole building consumption for asset-level environmental Performance Measures. However, companies should report as follows:

- Absolute and like-for-like Performance Measures should include only landlord-obtained energy/water;
- Where energy/water is obtained by the landlord but consumed in tenant areas and sub-metered, such consumption should be reported separately (and should not be excluded from the totals).

For intensity indicators only, if known, tenant-obtained consumption can be used in calculations, for example, to achieve a situation where whole building consumption (tenant-obtained and landlord-obtained) is divided by the whole building floor area.

Normalisation (see section 7.6)

When calculating intensity indicators, companies should ensure the denominator used and the associated consumption figures are as closely aligned as possible. In other words, they should strive to achieve the 'matching numerator and denominator' scenario. Companies should clearly state how their intensity indicators are calculated and what numerators and denominators they have used and why. The most commonly used denominators are:

- Floor area
- Numbers of people
- Revenue
- Number of hours/days worked (for health and safety Performance Measures)

Segmental analysis (by property type, geography, etc.) (see section 7.7)

For asset-level Performance Measures, this should be in line with companies' financial reporting and include, where meaningful, analysis by geography/country and/or property type.

Disclosure on own offices (see section 7.8)

In addition to disclosing on its investment portfolio and corporate practices, a company should disclose the environmental impact of its own occupation separately within its sustainability reporting.

Narrative on performance (see section 7.9)

Companies should provide, where appropriate, additional information and commentary/explanation of past performance, and outline plans for managing future performance.

Location of EPRA Sustainability Performance Measures in companies' reports (see section 7.10)

It is not necessary for companies to report the entirety of the EPRA Sustainability Performance Measures in their Annual Report and Accounts or Sustainability/Corporate Responsibility reports. However, companies must, as a minimum, include a cross-reference (e.g., a reference or hyperlink) to a comprehensive EPRA sBPR table (or location of the Performance Measures) that uses the Performance Measure codes (e.g., Elec-LfL) if these have been published elsewhere (on the company's website).

Reporting period (see section 7.11)

The reporting period for the undertaking's sustainability statement must be consistent with its financial statements. While like-for-like Performance Measures must be reported for the two most recent years, companies can choose to report their performance against other Performance Measures over a much longer period. At the same time, companies should balance the benefits of disclosing longer-term trends with the need to provide meaningful data. A company with multiple years' worth of historical data, for example, may wish to report the oldest year (especially if it is a baseline year) and significant milestone years along with the most recent three years.

Materiality (see section 7.12)

Conducting a materiality review with any specific approach (impact, financial or double materiality) is not mandated by the EPRA Sustainability Best Practices Recommendations (sBPR), but nevertheless recommends reporting companies give due consideration to materiality when compiling their response.

There is an increasing expectation on companies to conduct a materiality review as a prerequisite for reporting against both voluntary and mandatory sustainability reporting standards.

Material topics for a reporting organisation include those topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

The selection of topics by their materiality is a crucial element in guiding a strategic approach to sustainability for companies and creating relevant disclosures for stakeholders. By conducting a complete and robust materiality assessment, companies can identify key material matters across their value chain, thus demonstrating an understanding of where the company may experience material matters from the impact materiality perspective or the financial materiality perspective or both.

There is guidance on materiality assessments available to companies from several sources, notably for impact materiality from the GRI Universal Standards. However, the obligation to adopt a double materiality approach in response to CSRD requirements and applying ESRS presents a challenge to all sectors. To this end, EFRAG has created implementation guidance (in draft for public feedback at time of publication) for the ESRS materiality assessments. Nonetheless, companies will need to adopt an assessment methodology with an appropriate framework that is suited to the specific context of their industry. As the EFRAG guidance is currently presented as sector-agnostic, our supplementary guidance document, EPRA Materiality Assessment Guidance for Listed Real Estate, will build on the work by EFRAG and other related guidance, to provide further sector-specific context for listed real estate and highlight how the EPRA sBPR might be considered or used in the materiality process.

In light of that, companies should note that the use of sector insights and consensus presented in the EPRA sBPR can be used as a basis for listed real estate companies who are assessing sustainability matters and associated impacts. To properly form an opinion of sustainability matters, a company should still consider its own materiality assessment and corresponding risk management. It should also be noted that conducting a materiality review with any specific approach (impact, financial or double materiality) is not mandated by the EPRA sBPR, but nonetheless recommends reporting companies give due consideration to materiality when compiling their response.

If an organisation chooses not to respond to an sBPR Sustainability Performance Measure because it does not consider it to be material, 'not material' should be stated in the EPRA Sustainability Performance Measures tables. However, EPRA considers that an impact can only be legitimately accepted as non-material if shown to be so through a materiality review.

3.5 Linking Overarching Recommendations to Performance Measures

This table provides additional guidance on whether and how to apply the Overarching Recommendations to each Performance Measure.

Table 2. Linking Overarching Recommendations to Performance Measures

Code Performance Measure	Type	Organisational boundaries	Coverage	Estimation of landlord-obtained utility consumption	Third party assurance	Boundaries – reporting on landlord and tenant consumption	Normalisation	Segmental analysis (by property type, geography)	Disclosure on own offices	Narrative on performance	Location of EPRA Sustainability Performance Measures	Reporting period	Materiality
ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES													
Elec-Abs	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
Elec-LfL	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
DH&C-Abs	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
DH&C-LfL	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
Fuels-Abs	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
Fuels-LfL	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
Energy-Int	Assets	√	√	√	√	√	√	√	√	√	√	√	√
GHG-Dir-Abs	Assets	√	√	N/A	√	√	N/A	√	√	√	√	√	√
GHG-Indir-Abs	Assets	√	√	N/A	√	√	N/A	√	√	√	√	√	√
GHG-Int	Assets	√	√	N/A	√	√	√	√	√	√	√	√	√
Water-Abs	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
Water-LfL	Assets	√	√	√	√	√	N/A	√	√	√	√	√	√
Water-Int	Assets	√	√	√	√	√	√	√	√	√	√	√	√
Waste-Abs	Assets	√	√	N/A	√	√	N/A	√	√	√	√	√	√
Waste-LfL	Assets	√	√	N/A	√	√	N/A	√	√	√	√	√	√
Cert-Tot	Assets	√	√	N/A	√	N/A	N/A	√	√	√	√	√	√
SOCIAL PERFORMANCE MEASURES													
Diversity-Emp	Corporate	N/A	N/A	N/A	√	N/A	N/A	N/A	N/A	√	√	√	√
Diversity-Pay	Corporate	N/A	N/A	N/A	√	N/A	N/A	N/A	N/A	√	√	√	√
Emp-Training	Corporate	N/A	N/A	N/A	√	N/A	N/A	N/A	N/A	√	√	√	√
Emp-Dev	Corporate	N/A	N/A	N/A	√	N/A	N/A	N/A	N/A	√	√	√	√
Emp-Turnover	Corporate	N/A	N/A	N/A	√	N/A	N/A	N/A	N/A	√	√	√	√
H&S-Emp	Corporate	N/A	N/A	N/A	√	N/A	√	N/A	N/A	√	√	√	√
H&S-Asset	Assets	√	√	N/A	√	N/A	N/A	√	N/A	√	√	√	√
H&S-Comp	Assets	√	√	N/A	√	N/A	N/A	√	N/A	√	√	√	√
Comty-Eng	Assets	√	√	N/A	√	N/A	N/A	√	N/A	√	√	√	√
GOVERNANCE PERFORMANCE MEASURES													
Gov-Board	Corporate	N/A	N/A	N/A	√	N/A	N/A	N/A	N/A	√	√	√	√
Gov-Selec	Corporate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√
Gov-COI	Corporate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√

EPRA Sustainability Performance Measures - Environment

4

4.1 ELEC-ABS TOTAL ELECTRICITY CONSUMPTION

Asset-level performance measure

Annual kWh

Definition
Elec-Abs refers to the total amount of electricity consumed over a full reporting year. It includes electricity from renewable and non-renewable sources, whether imported or generated on site.

Issue
Buildings are responsible for 40% of the final energy consumption in the European Union.[7] Energy consumption represents a major source of an organisation's energy footprint, and it is important to ensure consistent reporting of this Performance Measure for companies to improve their energy efficiency. Electricity is classified as indirect energy as any primary fuels used to generate it are combusted off-site. The EU's recent 'Fit for 55' provisional agreement reflects the drive to promote renewable energy usage in the built environment, notably illustrated through requirements to install solar energy systems, if technically, economically, and functionally feasible, across new and existing building stock using incremental targets for differing building types.[8]

Rationale
Reporting total energy consumption (such as purchased electricity) from renewable and non-renewable sources should encourage a company to measure and manage its energy use in a way that drives down consumption and associated greenhouse gas emissions over time. Maximising renewable energy supply has been denoted as one of the five key steps towards achieving a Net Zero Carbon building, prioritising the use of on-site renewable energy generation.[9] Off-site energy supplies may demonstrate the concept of additionality, a process in which an organisation's power purchase agreement (PPA) has the direct effect of adding new renewable energy generation projects to the grid. Long-term commitments to purchase energy from a new renewable generation project can provide the capital required to aid construction and operation,[10] thus allowing an organisation to be directly supplied with renewable energy, whilst aiding wider grid decarbonisation. This Performance Measure enables the calculation of the electricity element of indirect greenhouse gas emissions, which fall under scope 2 and 3 (where sub-metered to tenants or tenant-obtained) of the WRI/WBCSD GHG Protocol.[11]

7 https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en
8 https://www.consilium.europa.eu/en/infographics/fit-for-55-making-buildings-in-the-eu-greener/
9 https://ukgbc.org/resources/net-zero-carbon-buildings-framework/
10 https://ukgbc.org/news/corporate-ppas-an-alternative-route-to-additionality/
11 www.ghgprotocol.org/sites/default/files/ghgp/standards/ghg-protocol-revised.pdf

RECOMMENDATIONS

CORE: Companies must report:

1. Total electricity consumption;
2. The proportion of electricity consumption from purchased and self-generated renewable sources

Elec-Abs should be calculated with reference to the following guidance (based on GRI Standard 302-1):

- Identify the amount of electricity purchased and consumed from external utility suppliers from non-renewable sources;
- Identify the amount of electricity purchased and consumed from external utility suppliers from renewable sources;
- Identify the amount of electricity consumption that has been self-generated by non-fuel sources, for example:
  - Solar photovoltaic
  - Wind turbines
  - Hydro turbines
  - Geothermal turbines
- The self-generated electricity that is exported/sold (i.e., not consumed by the reporting company) must not be included.
- From this figure, calculate the proportion of electricity consumption from renewable sources as a percentage of total electricity consumption.

BRIDGE REQUIREMENT: If applicable, companies should report on the total electricity consumed from nuclear sources (base on ESRS E1-5 37 b).

Further guidance

Please refer to the relevant GRI Standard 302-1: Energy consumption within the organisation and ESRS E1-5: Energy consumption and mix.

For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS E1-5 35, which aims to provide transparency on the share of renewable energy (E1-5 37 c i to ii) in total energy consumption, as well as dissegragated reporting of non-renewables (E1-5 37 a to b) and self-generated energy (E1-5 37 c iii).

Companies should note application requirements (ESRS E1-5 AR 32 a) for reporting energy consumption required under paragraph 35, only applies to energy consumed from processes owned or controlled, as per the organisational boundaries defined by the reporting company.

4.2 ELEC-LFL LIKE-FOR-LIKE TOTAL ELECTRICITY CONSUMPTION

Annual kWh

Asset-level performance measure

Definition
Elec-LfL refers to the electricity consumption of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years (this like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting).[12] For example, the 2023 like-for-like change compares the 2023 electricity consumption (Elec-Abs) with the 2022 electricity consumption (Elec-Abs) for a consistent portfolio.

Rationale
Like-for-like Performance Measures are a necessary complement to absolute Performance Measures as disclosure on a like-for-like basis shows a change in performance unrelated to fluctuations in portfolio size (through acquisitions, disposals, major refurbishments, and developments).

RECOMMENDATIONS

CORE: Companies must report like-for-like electricity consumption across the two most recent reporting years.

Elec-LfL should be calculated in the following way:
- Calculate the total electricity consumed for the like-for-like set of assets (i.e., those that have been consistently in operation, and not under development, during the most recent two full reporting years) using the same methodology used to calculate Elec-Abs. These calculations should be reported as total consumption figures, not solely as a percentage change.
- Companies should disclose the basis and assumptions underlying the like-for-like information.
- High variation in vacancy rates: While companies can use significant changes in vacancy rates as an explanation (akin to 'special events') of unusual consumption trends, such cases should be explicitly stated, and consumption should not be excluded from the totals due to variations in vacancy rates.

Further guidance
Please refer to the relevant GRI Standard 302-1: Energy consumption within the organisation. This section should be read in conjunction with the Elec-Abs section of this document.

Necessary metrics for ESRS compliance are already incorporated within the Elec-Abs BRIDGE REQUIREMENT.

[12] https://www.epra.com/application/files/3115/7287/4349/EPRA_BPR_Guidelines_241019.pdf

4.3 DH&C-ABS TOTAL DISTRICT HEATING & COOLING CONSUMPTION

Annual kWh

Asset-level performance measure

Definition
DH&C-Abs refers to the total amount of indirect energy consumed from district heating or cooling systems over a full reporting year. In this instance, 'indirect' means energy generated off-site and typically bought from an external energy supplier.

Issue
Although electricity and gas are often the primary forms of indirect and direct energy for many companies, certain regions and countries may use other forms of intermediate energy such as steam/hot water or chilled water provided from a district heating plant or chilled water plant. Since 2022, as a result of energy security concerns, district heating has gained policy support across Europe.[13] Increasing the distribution of district heat networks has been identified as one method to limit energy security concerns across Europe due to the decreased reliance on imported gas.[14] Alongside this, such networks could prove pivotal in aiding Europe's efforts to decarbonise the built environment's heating and cooling systems, crucial to achieving the EU's 2030 and 2050 climate targets, as renewable energy accounted for less than a quarter of the EU's 2020 final energy usage for heating and cooling.[15]

Rationale
DH&C-Abs (total energy consumption from district heating and cooling) should encourage companies to measure and manage energy use in a way that drives down consumption over time. Emphasis should be placed on installing systems and adapting existing networks to utilise renewable energy sources, including bioenergy, solar thermal, large-scale heat pumps, and geothermal.[16] Accurate measuring of energy consumption and energy sources associated with district heat networks will be critical in enabling the transition towards decarbonising heating and cooling within the built environment. This Performance Measure enables calculation of a district heating/cooling-related element of indirect greenhouse gas emissions, which fall under scope 2 and 3 (where sub-metered to tenants or tenant-obtained) of the WRI/WBCSD GHG Protocol.[17]

RECOMMENDATIONS

CORE: Companies must report:

1. Indirect energy consumption from district heating and cooling;
2. The proportion of energy consumption from district heating and cooling generated on-site and/or off-site from renewable sources.

DH&C-Abs should be calculated with reference to the following guidance (based on GRI Standard 302-1):

- Identify the amount of district heating and cooling purchased and consumed from non-renewable sources generated on-site and/or off-site

[13] https://www.iea.org/energy-system/buildings/district-heating

[14] Ibid.

[15] https://www.eea.europa.eu/publications/decarbonisation-heating-and-cooling/decarbonising-heating-and-cooling

[16] https://www.iea.org/energy-system/buildings/district-heating

[17] https://ghgprotocol.org/sites/default/files/ghgp/standards/ghg-protocol-revised.pdf

- Identify the amount of heating and cooling purchased and consumed from renewable sources generated on and off-site. Renewable energy sources can include:
  - Solar photovoltaic
  - Wind turbines
  - Hydro turbines
  - Geothermal turbines
  - Biomass
- Calculate the proportion of district heating and cooling consumed from renewable sources as a percentage of total energy consumption from district heating and cooling.
- If DH&C-Abs is not procured at any of the properties in the portfolio, the sustainability performance measure should be reported as 'Not applicable'.

BRIDGE REQUIREMENT: If applicable, companies should report on the total district heating and cooling consumed from nuclear sources (based on ESRS E1-5 37 b).

Further guidance
Please refer to the relevant GRI Standard 302-1: Energy consumption within the organisation and ESRS E1-5: Energy consumption and mix.

For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS E1-5 35, which aims to provide transparency on the share of renewable energy (E1-5 37 c i to ii) in total energy consumption, as well as dissegragated reporting of non-renewables (E1-5 37 a to b) and self-generated energy (E1-5 37 c iii).

Companies should note application requirements (ESRS E1-5 AR 32 a) for reporting energy consumption required under paragraph 35, only applies to energy consumed from processes owned or controlled, as per the organisational boundaries defined by the reporting company. Similarly, companies should also pay attention to the application requirements (ESRS E1-5 AR 32 h) for accounting for steam, heat, or cooling received as "waste energy" from a third party's industrial processes under the category of "purchased or acquired" energy.

4.4 DH&C-LFL LIKE-FOR-LIKE TOTAL DISTRICT HEATING & COOLING CONSUMPTION

Annual kWh

Asset-level performance measure

Definition
DH&C-LfL refers to the district heating and cooling consumed by a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years (this like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting).[18] For example, the 2023 like-for-like change compares the 2023 district heating and cooling consumption (DH&C-Abs) with the 2022 district heating and cooling consumption (DH&C-Abs) for a consistent portfolio.

Rationale
Like-for-like Performance Measures are a necessary complement to absolute Performance Measures as disclosure on a like-for-like basis shows a change in performance unrelated to fluctuations in portfolio size (through acquisitions, disposals, major refurbishments and developments).

RECOMMENDATIONS

CORE: Companies must report like-for-like energy consumption from district heating and cooling across the two most recent reporting years.

DH&C-LfL should be calculated in the following way:
- Calculate the total district heating and cooling consumed for the like-for-like set of assets (i.e., those that have been consistently in operation, and not under development, during the most recent two full reporting years) using the same methodology used to calculate DH&C-Abs. These calculations should be reported as total consumption figures, not solely as a percentage change.
- Companies should disclose the basis and assumptions underlying the like-for-like information.
- High variation in vacancy rates: While companies can use significant changes in vacancy rates as an explanation (akin to 'special events') of unusual consumption trends, such cases should be explicitly stated and consumption should not be excluded from the totals due to variations in vacancy rates.

Further guidance
Please refer to the relevant GRI Standard 302-1: Energy consumption within the organisation. This section should be read in conjunction with the DH&C-Abs section of this document.

Necessary metrics for ESRS compliance are already incorporated within the DH&C-Abs BRIDGE REQUIREMENT.

[18] https://www.epra.com/application/files/3115/7287/4349/EPRA_BPR_Guidelines_241019.pdf

4.5 FUELS-ABS TOTAL FUEL CONSUMPTION

Asset-level performance measure

Annual kWh

Definition
Fuels-Abs refers to the total amount of fuel used from direct (renewable and non-renewable) sources ('direct' meaning that the fuel is combusted on-site) over a full reporting year.

Issue
According to the European Commission, buildings are responsible for 40% of final energy consumption in the European Union and, alongside electricity, fuels (such as natural gas) are one of the most widespread types of energy consumed in buildings.[19] Gas is classified as direct energy as it is burned on-site. The EU's recent 'Fit for 55' agreement illustrates efforts to hasten the transition away from natural gas and wider fuel consumption within the built environment, stating that by 2030 all new buildings must be zero emission, extending to the entire building stock by 2050. This comes in-line with data suggesting 66% of commercial building emissions are caused by predominantly fossil fuel heating systems.[20]

Rationale
Reporting total energy consumption from fuels (classified as direct energy) such as purchased natural gas should encourage companies to identify and manage the use of fuels in a way that drives down fuel consumption over time. To reduce emissions associated with fossil fuel energy combustion, organisations may seek alternative renewable fuel sources. Biofuel, a gas or liquid fuel made from plant material, is becoming increasingly prevalent as a low-carbon alternative to petroleum-based fuels, used as a resource for energy generation on-site and on the grid.[21] Biofuel use must, however, still be measured and reported, to provide an insight into overall fuel usage and to track the transition away from fossil fuel combustion. When combusting biofuels companies should separately report biogenic CO_2 emissions from scopes, whilst reporting any CH_4 and NO_2 emissions in scope 2.[22] This Performance Measure enables the calculation of the fuel's element of greenhouse gas emissions, which fall under scope 1 and 3 (where sub-metered to tenants or tenant-obtained) of the WRI/WBCSD GHG protocol.

RECOMMENDATIONS

CORE: Companies must report:

1. Total amount of fuels used from direct sources;
2. The proportion of the total amount of fuel consumption within the organisation that is from renewable sources.

Fuels-Abs should be calculated with reference to the following guidance (based on GRI Standard 302-1):

- Identify the amount of fuel purchased or obtained and consumed within the organisation from non-renewable sources;
- Identify the amount of fuels purchased or obtained and consumed within the organisation from renewable sources. Renewable energy sources can include:
  - Biomass
  - Biogas
  - Biofuel
  - Renewable hydrogen
- Calculate the proportion of fuels purchased, obtained and consumed from renewable sources as a percentage of the amount of fuels purchased, obtained and consumed.

[19] https://www.consilium.europa.eu/en/infographics/fit-for-55-making-buildings-in-the-eu-greener/

[20] https://ukgbc.org/wp-content/uploads/2021/11/UKGBC-Whole-Life-Carbon-Roadmap-A-Pathway-to-Net-Zero.pdf

[21] https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf

[22] Ibid.

- If electricity and thermals are self-generated by combusting fuels on site, only disclose the fuels consumed in Fuels-Abs. Do not include the resulting electricity/thermals in Elec-Abs/DH&C-Abs to avoid double-counting. If fuels are not purchased, obtained and consumed at any of the properties in the portfolio, the sustainability performance measure should be reported as 'Not applicable'.

BRIDGE REQUIREMENT: According to Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council, the real estate industry is classified as a 'high climate impact sector' within the ESRS.

As such, companies should further disaggregate total fuel consumption (based on ESRS E1-5 38 a to e) from fossil sources by;
– Coal and coal products
– Crude oil and petroleum products
– Natural gas
– Other fossil sources

Further guidance
Please refer to the relevant GRI Standard 302-1: Energy consumption within the organisation and ESRS E1-5: Energy consumption and mix.

For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS E1-5 35, which necessitates the disclosure of fuel consumption from both renewable (E1-5 37 c) and non-renewable sources (E1-5 38 a to e).

Companies should note application requirements (ESRS E1-5 AR 32 a) for reporting energy consumption required under paragraph 35, only applies to energy consumed from processes owned or controlled, as per the organisational boundaries defined by the reporting company.

4.6 FUELS-LFL LIKE-FOR-LIKE TOTAL FUEL CONSUMPTION

Asset-level performance measure

Annual kWh

Definition
Fuels-LfL refers to the fuel consumed by a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years (this like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting).[23] For example, the 2023 like-for-like change compares the 2023 Fuels-Abs consumption with the 2022 Fuels-Abs consumption for a consistent portfolio.

Rationale
Like-for-like Performance Measures are a necessary complement to absolute Performance Measures as disclosure on a like-for-like basis shows a change in performance unrelated to fluctuations in portfolio size (through acquisitions, disposals, major refurbishments and developments).

RECOMMENDATIONS

CORE: Organisations must report like-for-like fuel consumption across the two most recent reporting years.

Fuels-LfL should be calculated in the following way:

- Calculate the total fuels consumed for the like-for-like set of assets (i.e., those that have been consistently in operation, and not under development, during the most recent two full reporting years) using the same methodology used to calculate Fuels-Abs. These calculations should be reported as total consumption figures, not solely as a percentage change.
- Companies should disclose the basis and assumptions underlying the like-for-like information.
- High variation in vacancy rates: While companies can use significant changes in vacancy rates as an explanation (akin to 'special events') of unusual consumption trends, such cases should be explicitly stated, and consumption should not be excluded from the totals due to variations in vacancy rates.

Further guidance
Please refer to the relevant GRI Standard 302-1: Energy consumption within the organisation. This section should be read in conjunction with the Fuels-Abs section of this document.

Necessary metrics for ESRS compliance are already incorporated within the Fuel-Abs BRIDGE REQUIREMENT.

[23] https://www.epra.com/application/files/3115/7287/4349/EPRA_BPR_Guidelines_241019.pdf

4.7 ENERGY-INT BUILDING ENERGY INTENSITY

Asset-level performance measure

kWh/person/year; or
kWh/m^2/year; or
kWh/revenue/year

Definition
Energy-Int refers to the total amount of direct and indirect energy used by renewable and non-renewable sources in a building over a full reporting year, normalised by an appropriate denominator.

Issue
Intensity indicators are widely used to report performance. However, the variety of approaches used by companies to calculate intensity indicators represents a challenge for stakeholders when understanding how to interpret data provided by reporters. Please refer to section 7.5 and 7.6 of the Overarching Recommendations in this regard. Legislation regarding energy intensity and efficiency in the built environment is growing across Europe to align with binding 2030 and 2050 climate targets. This is primarily reflected by the EU's Energy Performance of Buildings Directive, which promotes policies aimed at achieving a highly energy efficient and decarbonised building stock by 2050,[24] as currently 85% of EU buildings were built before 2000, 75% of which reflect poor energy performance.

Rationale
Building energy intensity is one of the most effective measures of a building's overall energy efficiency during the occupation and operational phase of the building's life cycle and enables analysis of performance over time without the need to exclude acquired or sold properties. This Performance Measure can be used for the energy intensity for both those buildings occupied by the reporter and those held in investment portfolios. Building energy intensity is primarily intended to track changes over time for the reporters' assets. Tracking energy performance through energy intensity measures allows organisations to identify areas of energy improvement and investigate the impacts of renovation strategies at both individual asset and portfolio scales. Maximising energy efficiency reflects a crucial pillar of the net-zero carbon hierarchy, ensuring energy efficiency measures are prioritised to reduce a building's overall energy demand and consumption. Organisations may, therefore, seek to improve insulation, upgrade lighting systems, optimise HVAC technology, and install wider energy-efficient appliances. In efforts to reduce operational energy usage, the UKGBC states in-use energy consumption should be calculated and publicly disclosed on an annual basis.[25]

RECOMMENDATIONS

CORE: Companies must report the total amount of direct and indirect energy used (including renewable and non-renewable sources) across their portfolio over a full reporting year, normalised by an appropriate denominator.

Energy-Int should be calculated (based on GRI Standard 302-3) as the sum of energy consumption reported for Elec-Abs, DH&C-Abs & Fuels-Abs, normalised using an appropriate denominator.

Energy intensity per revenue (kWh/revenue/year) is the preferred method according to ESRS E1-5 40, although any of the following calculation methods are recognised by EPRA as appropriate denominators:

Energy intensity per person (kWh/person/year)
- Identify the number and type of buildings, total annual energy consumption (in kWh) and corresponding number of persons;

[24] https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en
[25] https://ukgbc.org/resources/net-zero-carbon-buildings-framework/

- Calculate:
  ∑ (sum of) annual kWh energy consumption[26]
  ∑ (sum of) persons
- Companies should decide the most appropriate measure of persons used in this Performance Measure, clearly stating the Rationale and calculation methodology. For example, current best practice for the use of per person denominators is as follows:

Property type	Suggested person denominator
Office	Number of workstations
Retail	Number of visitors per annum
Hotel	Number of guest-nights
Residential	Number of households

Energy intensity per floor area (kWh/m²/year)

- Identify the number and type of buildings, total annual energy consumption (in kWh) and corresponding floor area (m²);
- Calculate:
  ∑ (sum of) annual kWh energy consumption
  ∑ (sum of) floor area (m²)
- Companies should decide the most appropriate measure of floor area used for this Performance Measure, clearly stating the Rationale and calculation methodology.

It is fairly common for a landlord to supply tenant areas with Heating, Ventilation and Air Conditioning (HVAC) services but not for the rest of the energy used (i.e., tenants buy their own energy for lighting and small power supplies). In the absence of a standard approach, companies should include a note to state how they have treated buildings where this scenario applies, and what floor area they chose to apply to calculate intensity in such buildings. Outlined below are suggested types of floor area to be used while calculating intensity indicators. These suggestions are based on current best practice:

Coverage of known consumption data Outlined below are suggested types of floor area to be used while calculating intensity indicators, based on the coverage of known consumption data.	Suggested floor area denominator
If energy is only supplied to common areas	Common parts area
If landlord-shared services, such as HVAC, are supplied to tenant demises but tenant-obtained energy is unknown	Companies should state which floor area has been used where this applies – be it common parts area only or common parts plus lettable area – acknowledging that the intensity indicator is affected due to the mismatch between numerator and denominator. Where sub-metering allows for this, companies should consider itemising HVAC intensity separate to building energy intensity.
If energy is known for whole building (even including tenant-obtained energy if applicable)	Whole building floor area (for example, common parts plus net lettable area)

Energy intensity per revenue (kWh/revenue/year)

- Identify the number and type of buildings, total annual energy consumption (in kWh) and corresponding revenue (in EUR/GBP);
- Calculate:
  ∑ (sum of) Annual kWh energy consumption
  ∑ (sum of) revenue (EUR/GBP)

[26] Total energy consumption should be expressed as primary energy. Use local conversion factors to convert electricity to joules or multiples when possible; or generic conversion factors, when local conversion factors are unavailable.

In accordance with EU law, intensity should be calculated with net revenue although is not required by EPRA. In regard to all three types of normalisation (i.e., per person, floor area and revenue), reporting organisations should report the method used to ensure numerators and denominators in the intensity indicator correspond, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporter does not know energy consumption data within the whole building (i.e., it is missing or not known to the reporter), it is important to ensure the intensity indicator is consistent and accurate. Possible approaches include: excluding such properties from the aggregation; adjusting the overall consumption data to take account of unknown data (i.e., estimation); or adjusting the denominator to better correspond with the known consumption.

For industrial properties and retail parks where the landlord only buys electricity for the purposes of external/street lighting, companies should not use internal building area for the purposes of intensity Performance Measures. Rather, they should normalise the consumption by either number of car park spaces or m^2 area covering external areas (if available).

Further guidance
Please refer to the relevant GRI Standard 302-3: Energy intensity and ESRS E1-5: Energy intensity based on net revenue. This section should be read in conjunction with sections Elec-Abs, DH&C-Abs and Fuels-Abs of this document.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information regarding the relationship between this Performance Measure and EU regulation, please see ESRS E1-5 40 to 43, which highlights the preferred method of calculating energy intensity and the sectors required to do so.

4.8 GHG-DIR-ABS TOTAL DIRECT GREENHOUSE GAS (GHG) EMISSIONS

Asset-level performance measure

Annual metric tonnes CO_2e

Definition
GHG-Dir-Abs refers to the total amount of direct greenhouse gas emissions generated (i.e., GHG emissions which are generated on-site through combustion of the energy source/ fuel), or scope 1 emissions, over a full reporting year.

Issue
According to the European Commission, energy consumption in buildings is responsible for 36% of European Union greenhouse gas emissions.[27] Companies should have some control of these emissions as they originate from combusting fuels. The impacts of climate change associated with greenhouse gas emissions are becoming increasingly evident across Europe (i.e., through extreme heat, drought, and wildfires).[28] The requirement to measure, manage, and reduce such emissions is therefore growing in prevalence. The EU's recent 'Fit for 55' provisional agreement illustrates the clear intention to eliminate scope 1 GHG emissions associated with the built environment, directly reflected by objectives stating all new buildings constructed should be zero-emission by 2030, extending to the entire building stock by 2050.[29]

Rationale
Reporting GHG-Dir-Abs emissions should encourage a property investment company to identify and manage emissions from sources owned or controlled by the reporting company. For example, direct emissions related to combustion would arise from burning fuel for energy within the company's operational boundaries. In order to reach net zero targets, monitoring the reduction of GHG emissions and transitioning towards low and zero GHG alternatives is crucial. Organisations should seek to prioritise the installation and use of on-site renewable energy sources to transition away from fossil fuel intensive systems. Maximising energy efficiency has also been identified as a further strategy to reduce direct GHG emissions in the built environment, through actively improving building insulation, upgrading to efficient appliances, and employing building energy management systems.[30] Organisations may also source low-carbon heating technology, including air and ground-source heat pumps, biomass boilers, and district heating systems, to aid the transition from fossil fuel intensive systems.

RECOMMENDATIONS

CORE: Companies must report their total amount of direct (scope 1) greenhouse gas emissions.

GHG-Dir-Abs should be calculated with reference to the following guidance (based on GRI Standard 305-1):
To calculate direct emissions, report tonnes of carbon dioxide equivalent (tonnes CO_2e) emitted from fuels burned on site (please use the amount of fuels burned on site as reported under Fuels-Abs). Use recognised conversion factors, such as those published by recognised international bodies/initiatives such as the Intergovernmental Panel on Climate Change (IPCC) or International Energy Agency.[31, 32]

- If fuels are not purchased, obtained and consumed at any of the properties in the portfolio, the sustainability Performance Measure should be reported as 'Not applicable'.

[27] https://www.consilium.europa.eu/en/infographics/fit-for-55-making-buildings-in-the-eu-greener/
[28] https://news.un.org/en/story/2023/06/1137867
[29] https://www.consilium.europa.eu/en/infographics/fit-for-55-making-buildings-in-the-eu-greener/
[30] https://www.theccc.org.uk/wp-content/uploads/2014/08/Fact-sheet-buildings-updated-July-2015.pdf
[31] www.ipcc-nggip.iges.or.jp/EFDB/main.php
[32] https://www.iea.org/data-and-statistics/data-product/emissions-factors-2023

ADDITIONAL: Companies may be aware that GRI Standard 305-1 requests that companies report fugitive emissions (such as refrigerant gases) and emissions from transportation of materials, products and waste. Please refer to section 7.5 of this document for further guidance on EPRA's recommended approach to these additional emissions sources.

Further guidance
Please refer to the relevant GRI Standard 305-1: Direct (Scope 1) GHG emissions.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions. This section should be read in conjunction with the Fuels-Abs section of this document.

4.9 GHG-INDIR-ABS TOTAL INDIRECT GREENHOUSE GAS (GHG) EMISSIONS

Asset-level performance measure

Annual metric tonnes CO_2e

Definition
GHG-Indir-Abs refers to the total amount of indirect greenhouse gas emissions generated ('indirect' meaning that GHG emissions are generated off site during combustion of the energy source) over a full reporting year.

Issue
Accurately calculating indirect greenhouse gas emissions using a robust methodology and appropriate conversion factors remains a key issue.[33] The impacts of climate change associated with these emissions are increasingly evident across Europe, such as extreme heat, drought, and wildfires.[34] As a result, there is a growing requirement to effectively measure, manage, and reduce these emissions. The EU's recent 'Fit for 55' provisional agreement aims to boost the deployment of renewable projects in order to increase the share of renewables in the EU's final energy consumption to 42.5% by 2030.[35] Additionally, the UK government's Streamlined Energy and Carbon Reporting (SECR) requires companies to disclose certain emissions, indicating a legislative shift towards reducing and reporting on indirect greenhouse gas emissions.

Rationale
Reporting indirect emissions should encourage companies to identify and manage the emissions that result from their activities, but are emitted at sites owned or controlled by another company. In the context of this Performance Measure, indirect emissions refer to greenhouse gas emissions from the generation of electricity, heat or steam that is imported and consumed by the reporting organisation. Indirect emissions are sufficiently influenced by reporters that changes in their practices may lead to significant reductions. Measuring and reporting efforts to reduce indirect emissions can demonstrate leadership in combating climate change and can enhance the reporter's reputation.

Maximising renewable energy supply has been denoted as one of the five key steps towards achieving a net zero carbon building and reducing scope 2 emissions, prioritising the use of on-site renewable energy generation.[36] In reducing scope 2 emissions, organisations may seek to rethink off-site energy supplies and place greater emphasis on the concept of additionality, a process in which an organisation's power purchase agreement (PPA) has the direct effect of adding new renewable energy generation projects to the grid. Long-term commitments to purchase energy from a new renewable generation project can provide the capital required to aid construction and operation,[37] thus allowing an organisation to be directly supplied with renewable, low GHG emitting energy, whilst increasing the share of renewable energy in the wider grid. Efforts to reduce indirect emissions can also help identify emission hotspots, build partnerships with suppliers and customers, and improve supply chain efficiency, leading to potential operational cost savings through reduced material, resource, and energy usage.[38]

As a minimum requirement, companies must report their emissions according to the location-based method, which reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data.[39] Companies may also report their emission according to the market-based method as an additional Performance Measure.[40]

[33] https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

[34] https://news.un.org/en/story/2023/06/1137867

[35] https://www.europarl.europa.eu/news/en/headlines/society/20180305STO99003/reducing-carbon-emissions-eu-targets-and-policies

[36] https://ukgbc.org/resources/net-zero-carbon-buildings-framework/

[37] https://ukgbc.org/news/corporate-ppas-an-alternative-route-to-additionality/

[38] https://www.ukgbc.org/wp-content/uploads/2019/07/Scope-3-guide-for-commercial-real-estate.pdf

[39] According to the GHG Protocol, location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

[40] According to the GHG Protocol, market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

RECOMMENDATIONS

CORE: Companies must report the total amount of location-based indirect greenhouse gas emissions (tonnes CO_2e) emitted by off-site generation used for the operational energy consumption of the asset.

GHG-Indir-Abs should be calculated with reference to the following guidance (based on GRI Standard 305-2 and 305-3).

- Identify indirect location-based emissions of greenhouse gases resulting from the off-site generation of operational energy use at assets. The reported emissions must correspond with the amounts presented in Elec-abs, Fuel-abs and DH&C, aligning with the organisational boundaries identified by the company.
- Report tonnes of carbon dioxide equivalent (tonnes CO_2e) emitted by the off site generation of electricity, heat or steam consumed, and fuels burned by tenants. Use recognised conversion factors such as those published by recognised international bodies/initiatives such as the Intergovernmental Panel on Climate Change (IPCC) or International Energy Agency.[41, 42]
- With regard to reporting of tenant and landlord emissions, the allocation of indirect GHG emissions between scope 2 and 3 is dependent on the metering and sub-metering arrangement in place between tenants and landlords.[43] Reporters need to decide how to interpret Category 13 of the Technical Guidance for Calculating scope 3 Emissions of the GHG protocol.[44] "Navigating through sustainability reporting standards", available from https://www.epra.com/application/files/9715/0366/5096/UK_EPRA_BPRs_Guidance-JLL.pdf provides more guidance on this.

BRIDGE REQUIREMENT: If applicable, companies may also report indirect market-based emissions of greenhouse gases resulting from the off-site generation of purchased electricity, heat, or steam (based on the amounts of purchased electricity, heat and steam as reported in Elec-Abs and DH&C-Abs).[45] Market-based emissions reflect emissions from electricity that an organisation has purposefully chosen. It derives emission factors from the contractual agreement between the external energy supplier and the reporting organisation for the purchase of energy with certain attributes such as renewable sources (based on ESRS E1-6 49 b).

It is also encouraged for companies to report their scope 3 emissions in metric tonnes of CO_2e (based on ESRS E1-6 44 c). EPRA recognises that companies may report other indirect scope 3 emissions, in addition to those associated with the operational energy use of buildings. For transparency within the sBPR disclosures, companies should separately identify such emissions and should categorise these according to the organisational boundaries and aligned with the GHG Protocol.

Further guidance

Please refer to the relevant GRI Standard 305-2: Energy indirect (Scope 2) GHG emissions and 305-3: Other indirect (Scope 3) GHG emissions. For further guidance on how this Performance Measure relates to EU regulation please see ESRS E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions and ESRS 1-6 AR 46 for additional support on how to calculate scope 3 emissions. Where companies wish to report scope 3 or other out of scope GHG emissions, they may refer to GRI 305-3: Other indirect (Scope 3) GHG emissions.

This section should be read in conjunction with the Elec-Abs, DH&C-Abs and Fuels-Abs sections of this document.

Please also refer to section 7.5 and 7.6 of the Overarching Recommendations and "Navigating through sustainability reporting standards."

41 www.ipcc-nggip.iges.or.jp/EFDB/main.php
42 EPRA recommend companies use the most recently available grid-based emissions factors such as those provided by the International Energy Agency, see www.iea.org/data-and-statistics/data-product/emissions-factors-2023
43 Calculated according to the location-based method.
44 www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3_Calculation_Guidance_0.pdf
45 Calculated according to the market-based method.

4.10 GHG-INT GREENHOUSE GAS (GHG) EMISSIONS INTENSITY FROM BUILDING ENERGY CONSUMPTION

Asset-level performance measure

$kgCO_2e/m^2/year$
$kgCO_2e/person/year$
$kgCO_2e/revenue/year$

Definition
GHG-Int refers to the total amount of direct and indirect GHG emissions generated from energy consumption in a building over a full reporting year, normalised by an appropriate denominator.

Issue
Intensity indicators have become widespread measures of performance (alongside the absolute consumption and like-for-like indicators). However, the variety of approaches used by companies to calculate intensity indicators represents a challenge for stakeholders when understanding how to interpret these indicators. Please refer to section 7.5 and 7.6 of the Overarching Recommendations in this regard. Legislation regarding energy intensity and efficiency, and reducing overall emissions in the built environment is growing across Europe to align with binding 2030 and 2050 climate targets. This is primarily reflected by the EU's Energy Performance of Buildings Directive which promotes policies to achieve a highly energy efficient and decarbonised building stock by 2050.[46]

Rationale
GHG-Int is an effective measure of efficiency during the occupation and operational phase of the building life cycle and allows analysis of performance over time without the need to exclude acquired or sold properties. This Performance Measure provides reporters with the opportunity to disclose GHG intensity for both those buildings occupied by the reporter and investment properties. GHG intensity from building energy is primarily intended to track changes over time for the reporters' assets.

RECOMMENDATIONS

CORE: Companies must report the total amount of direct and indirect (location-based) GHG emissions generated from energy consumption over a full reporting year, normalised by an appropriate denominator.

GHG-Int should be calculated (based on GRI Standard 305-4) as the sum of GHG emissions calculated for the EPRA Sustainability Performance Measures GHG-Dir-Abs and GHG-Indir-Abs, normalised using an appropriate denominator.

GHG intensity per revenue ($kgCO_2e$/revenue/year) is the preferred method according to ESRS E1-6, although any of the following calculation methods are recognised by EPRA as appropriate denominators:

GHG intensity per person ($kgCO_2e$/person/year)
- Identify the number and type of buildings, total annual $kgCO_2e$ emissions and corresponding total number of persons.
- Calculate:
  ∑ (sum of) annual $kgCO_2e$ emissions
  ∑ (sum of) persons

[46] https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

- Companies should decide the most appropriate measure of persons used in this Sustainability Performance Measure, clearly stating the Rationale and calculation methodology. For example, current best practice for the use of per person denominators is as follows:

Property type	Suggested person denominator
Office	Number of workstations
Retail	Number of visitors per annum
Hotel	Number of guest-nights
Residential	Number of households

GHG intensity per floor area ($kgCO_2e/m^2$/year)

- Identify the number and type of buildings, total annual $kgCO_2e$ emissions and corresponding total floor area (m^2).
- Calculate:
  ∑ (sum of) annual $kgCO_2e$ emissions
  ∑ (sum of) floor area (m^2)
- Companies should decide the most appropriate measure of floor area used in this Sustainability Performance Measure, clearly stating the Rationale and calculation methodology.

It is fairly common for a landlord to supply tenant areas with Heating Ventilation and Air Conditioning (HVAC) services but not the rest of energy (i.e., tenants buy their own energy for lighting and small power supplies). In the absence of a standard approach, companies should include a note to state how they have treated buildings where this scenario applies, and what floor area they chose to apply to calculate intensity in such buildings.

Coverage of known consumption data Outlined below are suggested types of floor area to be used while calculating intensity indicators, based on the coverage of known consumption data.	Suggested floor area denominator
Emissions cover energy only supplied to common areas	Common parts area
If landlord-shared services, such as HVAC, are supplied to tenant demises but emissions arising from tenant-obtained energy are unknown	Companies should state which floor area has been used where this applies – be it common parts area only or common parts plus lettable area – acknowledging that the intensity indicator is affected due to the mismatch between numerator and denominator. Where sub-metering allows for this, companies should consider itemising HVAC intensity separate to building GHG intensity.
If data is available on emissions arising from energy for whole building (even including tenant-obtained energy if applicable)	Whole building floor area (for example, common parts plus net lettable area).

GHG intensity per revenue ($kgCO_2e$/revenue/year)

- Identify the number and type of buildings, total annual $kgCO_2e$ emissions and corresponding revenue (in EUR/GBP).
- Calculate:
  ∑ (sum of) annual $kgCO_2e$ emissions
  ∑ (sum of) revenue (EUR/GBP)

In accordance with ESRS E1-5, activities in 'high climate impact sectors' should calculate energy intensity using total energy consumption per net revenue, even though this is not required by the EPRA sBPR. In regard to all three types of normalisation (i.e., per person, floor area and revenue), reporting organisations should report the method used to ensure numerators and denominators in the intensity indicator correspond, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporter does not know GHG emission data within the whole building (i.e., it is missing or not known to the reporter), it is important to ensure the intensity indicator is consistent and accurate. Possible approaches include: excluding such properties from the aggregation; adjusting the overall consumption data to take account of unknown data (i.e., estimation); or adjusting the denominator to better correspond with the known consumption.

For industrial properties and retail parks where the landlord only buys electricity for the purposes of external/ street lighting, companies should not use internal building area for the purposes of GHG emissions intensity Performance Measures. Rather, they should normalise the consumption by either number of car park spaces or m^2 area covering external areas (if available).

BRIDGE REQUIREMENT: For companies reporting indirect market-based emissions, it is encouraged to also calculate emissions intensity using these factors (based on ESRS E1 AR 47). For companies reporting GHG intensity per revenue, figures should be reported in metric tonnes of CO e (based on ESRS E1-6 54).

Further guidance
Please refer to the guidance for GRI 305-4: GHG emissions intensity. This section should be read in conjunction with the GHG-Dir-Abs and GHG-Indir-Abs sections of this document.

For detailed information regarding the relationship between this Performance Measure and EU regulation, please see ESRS E1 AR 47 a, which provides a calculation method using market-based emissions, and ESRS E1-6 AR 53 and E1-6 53 to 55, which highlights the preferred method of calculating GHG emissions intensity and the sectors required to do so.

4.11 WATER-ABS TOTAL WATER CONSUMPTION

Asset-level performance measure

Annual cubic metres (m^3)

Definition
Water-Abs refers to the total amount of water consumed within a portfolio over a full reporting year.

Issue
The built environment is responsible for 33% of water consumption, according to the World Green Building Council.[47] However, water reporting by the real estate sector is often limited in scope, accuracy, and detail. The impacts of climate change are greatly affecting the availability of finite water resources across Europe. The European Environment Agency denotes approximately 20% of European territory and 30% of Europeans are affected by water stress during an average year, with climate change set to exacerbate the issue by heightening the frequency, magnitude, and impact of drought events in the region.[48] Although no specific legislation has been set regarding a mandated reduction in water consumption, climate change represents a need to monitor and reduce water consumption within the built environment.

Rationale
Reporting Water-Abs (total volume of water withdrawn by source) contributes to an understanding of the overall scale of potential impacts and risks associated with an investment company's water use. The total volume withdrawn provides an indication of the company's relative size and importance as a user of water and provides a baseline figure for other calculations relating to efficiency and use. To accurately track water consumption, organisations may employ sub-metering monitoring systems, aiding identification of performance inefficiencies, allowing the creation of informed decisions regarding conservation measures.[49] Maximising water reuse and recycling has also been identified as crucial action in reducing water consumption in the built environment.[50] Organisations may consider installing rainwater harvesting systems, grey and blackwater recycling technology, or low flow operational fittings, among wider technologies, to improve water re-use and recycling efforts and overall efficiency.

The systematic effort to monitor and improve the efficient use of water in the reporting organisation is directly linked to water consumption costs. Total water use can also indicate the level of risk posed by disruptions to water supplies or increases in the cost of water. In regions where water sources are highly restricted, the company's water consumption patterns can also influence relations with other stakeholders.

RECOMMENDATIONS

CORE: Companies must report the total amount of water consumed within a portfolio over a full reporting year.

Water-Abs should be calculated as follows (based on GRI Standard 303-3 and 303-5):

- Identify the total volume of water withdrawn from any water source (linked to metered or measured utility data), either withdrawn directly by the company or purchased through intermediaries such as water utilities. This includes the abstraction of cooling water. It should cover all water purchased/sourced, and reporters may itemise water reallocated (preferably metered) to other parties who are the end users. To avoid double counting, secondary water usage (for example water withdrawn from a primary source and reused on site for a secondary use) should not be included in your calculations.

[47] https://worldgbc.org/what-is-a-sustainable-built-environment/#:~:text=Worldwide%2C%20buildings%20are%20responsible%20for,and%2035%25%20of%20generated%20waste

[48] https://www.eea.europa.eu/highlights/water-stress-is-a-major

[49] https://worldgbc.org/wp-content/uploads/2023/11/C23.9497-WGBC-Water-Guide-2023_AW_V8_Spreads.pdf

[50] Ibid.

- Report the total volume of water withdrawn in cubic metres per year (m^3/year) from the following sources:
  - Surface water, sourced from wetlands, rivers, lakes, and oceans
  - Ground water
  - Rainwater collected directly and stored by the reporting organisation
  - Waste water from another organisation
  - Municipal water supplies or other public or private utilities

ADDITIONAL: In addition to reporting total water consumption, companies may also choose to report total consumption by the following sources provided they have accurate data and/or water collection installations on site. For this additional indicator, companies can include the use of secondary water (such as waste water treated and reused on site):

- Surface water sourced from wetlands, rivers, lakes and oceans
- Ground water
- Rainwater collected directly and stored by the reporting organisation
- Waste water from another organisation
- Greywater
- Blackwater
- Treated waste water
- Desalination plant
- Other water sources

BRIDGE REQUIREMENT: Total water consumption used within areas at material water risk should be reported in addition to the absolute value when available (based on ESRS E3-4 28 b).

Further guidance

Please refer to the relevant GRI Standards 303-3: Water withdrawal and 303-5: Water consumption.

For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS E3-4 28, which necessitates the disclosure of water consumption within own operations and water recycled, reused, and stored.

4.12 WATER-LFL LIKE-FOR-LIKE TOTAL WATER CONSUMPTION

Asset-level performance measure

Annual cubic metres (m^3)

Definition
Water-LfL refers to the water consumption of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years (this like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting).[51]

Rationale
Like-for-like Performance Measures are a necessary complement to absolute Performance Measures as disclosure on a like-for-like basis shows a change in performance is not affected by fluctuations in the size of portfolios (through acquisitions, disposals, major refurbishments and developments).

RECOMMENDATIONS

CORE: Companies must report like-for-like water consumption across the two most recent reporting years.

Water-LfL should be calculated in the following way:
- Calculate the total water consumed for the like-for-like set of assets (i.e., those that have been consistently in operation, and not under development, during the most recent two full reporting years) using the same methodology used to calculate Water-Abs. These calculations should be reported as total consumption figures, not solely as a percentage change.
- Companies should disclose the basis and assumptions underlying the like-for-like information.
- High variation in vacancy rates: While companies can use significant changes in vacancy rates as an explanation (akin to 'special events') of unusual consumption trends, such cases should be explicitly stated and consumption should not be excluded from the totals due to variations in vacancy rates.

ADDITIONAL: Companies may also report the total water consumed by source for the like-for-like set of assets using the same methodology and sources used to calculate water consumption by source under Water-Abs. These calculations should be reported as total consumption figures, not solely as a percentage change.

Further guidance
Please refer to the relevant GRI Standard 303-3: Water withdrawal. This section should be read in conjunction with the Water-Abs section of this document.

[51] https://www.epra.com/application/files/3115/7287/4349/EPRA_BPR_Guidelines_241019.pdf

4.13 WATER-INT BUILDING WATER INTENSITY

Asset-level performance measure

(litres or m^3)/person/day; or
m^3/ m^2/ year; or
(litres or m^3)/revenue/year

Definition
Water-Int refers to the total amount of water consumption within a building over a full reporting year, normalised by an appropriate denominator.

Issue
Intensity indicators have become widespread measures of performance (alongside the absolute consumption and like-for-like indicators). However, the variety of approaches used by companies to calculate intensity indicators represents a challenge for stakeholders when understanding how to interpret these indicators. Please refer to section 7.5 and 7.6 of the Overarching Recommendations in this regard. The impacts of climate change are greatly affecting the availability of finite water resources across Europe. The European Environment Agency denotes approximately 20% of European territory and 30% of Europeans are affected by water stress during an average year, with climate change set to exacerbate the issue by heightening the frequency, magnitude, and impact of drought events in the region.[52] Although no specific legislation has been set regarding a mandated reduction in water consumption, climate change represents a need to monitor and reduce water use intensity within the built environment.

Rationale
Water-Int is one of the most effective measures of a building's overall water efficiency during the occupation and operational phase of the building life cycle and allows analysis of performance over time without the need to exclude acquired or sold properties. This Performance Measure provides reporters with the opportunity to disclose water intensity for both those buildings occupied by the reporter and those held in investment portfolios. Water intensity is primarily intended to track changes over time for the reporters' assets. Maximising water reuse and recycling has also been identified as crucial action in enhancing water use efficiency in the built environment.[53] Organisations may consider installing rainwater harvesting systems, grey and blackwater recycling technology, or low flow operational fittings, among wider technologies, to improve water reuse and recycling efforts and reduce overall water use intensity.

RECOMMENDATIONS

CORE: Companies must report the total amount of water consumption over a full reporting year, normalised by an appropriate denominator.

Water-Int should be calculated as the sum of water consumption recorded under Water-Abs (total water withdrawal by source), normalised using an appropriate denominator.

Water intensity per revenue ((litres or m^3)/revenue/year) is the preferred method according to ESRS E3-4, although any of the following calculation methods are recognised by EPRA as appropriate denominators:

Water intensity per person ((litres or m^3)/appropriate person denominator)

Water use in some cases can be driven by building users or visitors. For this reason, intensity analysis may be based on the numbers of occupiers/users of a property.

- Identify the number and type of buildings, total annual litres or m^3 water consumption and corresponding denominator.

[52] https://www.eea.europa.eu/highlights/water-stress-is-a-major

[53] https://worldgbc.org/wp-content/uploads/2023/11/C23.9497-WGBC-Water-Guide-2023_AW_V8_Spreads.pdf

- Calculate:
  ∑ (sum of) annual litres or m^3 water consumption
  ∑ (sum of) appropriate person denominator
- Companies should decide the most appropriate measure of persons used in this performance measure, clearly stating the rationale and calculation methodology. For example, current best practice for the use of per person denominators is as follows:

Property type	Suggested person denominator
Office	Number of workstations
Retail	Number of visitors per annum
Hotel	Number of guest-nights
Residential	Number of households

Water intensity per floor area (m^3/m^2/year)
- Identify the number and type of buildings, total annual m^3 water consumption and corresponding floor area (in m^2).
- Calculate:
  ∑ (sum of) annual m^3 water consumption
  ∑ (sum of) floor area (m^2)
- Companies should decide the most appropriate measure of floor area used, clearly stating the rationale and calculation methodology. Current good practice for the use of floor area denominators is as follows:

Coverage of known consumption data	Suggested floor area denominator
Outlined below are suggested types of floor area to be used while calculating intensity indicators, based on the coverage of known consumption data.	
If water is only supplied to common areas	Common parts area
If water consumption is known for the whole building (even including tenant-obtained water if applicable)	Whole building floor area (for example, common parts plus net lettable area).

Water intensity per revenue ((litres or m^3)/revenue/year)
- Identify the number and type of buildings, total annual litres or m^3 water consumption and corresponding revenue (in EUR/GBP).
- Calculate:
  ∑ (sum of) annual litres or m^3 water consumption
  ∑ (sum of) revenue (EUR/GBP)

In accordance with EU law, intensity should be calculated with net revenue although this is not required by EPRA. In regard to all three types of normalisation (i.e., per person, floor area and revenue), reporting organisations should report the method used to ensure numerators and denominators in the intensity indicator correspond, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporter does not know the water consumption data within the whole building (i.e., it is missing or not known to the reporter), it is important to ensure the intensity indicator is consistent and accurate. Possible approaches include: excluding such properties from the aggregation; adjusting the overall consumption data to take account of unknown data (i.e., estimation); or adjusting the denominator to better correspond with the known water consumption.

Further guidance
Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT.

Please refer to ESRS E3-4 29 for detailed information regarding the relationship between this Performance Measure and EU regulation, which highlights the preferred method of calculating water intensity.

This section should be read in conjunction with Water-Abs of this document.

4.14 WASTE-ABS TOTAL WEIGHT OF WASTE BY DISPOSAL AND DIVERSION ROUTES

Asset-level performance measure

Annual metric tonnes and proportion by disposal/ diversion routes

Definition
Waste-Abs refers to the total amount of waste disposed and diverted of via various disposal and diversion methods routes over a full reporting year.

Issue
Construction and demolition waste associated with the built environment accounts for more than a third of all waste generated in the EU.[54] However, waste reporting by the real estate sector is often limited in scope, accuracy and detail. The EU's recent Circular Economy Action Plan illustrates continued efforts to limit waste to landfill, improve waste management, and promote the sustainable use of resources across all industries,[55] with the built environment being noted as a priority sector.[56] Additionally, green building certification schemes (notably BREEAM and LEED), are placing increasing emphasis on waste management and recycling strategies, further indicating continued efforts within the industry to minimise waste and maximise resource life cycles.[57, 58]

Rationale
Information about the disposal destination reveals the extent to which a company has managed the balance between disposal options and environmental impacts. For example, landfill and recycling create very different types of environmental impacts and residual effects. Most waste minimisation strategies prioritise options for recovery, reuse or recycling over other disposal options.

Reporting data on waste disposed and diverted figures over several years should encourage an investment property company to improve its waste management process (i.e., through more productive disposal routes) and reduce the amount of waste generated at its assets. From a financial perspective, the reduction of waste contributes directly to lower costs associated with materials, processing and disposal, whilst increasing material recovery in waste reduction procedures enables high value resource items to be reused and recycled, limiting further costs and aiding the transition to a circular economy. Organisations may also seek to collaborate with waste management service providers and engage with tenants and occupiers to create a culture of waste reduction and resource efficiency.

RECOMMENDATIONS

CORE: Companies must report the:

1. Total amount (in tonnes) of waste disposed and diverted of by disposal and diversion routes over a full reporting year;
2. The proportion of waste disposed of by disposal route according to type (non-hazardous and hazardous) in tonnes or as a percentage.

Waste-Abs should be calculated with reference to the following guidance (based on GRI Standards 306-4 and 306-5):
- Identify the total amount of waste disposed and diverted, including:
  - Hazardous waste (as defined by national legislation at the point of generation); and
  - Non-hazardous waste (all other forms of solid or liquid waste excluding waste water).

[54] https://environment.ec.europa.eu/topics/waste-and-recycling/construction-and-demolition-waste_en
[55] https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en
[56] https://www.eea.europa.eu/publications/building-renovation-where-circular-economy
[57] BREEAM New construction - BRE Group
[58] https://www.usgbc.org/leed/v41

- Report the proportion of waste by type (non-hazardous and hazardous) disposed and diverted of by the following disposal and diversion routes:
  - Reuse
  - Recycling
  - Composting
  - Materials Recovery Facility (MRF)[59]
  - Incineration with or without energy recovery
  - Landfill (with or without energy recovery)
  - Other
- If no weight data is available, estimate the weight using available information on waste density and volume collected, mass balances or similar information. Estimation assumptions and methodology should be clearly stated.
- If hazardous waste is not disposed and diverted at any of the properties in the portfolio, this element of the sustainability performance measure should be reported as 'Not applicable'.

BRIDGE REQUIREMENT: If applicable, companies should report the total breakdown of its waste composition based on materials present in the waste, relevant to its sector or activities (based on GRI 306-3 and ESRS E5-5 38 a to b). Materials that are present in the waste may include but is not limited to:

- Metals
- Plastics
- Biomass

Further guidance

Please refer to the relevant GRI Standard 306-3: Waste generated, 306-4: Waste diverted from disposal, and 306-5: Waste directed to disposal.

For detailed information on the relationship between this Performance Measures and EU regulation, please see ESRS E5-5 37 a to d and 38 b, which necessitates the information an undertaking must provide on its resource outflows.

[59] While MRF is an immediate disposal route, if the final destination of waste handled by MRF is known companies should allocate such waste to the other categories.

4.15 WASTE-LFL LIKE-FOR-LIKE TOTAL WEIGHT OF WASTE BY DISPOSAL AND DIVERSION ROUTES

Asset-level performance measure

annual metric tonnes and proportion by disposal/ diversion routes

Definition
Waste-LfL refers to the waste disposed and diverted from a portfolio that has been consistently in operation, and not under development, during the two most recent full reporting years (this like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting).[60] For example, the 2023 like-for-like change compares the 2023 Waste-Abs with the 2022 Waste-Abs for a consistent portfolio.

Rationale

Like-for-like Performance Measures are a necessary complement to absolute Performance Measures as disclosure on a like-for-like basis shows a change in performance is not affected by fluctuations in the size of portfolios (through acquisitions, disposals, major refurbishments and developments).

RECOMMENDATIONS

CORE: Companies must report the total amount of like-for-like waste disposed and diverted across the two most recent reporting years.

Waste-LfL should be calculated as follows (based on GRI Standards 306-4 and 306-5):

- Calculate the total waste disposed and diverted for the like-for-like set of assets (i.e., those that have been consistently in operation, and not under development, during the most recent two full reporting years) using the same methodology used to calculate Waste-Abs. These calculations should be reported as total figures, not solely as a percentage change.
- Companies should disclose the basis and assumptions underlying the like-for-like information.
- High variation in vacancy rates: While companies can use significant changes in vacancy rates as an explanation (akin to 'special events') of unusual consumption trends, such cases should be explicitly stated and consumption should not be excluded from the totals due to variations in vacancy rates.

Further guidance
Please refer to the relevant GRI Standard 306-3: Waste generated, 306-4: Waste diverted from disposal, and 306-5: Waste directed to disposal. This section should be read in conjunction with the Waste-Abs section of this document.

Necessary metrics for ESRS compliance are already incorporated within the Waste-Abs BRIDGE REQUIREMENT.

[60] https://www.epra.com/application/files/3115/7287/4349/EPRA_BPR_Guidelines_241019.pdf

4.16 CERT-TOT TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS

Asset-level performance measure

Total number by certification/rating/ labelling scheme

Definition
Cert-Tot refers to the total number of assets within a portfolio that have formally obtained sustainability certification, rating or labelling at the end of a reporting year.

Issue
Sustainable construction, management and redevelopment certification and labelling schemes exist worldwide for building and infrastructure assets and vary between markets. In 2021, around 4.2 billion square meters of green building space had been certified globally.[61] Each scheme uses its own methodology to assess the overall level of sustainability. These frameworks explore issues such as energy and water use, indoor air quality, material usage and accessibility, among other factors.

Rationale
The level of compliance with mandatory (such as Energy Performance Certificates) and voluntary certification schemes (such as LEED, BREEAM, and HQE, etc.) can assist in assessing and communicating the sustainability credentials of an asset. Thus, provision of certification information may be of relevance to some report readers.

RECOMMENDATIONS

CORE: Companies should report the type and number of sustainability certification, rating or labelling schemes valid at the end of the reporting period.

Cert-Tot should be reported in at least one of the following ways:
- By percentage of the portfolio's total value and level of certification attained;
- By percentage of the portfolio's total floor area or units (in the case of residential portfolios) and level of certification attained.

ADDITIONAL: Reporters may additionally disclose sustainability certification, rating or labelling as follows:
- Total number of assets that have achieved a certification, rating or labelling within a portfolio and level of certification attained;
- Percentage of assets that have achieved a certification, rating or labelling within a portfolio within a portfolio.

Further guidance
Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please refer to ESRS E1-9 67 c, which necessitates the breakdown of the undertaking's carrying value of assets by energy efficiency classes and ESRS E1-9 AR 73 b, provides further details on the breakdown methodology and how to proceed if this information cannot be obtained.

[61] https://worldgbc.org/sustainable-building-certifications/

EPRA Sustainability Performance Measures - Social

5

5.1 DIVERSITY-EMP EMPLOYEE GENDER DIVERSITY

Corporate-level performance measure

Percentage of male & female employees

Definition
Diversity-Emp refers to the percentage of male and female employees in the organisation's governance bodies and other significant employee categories.

Issue
The value of having a diverse workforce is widely recognised. Promoting gender diversity remains a priority for many companies and women often remain underrepresented at management levels in the corporate pipeline, with disparity especially common among senior leadership.[62] Comparisons between board-level, senior management and other employee categories offer information on the degree by which equal opportunities commitments are embedded throughout the company.

Rationale
Diversity-Emp provides a quantitative measure of gender diversity within an organisation. Reporting gender diversity should encourage companies to measure and manage the success of their efforts to promote gender diversity, as well as providing a quantitative measure of diversity that can be used in conjunction with sectorial or regional benchmarks. Secondly, reporting on this Performance Measure can support companies in their reporting against the mandatory diversity reporting requirements that are steadily being introduced, such as in the United Kingdom the Financial Conduct Authority requires companies, on a comply or explain basis, to ensure that at least one senior board position, and 40% of the board is occupied by women.[63]

RECOMMENDATIONS

CORE: Companies must report the percentage of male and female employees in the organisation's governance bodies and other significant employee categories.

Diversity-Emp should be calculated with reference to the following guidance (based on GRI Standard 405-1):
- An employee refers to an individual who is in a direct employment relationship with the reporting organisation (excluding supervised workers and sub-contractors), according to national law or its application.
- Governance body refers to the committee or board responsible for the strategic guidance of the organisation, the effective monitoring of management, and the accountability of management to the broader organisation and its stakeholders. For the purposes of this Performance Measure, the governance body would typically refer the Board of Directors of the company, and the scope includes Non-Executive Directors.

[62] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2023

[63] https://www.fca.org.uk/news/press-releases/fca-finalises-proposals-boost-disclosure-diversity-listed-company-boards-executive-committees#:~:text=At%20least%2040%25%20of%20the,SID)%20should%20be%20a%20woman

- Other significant employee categories refer to senior management and non-management functions. Organisations can use their discretion in determining the definition applied to other significant employee categories. As a guide, senior management can be defined as managers (other than directors) who have responsibility for planning, directing or controlling the activities of the entity, or a strategically significant part of it.

BRIDGE REQUIREMENT: Companies are encouraged to disclose the distribution of their employeess by age, by both number and percentage using the following age ranges (based on ESRS S1-9 66 b):
- under 30 years old;
- 30-50 years old;
- over 50 years old

Further guidance
Please refer to the relevant GRI Standard 405-1: Diversity of governance bodies and employees.

For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS S1-9 66a, which necessitates the disclosure of employee diversity, and ESRS 2 GOV-1 21 d, which considers the diversity of the undertaking's board.

5.2 DIVERSITY-PAY GENDER PAY RATIO

Corporate-level performance measure

Pay ratio

Definition
Diversity-Pay refers to the ratio of the basic salary and/or remuneration of men to women.

Issue
A company's commitment to diversity should apply equally to recruitment, development, and remuneration. While there can be a number of causes behind gender pay gaps, companies' efforts to tackle gender pay gaps can indicate the effectiveness of their commitment to reviewing their operations and decisions in order to promote diversity, eliminate gender bias and support equal opportunity. The issue is under increasing legislative scrutiny, most notably illustrated through recent updates to the European Union's Pay Transparency Directive (2023), where organisations will be required to share information regarding salaries and take action if the gender pay gap exceeds 5%.[64]

Rationale
Diversity-Pay can be used to measure the extent of remuneration equality in the workplace. Increasing transparency in this area can raise the issue among an organisation's stakeholders.

RECOMMENDATIONS

CORE: Companies must report the ratio of the basic salary and/or remuneration of male and female employees, governance bodies and other significant employee categories.

Diversity-Pay should be calculated with reference to the following guidelines (based on GRI Standard 405-2):

- Basic salary refers to the fixed, minimum amount paid to an employee for performing their duties, excluding any additional remuneration, such as payments for overtime working, bonuses and/or share options.
- Remuneration refers to the basic salary plus additional amounts paid to a worker. According to GRI guidance, these additional amounts can include those based on years of service, bonuses including cash and equity (such as stocks and shares), benefit payments, overtime, time owed and any additional allowances (such as transportation along with living and childcare allowances).
- Governance bodies and other significant employee categories should mirror the categories identified under Diversity-Emp.
- The ratio can be calculated by dividing the average pay and/or remuneration of male employees by the average pay and/or remuneration of female employees according to each employee category being assessed.
- Reporting companies may use the narrative on performance to explain the pay ratio and any actions being taken to address any gaps.

Further guidance
Please refer to the relevant GRI Standard 405-2: Ratio of basic salary and remuneration of women to men.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS S1-16 97 a, which necessitates the disclosure of the undertaking's male-to-female employee pay gap.

[64] https://www.consilium.europa.eu/en/policies/pay-transparency/

5.3 EMP-TRAINING TRAINING AND DEVELOPMENT

Corporate-level performance measure

Average number of hours

Definition
Emp-Training refers to the average hours of training that the organisation's employees have undertaken in the reporting period.

Issue
Developing and retaining talent can increase a company's competitiveness. Talent developed and retained enhances know-how, increases the potential for innovation and supports a strong corporate reputation. Evidence shows that companies who invest in the development of their employees have improved employee satisfaction levels, higher retention rates and increased productivity levels.[65]

Rationale
Emp-Training provides an insight into the scale and commitment of an organisation's investment in training and the degree to which the investment is made across the entire employee base. To help reach sustainability targets, organisations are increasingly implementing ESG training to ensure employee awareness of current and future environmental, societal and governance issues. Such training identifies how the company can impact and be impacted by ESG issues, strategies to reduce such impacts, and the importance of individual employee efforts in reaching organisational sustainability targets.

RECOMMENDATIONS

CORE: Companies must report the average hours of training that the organisation's employees have undertaken in the reporting period.

Emp-Training should be calculated with reference to the following guidance (based on GRI Standard 404-1):

- 'Employee' refers to direct employees (excluding supervised workers and sub-contractors) who are based at the organisation's offices and assets under management. The denominator used to calculate the average should be the total number of employees at the end of the reporting period and can be expressed as either head count or Full-Time Equivalent (FTE).
- In the context of this performance measure, 'training' refers to:
  - all types of vocational training and instruction;
  - paid educational leave provided by an organisation for its employees;
  - training or education pursued externally and paid for in whole or in part by an organisation;
  - training on specific topics.
- Training does not include onsite coaching by supervisors.
- Reporting companies may use the narrative on performance to explain the type and subjects covered in the training provided, and any explanation of trends if multiple years' data is provided.

ADDITIONAL: Companies may also disclose the average hours of training by gender and employe ecategory, based on the employee data and categories identified in response to Diversity-Emp.

[65] https://hbr.org/2022/04/3-ways-to-boost-retention-through-professional-development

Further guidance
Please refer to the relevant GRI Standard 404-1: Average hours of training per year per employee.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS S1-13 83 b, which necessitates a categorised breakdown of the undertaking's employee training hours. An undertaking's anti-corruption/anti-bribery training also need to be disclosed under the ESRS, although this disclosure is not mandatory in the sBPR, please see ESRS G1-3 21 a to b, for more details.

5.4 EMP-DEV EMPLOYEE PERFORMANCE APPRAISALS

Corporate-level performance measure

Percentage of total workforce

Definition
Emp-Dev refers to the percentage of total employees who received regular performance and career development reviews during the reporting period.

Issue
Regular performance and career development reviews aid the personal development of individual employees and contributes to skills management and the development of human capital within the organisation. A demonstrable commitment to employee development can, in turn, foster high levels of employee satisfaction, which correlates with improved organisational performance and retention rates.

Rationale
Emp-Dev measures the extent to which an organisation regularly appraises employee performance. It helps to demonstrate how an organisation works to monitor and maintain the skill sets of its employees and the extent to which this is applied throughout the organisation, and whether there is equal access to these opportunities.

RECOMMENDATIONS

CORE: Companies must report the percentage of total employees who received a regular performance and career development review during the reporting period.

Emp-Dev should be calculated with reference to the following guidance (based on GRI Standard 404-3):

- 'Employees' refers to direct employees (excluding supervised workers and sub-contractors) who are based at the organisation's offices and assets under management. The denominator used to calculate the percentage should be the total number of employees at the end of the reporting period.
- Regular performance and career development reviews can be identified as a review:
  - based on criteria known to the employee and his or her superior and;
  - undertaken with the knowledge of the employee at least once a year.
- The review can include an evaluation of the employee's direct superior, peers or a wider range of employees and can also include the human resources department.

ADDITIONAL: Reporters may also disclose the percentage of employees who received a regular performance and career development review by gender and by employee category, based on the information collected in response to Diversity-Emp.

Further guidance
Please refer to the relevant GRI Standard 404-3: Percentage of employees receiving regular performance and career development reviews.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS S1-13 83 a, which necessitates the categorised breakdown and percentage of the undertaking's employees receiving performance and career reviews.

5.5 EMP-TURNOVER EMPLOYEE TURNOVER AND RETENTION

Corporate-level performance measure

Total number and rate of new employee hires and turnover

Definition
Emp-Turnover refers to the total number and rate of new employee hires and employee turnover during the reporting period.

Issue
New hires and employee turnover result in changes to the human and intellectual capital of the organisation and can have both positive and negative impacts on productivity. The level of employee turnover can have direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees. A high rate of employee turnover, moreover, can indicate levels of uncertainty and dissatisfaction among employees.

Rationale
Emp-Turnover can indicate a company's ability to attract and retain employees. Reporting the number and rate of new hires and employee turnover can signify the effectiveness of a company's efforts to retain talent. In addition, by understanding the reasons why staff leave an organisation, strategies can be developed to reduce turnover rates to improve overall retention.[66] It also acts as proxy measures of the effectiveness of efforts to boost engagement and satisfaction levels. Acting to reduce employee turnover may also limit the financial cost of recruiting and training procedures associated with gaining new employees.

RECOMMENDATIONS

CORE: Companies must report the:

1. Total employee headcount;
2. Total number and rate of new employee hires;
3. Total number and rate of employee turnover.

Emp-Turnover should be calculated with reference to the following guidance (based on GRI Standard 401-1):
- New hire and turnover rates should be calculated based on the total employee numbers at the end of the reporting period and expressed as a percentage or ratio.
- 'Turnover' refers to employees who leave the organisation voluntarily or due to dismissal, retirement or death in service.
- 'Employee' refers to direct employees (excluding supervised workers and sub-contractors) who are based at the organisation's offices and assets under management.

ADDITIONAL: Reporters may also disclose the total number and rate of new employee hires and turnover by gender and by employee category, based on the information collected in response to Diversity-Emp.

Further guidance
Please refer to the relevant GRI Standard 401-1: New employee hires and employee turnover.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS S1-6 50 c, which necessitates the disclosure of the undertaking's employee turnover rate, broken down into various categories.

[66] https://www.cipd.org/uk/knowledge/factsheets/turnover-retention-factsheet/#:~:text=Measuring%20the%20levels%20and%20costs,and%20informing%20targeted%20retention%20initiatives

5.6 H&S-EMP EMPLOYEE HEALTH AND SAFETY

Corporate-level performance measure

Injury rate, lost day rate, absentee rate and work-related fatalities

Definition
H&S-Emp refers to the occupational health and safety performance of the reporting organisation with relation to its direct employees.

Issue
Health and safety incidents occurring in the workplace can cause harm to workers and expose companies to risks such as reputational damage, fines, and loss of productivity. Low injury and absentee rates are generally linked to positive trends in morale and productivity. Maintaining a constant focus on health and safety is necessary to ensure safe behaviours are embedded into the workplace. Accurate monitoring can help to protect employees and contribute to employee well-being.

Rationale
H&S-Emp measures the degree by which health and safety management practices are resulting in fewer occupational injuries, lost days and absenteeism rates.

RECOMMENDATIONS

CORE: Companies must report the Injury Rate (IR), Lost Day Rate (LDR) or Accident Severity Rate (ASR), Absentee Rate (AR), and work-related fatalities for all direct employees (where material).

H&S-Emp should be calculated with reference to the following guidance (based on GRI Standard 403-9):

- 'Injury Rate' refers to the frequency of injuries, relative to the total time worked by all employees during the reporting period. It can be expressed as the number of injuries (the numerator) per multiple of hours worked (the denominator). An injury refers to any non-fatal or fatal injury arising out of, or in the course of, work.
- 'Lost Day Rate' refers to the impact of occupational accidents and diseases as reflected in time off work by the affected employees. It can be expressed as the total lost days (the numerator) relative to the total number of hours worked (the denominator). A lost day typically refers to the time ('days') that cannot be worked as a consequence of an employee or employees being unable to perform their usual work because of an occupational disease or accident.
- 'Accident Severity Rate' can be selected as an alternative to the Lost Day Rate for companies that are required to report occupation accidents under this indicator. In this case, occupational diseases can be reported under the Absentee Rate.
- 'Absentee Rate' is a measure of actual absentee days lost. It can be expressed as a proportion of total days lost (the numerator) relative to the total number of days scheduled to be worked by employees for the same period (the denominator). Absentee refers to an employee absent from work because of incapacity of any kind such as illness, not just as the result of work-related injury or disease, excluding permitted absences (e.g., holidays, study, maternity or paternity leave, and compassionate leave). Companies reporting absentee rate are encouraged to provide a breakdown of absentee rate by cause.
- 'Work-related fatality' refers to the death of an employee occurring in the current reporting period, arising from an occupational disease or injury sustained or contracted while performing work controlled by the organisation or in workplaces the organisation controls.
- The scope of this Performance Measure covers direct employees only, excluding supervised workers and sub-contractors, who are based at the organisation's offices and assets under management (i.e., whose work, or workplace) is controlled by the reporting company.
- If one or more of the requested indicators is not considered material, reporting organisations can apply the Overarching Recommendation of Materiality when determining what information to provide.

ADDITIONAL: Reporters may also disclose the injury rate (IR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for all workers whose work, or workplace, is controlled by the organisation. In this instance, workers can be defined as interns, apprentices, self-employed persons, and persons working for organisations other than the reporting organisation (e.g., for suppliers, contractors and sub-contractors).

BRIDGE REQUIREMENT: Companies should also disclose the percentage of people in its own workforce who are protected by health and safety management systems on a legal basis and or based on recongised standards or guidelines (based on ESRS S1-14 88).

Further guidance
Please refer to the relevant GRI Standard 403-9: Work-related injuries.

For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS S1-14 88, which necessitates the disclosure of the undertaking's health and safety indicators.

5.7 H&S-ASSET ASSET HEALTH AND SAFETY ASSESSMENTS

Asset-level performance measure

Percentage of assets

Definition
H&S-Asset refers to the proportion of assets controlled by the reporting company for which health and safety impacts have been reviewed or assessed for compliance or improvement.

Issue
Responsibility for end user (tenants, visitors, service suppliers and other building users) health and safety impacts that fall under the management responsibility of landlords can vary significantly across assets types: from indoor air quality to fire and elevator safety; disabled access; and training, disaster management and emergency procedures. Health and safety assessments may be conducted as part of a voluntary or mandatory arrangement according to health and safety management policies and procedures, legislation or to ensure compliance with the use of established standards such as OHSAS 18001 or other HSE standards.

Rationale
H&S-Asset identifies the existence and scope of efforts to address end user health and safety at assets under the operational control of the reporting company.

RECOMMENDATIONS

CORE: Companies must report the percentage of assets for which health and safety impacts are assessed or reviewed for compliance or improvement.

H&S-Asset should be calculated with reference to the following guidance (based on GRI Standard 416-1):

- 'Assessments' can refer to mandatory and voluntary assessments and reviews, as well as internal and external audits/re-assessments. For example, mandatory assessments might be those carried out as part of OHSAS 18001 certification. Voluntary assessments can include annual health and safety reviews, audits and compliance checks conducted as part of the reporting company's health and safety management policy. Companies should disclose the type of assessment included in the calculation as part of their narrative on performance.
- 'Health and safety impacts' relate to the impact on end users, such as building occupiers or visitors. Examples of impacts can include indoor air quality standards; fire safety; mechanical systems; accessibility standards (including during normal operation, and in the case of emergency); indoor water quality; and hazardous substances and contaminants, including asbestos.
- Organisations should restrict the scope of their reporting to assets that fall under their responsibility and over which they have management control. Assets that fall under the responsibility of the occupiers are excluded from this Performance Measure.

Further guidance
Please refer to the relevant GRI Standard 416-1: Assessment of the health and safety impacts of product and service categories.

There are no related metrics for ESRS compliance to form a BRIDGE REQUIREMENT. However, companies may consider the health and safety of consumers and end-users as a result of a materiality assessment. In this instance refer to ESRS S4.

5.8 H&S-COMP ASSET HEALTH AND SAFETY COMPLIANCE

Asset-level performance measure

Number of incidents

Definition
H&S-Comp refers to any incidents of non-compliance with regulations and/or voluntary standard concerning the health and safety impacts of assets assessed during the reporting period.

Issue
Ensuring compliance regulations and or voluntary standards with regard to health and safety impacts can help to protect building users, reduce costs from fines and protect a company's reputation. Low incidences of non-compliance demonstrate the effective implementation of policies, practices and training relating to end user health and safety. Maintaining a constant focus on health and safety is necessary to ensure safe behaviours are embedded into asset management practices that relate to end users.

Rationale
H&S-Comp evaluates the effectiveness of the reporting company's policies and practices relating to end user health and safety, and the outcome of the assessments reported under H&S-Asset.

RECOMMENDATIONS

CORE: Companies must report any incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of assets assessed during the reporting period.

H&S-Comp should be calculated with reference to the following guidance (based on GRI Standard 416-2):
- To report against this Performance Measure, organisations should restrict the scope to assets and assessments identified under H&S-Asset.
- If the organisation has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this is sufficient.

Further guidance
Please refer to the relevant GRI Standard 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services.

This section should be read in conjunction with the H&S-Asset section of this document.

There are no related metrics for ESRS compliance to form a BRIDGE REQUIREMENT. However, companies may consider the health and safety of consumers and end-users as a result of a materiality assessment. In this instance refer to ESRS S4.

5.9 COMTY-ENG COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMMES

Asset-level performance measure

Percentage of assets

Definition
Comty-Eng relates to the percentage of assets under operational control that have implemented local community engagement, impact assessments and/or development programmes.

Issue
Engagement with the local community can be particularly important for owners and investors of asset types, such as retail and residential. Establishing an effective stakeholder engagement process is important for helping organisations understand how local communities might be affected by their assets, including their actual and potential impacts. This enables an organisation to consider the views of community stakeholders in its decisions, their expectations and needs, and to address its potential impacts on local communities in a timely manner. The introduction of requirements through the CSRD to conduct double materiality assessments is pushing many organisations to assess their impact on society and strengthen their stakeholder engagement processes. Furthermore, ensuring community engagement measures is of growing relevance within sustainable building certifications (predominantly those of WELL and Fitwel), illustrating an increasing trend of community support and inclusion within sustainability-driven, intentionally created spaces.[67, 68]

Rationale
Comty-Eng seeks to measure the extent by which community engagement programmes are applied across the reporting organisation's assets.

RECOMMENDATIONS

CORE: Companies must report the percentage of assets that have implemented local community engagement, impact assessments and/or development programmes.

Comty-Eng should be calculated with reference to the following guidance (based on GRI Standard 413-1):

- There are many elements that can be incorporated into local community engagement, impact assessments, and development programmes. For the purposes of this performance measure, organisations can use their discretion to determine what constitutes a 'community programme'. Companies may identify programmes according to two broad categories:
  - Social and environmental impact assessments: This can include the impact of an asset on the local economy and inhabitants, community and environment. It may include ongoing monitoring and local community and development programmes based on the local communities' needs;
  - Stakeholder engagement programmes: This can include broad-based local community consultation committees and formal local community outreach processes.
- A description of the type of programme used by the organisation, including whether it is a corporate policy that applies across all activities or an individual asset-level programme, should be added to the narrative on performance.

[67] https://v2.wellcertified.com/en/wellv2/overview

[68] https://www.fitwel.org/resources/p/fitwel-v21-reference-guide-for-workplace-1

Further guidance
Please refer to the relevant GRI Standard 413-1: Operations with local community engagement, impact assessments and development programmes.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS S3-2 19 to 24, which requires the undertaking to provide insights into its process of community engagement and ESRS S3-4 36, which necessitates the disclosure of human rights infringements within associated communities.

EPRA Sustainability Performance Measures - Governance

6

6.1 GOV-BOARD COMPOSITION OF THE HIGHEST GOVERNANCE BODY

Total numbers

Corporate-level performance measure

Definition
Gov-Board refers to the composition of the highest governance body.

Issue
The composition of a company's highest governance body provides an insight into the range of opinions, backgrounds and expertise that support its corporate governance. A diverse board instils confidence in decision-making, independence, its ability to deliver value and the skills required to consider the broader social and environmental factors that could impact the long-term future of the company.

Rationale
Gov-Board provides an overview of the company's governance structure and its board composition, and their competencies in evaluating economic, environmental and social performance.

RECOMMENDATIONS

CORE: Companies must report the composition of the highest governance body by:

1. Number of executive board members;
2. Number of independent/non-executive board members;
3. Average tenure on the governance body;
4. Number of independent/non-executive board members with competencies relating to environmental and social topics.

Gov-Board should be calculated with reference to the following guidance (based on GRI Standard 2-9):

- 'Highest governance body' refers to the committee or board responsible for the strategic guidance of the organisation, the effective monitoring of management and the accountability of management to the broader organisation and its stakeholders. For the purposes of this Performance Measure, the highest governance body is that identified under Diversity-Emp.
- The number of independent/non-executive board members with competencies relating to environmental and social topics can be disclosed by the provision of qualitative information such as biographies detailing the competencies and experience of each member.
- Organisations that are required to report this information under national corporate governance codes can provide a clear reference to where the relevant information is located (either in their annual report or other corporate communications).

Further guidance
Please refer to the relevant GRI Standard 2-9: Governance structure and composition.

Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. For detailed information on the relationship between this Performance Measure and EU regulation, please see ESRS 2 GOV-1 20 and 23, which necessitates the composition and expertise of the undertaking's supervisory bodies.

6.2 GOV-SELECT NOMINATING AND SELECTING THE HIGHEST GOVERNANCE BODY

Narrative description

Corporate-level performance measure

Definition
Gov-Select refers to the nomination and selection process for the highest governance body and its members, and the criteria used to guide the nomination and selection process.

Issue
The OECD's guidance on good practice corporate governance disclosure recommends that organisations provide transparency around the selection process for members of the highest governance body, focusing on whether the process was open to a broad field of candidates.[69] This Performance Measure provides assurances on the organisation's compliance with established nomination procedures and the selection of a balanced and qualified board composition.

Rationale
Gov-Select describes the reporting organisation's processes that ensure effective corporate governance. It provides evidence that the composition of board membership reported under Gov-Board is maintained or enhanced.

RECOMMENDATIONS

CORE: Companies must describe the nomination and selection process for the highest governance body and its members, and the criteria used to guide the nomination and selection process.

Gov-Select should be prepared with reference to the following guidance (based on GRI Standard 2-10):

- Report the nomination and selection processes for the highest governance body and its committees;
- Report the 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.
- Organisations that are required to report this information under national corporate governance codes can provide a clear reference to where the relevant information is located (either in their annual report or other corporate communications).

Further guidance
Please refer to the relevant GRI Standard 2-10: Nomination and selection of the highest governance body.

There are no related metrics for ESRS compliance to form a BRIDGE REQUIREMENT. However, companies may refer to terms defined in the ESRS, specifically, 'Administrative, management and supervisory bodies' and 'Independent board member'.

[69] https://www.oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance-2023_ed750b30-en;jsessionid=gJfKCduQsrpEZ7cdC7g0Bo-PHCi3FjwDBicLY05g.ip-10-240-5-121

6.3 GOV-COI PROCESS FOR MANAGING CONFLICTS OF INTEREST

Descriptive narrative

Corporate-level performance measure

Definition
Gov-COI refers to the processes for the highest governance body to ensure conflicts of interest are avoided and managed.

Issue
The OECD recommends that information on individual board members and key executives is necessary to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgement.[70] Companies should, therefore, disclose how they manage material conflicts of interest that may affect the exercise of key ownership rights regarding their investments, including share ownership in the company and membership of other boards. It is important to disclose membership of other boards, not only because it is an indication of experience and possible time pressures facing a member of the board, but also, because it may reveal potential conflicts of interest and makes transparent the degree to which there are inter-locking boards.

Rationale
Gov-COI provides assurances to shareholders and other stakeholders that the highest governance body has robust procedures in place to manage potential conflicts of interest.

RECOMMENDATIONS

CORE: Companies must describe their processes to ensure that conflicts of interest are avoided and managed in the highest governance body.

Gov-COI should be prepared with reference to the following guidance (based on GRI Standard 2-15):

- 'Conflicts of interest' refers to situations where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests.
- Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:
  - Cross-board membership;
  - Cross-shareholding with suppliers and other stakeholders;
  - Existence of controlling shareholder;
  - Related party disclosure.
- When compiling the information, the reporting organisation should align the definition of 'controlling shareholder' to the definition used for the purpose of the organisation's consolidated financial statements or equivalent documents.
- Organisations that are required to report this information under national corporate governance codes can provide a clear reference to where the relevant information is located (either in their annual report or other corporate communications).

Further guidance
Please refer to the relevant GRI Standard 2-15: Conflicts of interest.

There are no related metrics for ESRS compliance to form a BRIDGE REQUIREMENT. However, companies may refer to terms defined in the ESRS, specifically, 'Administrative, management and supervisory bodies' and 'Independent board member'.

[70] https://www.oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance-2023_ed750b30-en

7 Overarching Recommendations

The following recommendations are overarching principles that should be applied to the Sustainability Performance Measures addressed in Sections 4, 5 and 6.

7.1 Organisational boundaries

Issue
Boundaries determine the extent of reporting according to assets or organisational activities owned or controlled by the reporting company. Boundary assessments allow a company to establish which operations should be in and out of reporting scope for both asset-level and corporate-level Performance Measures. It is important that reporters clearly articulate how boundaries are defined so stakeholders can understand the extent of operations and activities included in the performance analysis.

Rationale
Definition of the company's organisational boundaries represent a key step in sustainability reporting. To date, the GHG Protocol, developed by the World Resources Institute and the World Business Council for Sustainable Development, has been a key reference for companies to inform their decisions on what approach to adopt: Operational Control, Financial Control or Equity share.[71]

EPRA's research has shown that the operational control approach has been the most frequently adopted by listed real estate companies in Europe for reporting on asset-level sustainability impacts. The operational control approach is defined as follows:[72]

"…A company has operational control over an operation if the former or one of its subsidiaries […] has the full authority to introduce and implement its operating policies at the operation…"[73]

The operational control approach should not be considered a default or 'perfect fit' for real estate companies. Indeed, there are justifications for other approaches, such as equity share where the issue of co-ownership can be addressed by determining which assets are either included or excluded from reporting.

RECOMMENDATIONS

CORE: It should be noted that, prior to deciding which type of boundary approach a company should choose, it should carefully consider the following:

- Companies should map their organisational structure; specifically, due consideration should be made as to whether assets are subsidiaries, associates, incorporated or unincorporated joint ventures.
- For asset-level performance measures, companies should disclose the value or number (absolute or % of portfolio) of buildings in the portfolio included in the organisational boundary approach taken.
- Companies should explain why they have chosen a certain boundary approach over others.
- The issue of financial/operational leases is important to consider as part of the boundary approach definition. It should be noted that the GHG Protocol treats assets leased on financial leases (as opposed to operational leases) differently.
- Although adopting the operational approach is not mandatory, for all asset-level performance measures, companies should aim to report 100% of all assets where they have operational control.

Further guidance
Please refer to the GRI Guidance on setting the organisational boundary and the GHG Protocol for further guidance on this.[74]

[71] https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf
[72] www.oecd.org/corporate/ca/corporategovernanceprinciples/31557724.pdf
[73] Ibid.
[74] https://www.globalreporting.org/publications/documents/english/gri-3-material-topics-2021/ and the GHG Protocol recommendations on 'Setting Organisational Boundaries' in https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

7.2 Coverage

Issue
Coverage delineates what percentage or number of assets within the organisational boundary are included in data disclosed for each asset-level Performance Measure.

Rationale
It may not be possible to collect data on all asset-level Performance Measures for all assets within the organisational boundary. A company may also prefer to exclude data for an asset if the data is not considered reliable. This may be the case for all or only some Performance Measures for an asset.

RECOMMENDATIONS

CORE:
- Ideally, 100% of all assets within the chosen organisational boundary should be included in each asset-level Performance Measure.
- When this is not the case, the level of data coverage should be specified for each asset-level Performance Measure.
- Data coverage must be reported for each asset-level Performance Measure and can be disclosed (as values or percentages) in any of the following ways:
  - number of assets included in Performance Measure data
    number of assets within organisational boundary approach taken
  - floor area included in Performance Measure data
    floor area of assets within organisational boundary approach taken
  - financial value included in Performance Measure data
    financial value of assets within organisational boundary approach taken
- If a Performance Measure is not material for a segmented asset type, or all asset types, this should be marked as 'not material' and the reasons for this decision should be explained (see section 7.12).

7.3 Estimation of landlord-obtained utility consumption

Issue
While there is a growing demand for transparent data on value chain emissions, the availability of this data is not improving at the same rate. Landlords often face challenges in obtaining data from their tenants or accessing utility consumption data that is beyond their operational control. When there is incomplete or unreliable data for asset-level environmental performance measures, such as landlord utility consumption and scopes 1, 2, and 3 emissions, estimation may be required.

Rationale
Estimation allows complete annual data to be calculated for an asset where data is partially missing or unreliable – though this should not be used as a substitute for gathering complete and accurate data. This allows a company to increase its coverage against some asset-level Performance Measures.

For companies that view energy and the associated carbon as a material risk, a deeper understanding of the GHG footprint value chain is critical. The benefits of accurate measurement, wide internal and external engagement, and overall reduction in scope 3 emissions will improve business resilience and reputation.

RECOMMENDATIONS

CORE: Estimation should be carried out sparingly as datasets should be as complete and accurate as possible. When estimating landlord-obtained utility consumption data for asset-level Performance Measures, a company should:

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

ADDITIONAL: When measuring scope 3 GHG emissions, the ESRS and IFRS considers these figures to be estimated on the basis that they consist of the combination of methods (for example, precise site-specific data and extrapolated average-data methods) to calculate the final outcome.
A company may consider a hierarchy of estimation methodologies for selecting a preferred method of estimation. The below hierarchy is laid out according to data accuracy, and is adapted from UK GBC, Guide to Scope 3 Reporting in Commercial Real Estate. Although the document is aimed at commercial real estate, this data hierarchy would be applicable to all real estate.

1. Use actual data for all tenant energy use.
2. Where total energy use of the building is known (i.e., landlord procured), break this down for separate tenancies (e.g., by floor area, tenant use, etc).
3. Use historic tenant data as a proxy and extrapolate using key variables (e.g., seasonal, occupancy levels).
4. Calculate per person energy use based on a similar tenant (e.g., tenant use, building age/type, geographic region).
5. Use industry benchmarks based on floor areas (e.g., Real Estate Environmental Benchmark, CIBSE Energy Benchmarks, Design for Performance).
6. Use modelled design stage data, supplemented by an uplift and/or energy in use data.

As per the Core recommendations, whereby a company should disclose the method of estimation used and the proportion of data estimated, when a company has used non-actual data to disclose scope 3 emissions, the proportion of estimation for indirect scope 3 emissions associated with the asset should be itemised in the EPRA sBPR table, with supporting methodological notes.

Further guidance
Since the necessary metrics for ESRS compliance are already incorporated within this Performance Measure, there is no need for a BRIDGE REQUIREMENT. Please refer to the ESRS E1, Appendix A: Defined terms, ESRS 1 - 7.2 'Sources of estimation and outcome uncertainty', IFRS S1 'Measurement Uncertainty' in paragraph 78, and 'Errors' in paragraphs 83-86, and IFRS S2 'Climate-related Disclosures' in paragraph B38 for more information on estimation and its relation to scope 3 emissions.

7.4 Third Party Assurance

Issue
As assurance requirements strengthen across the European continent, EPRA encourages sustainability data to be assured by independent third-parties.

Rationale
The credibility of sustainability data increases when third party assurance is carried out, and the assurance provider is independent and objective. An assurance process should not only test the veracity of data but also robustness of data management processes in the organisation.

The ESRS mandates the limited assurance of all disclosure requirements deemed material to a company's operations. A company who is verifying EPRA sBPR Performance Measures should ensure they also include relevant ESRS data points and visa-versa.

RECOMMENDATIONS

CORE: When undertaking third party assurance, reporters should consider the following:

- The 26 EPRA sBPR quantitative Performance Measures which should be verified – ideally all of them and to the same level (see Table 2 to identify the Performance Measures subject to assurance).
- The Performance Measures included in the scope of assurance or verification should be clearly specified either in the statement, the EPRA sBPR data table or methodology narrative.
- The level of verification for each Sustainability Performance Measure must be disclosed (either 'limited' or 'reasonable') and should ideally be to the same level as for financial reporting.
- Companies can choose which verification methodology to use and must disclose this in their reports.
- EPRA considers assurance credibility to be enhanced if it is undertaken in accordance with recognised limited assurance standards such as AA1000 or ISAE3000.
- The full verification statement must be publicly available, and a link must be provided if it is not included in the report.
- Each Performance Measure that had been assured should be indicated either in the verification statement provided or made clear in the company's data tables.

Further guidance
For additional accepted assurance methods, please visit https://www.cdp.net/en/guidance/verification.

7.5 Boundaries – reporting on landlord and tenant utility consumption

Issue
Data on tenant-obtained utility consumption for asset-level Performance Measures are not always available to the landlord. Sub-metering of landlord-obtained consumption that services tenant demises is not always universally undertaken; even where it is, the landlord has less control over such consumption than for landlord services for common parts.

Rationale
Performance Measure data disclosed on an asset-level should clarify the level of control a reporter has on the overall performance.

The ESRS and IFRS frameworks require the disclosure of additional data, such as business travel, fleet information, and building fuels. These data points would provide more clarity on landlord boundaries, however, it is important to note that these data points are not included within the standing investment scope of EPRA and the sBPR.

RECOMMENDATIONS

CORE: There is no single, optimal way to report on base (landlord only) or whole building consumption. For asset-level Performance Measures, companies should, as a minimum, report on utilities consumption that they are responsible for obtaining themselves. The longer-term goal should be to report the entire impact arising within a building, irrespective of the arrangements between landlord and tenant.
The following principles apply:

- Absolute and like-for-like asset-level Performance Measures should be clearly disclosed to clarify the split between landlord-obtained and tenant-obtained.
- Where energy/water is obtained by the landlord but consumed in tenant areas and is sub-metered, such consumption should be itemised (but should be included in the totals).
- Exclusion of consumption obtained by the landlord but sub-metered to the tenant can present a number of issues, such as:
  - Distortions of intensity Performance Measures due to a likely mismatch between numerator (e.g., kWh) and denominator (e.g., floor area). However, for the purposes of corporate sustainability target setting and monitoring, several reporters assess performance for just the consumption over which the landlord has fuller control. Itemisation of total consumption as shown in the supplementary document, *Sample Data Table of EPRA sBPR Sustainability Performance Measures*, enables this to be done while ensuring consistency with the EPRA sBPR.
- For the purposes of intensity environmental Performance Measures only, if known, tenant-obtained consumption can be used in calculations, for example to achieve a situation where whole building consumption (tenant-obtained and landlord-obtained) is divided by the whole building floor area.
- Waste reporting should be in line with the reporter's operational control approach.

ADDITIONAL: Where the landlords wish to disclose tenant-obtained utilities consumption, this must be reported separately from landlord-obtained consumption (both absolute and like-for-like). A significant reason to assess tenant-obtained consumption is to compare the scale of scope 1 and 2 GHG emissions (that are under greater landlord control) with scope 3 (which includes both tenant-obtained consumption and consumption sub-metered to tenants).

Further:

- Landlords often have limited access to tenant-obtained utility data, and this varies between countries.
- Therefore, estimation of tenant-obtained consumption is more acceptable than estimation of landlord-obtained consumption.
- To estimate tenant-obtained consumption, often a sample of tenant-obtained consumption data is used to estimate the total tenant-obtained consumption. This should be combined with relevant emissions factors specific to different regions and asset types, to calculate the most accurate estimated figures.[75] Alternatively, entirely theoretical modelling can be undertaken. As this topic continues to grow, there will be further guidance on how to report more easily with future modelling tools provided by organisations like CRREM.

[75] https://ghgprotocol.org/sites/default/files/standards/Scope3_Calculation_Guidance_0.pdf

7.6 Normalisation

Issue
Absolute utility consumption and health and safety performance data represents a good measure of a company's exposure to risk (including regulatory risks, fiscal liability, etc.). However, absolute performance measures are affected by increases and decreases in the size of a company's portfolio and employee base. This makes intensity (normalised) indicators a useful complementary tool for stakeholders to assess companies' environmental and health and safety performance.

Rationale
For environmental Performance Measures, intensity is one of the most effective measures of a building's overall efficiency during the occupation and operational phase of the building life cycle.

Some advantages of intensity Performance Measures include:
- Aggregated intensity measures, which enable changes over time to reflect the influence of acquisitions, disposals and developments/major refurbishments without the need to exclude any properties from aggregation in any year;
- Ability to compare the relative intensity of different portfolios (e.g., an office portfolio versus a shopping centre portfolio).

For health and safety Performance Measures, normalised injury, lost day and absentee rates provide an established benchmark to compare corporate performance over time, and between peers and industries.

RECOMMENDATIONS

Intensity indicators are best suited to compare a company's performance over time, rather than for comparison between companies over time (unless the same methodologies are applied).
Energy, GHG emissions, water, waste and health and safety require different types of intensity indicators, as different factors may drive consumption and performance.

CORE: As a general rule, companies should define the exact denominator used in the intensity indicator, as well as the method of matching numerator and denominator to account for different scenarios.
Recommended denominators are as follows:
- Numbers of people
  Reporters may use numbers of people as a denominator as long as they clearly state how they have defined and measured it. Please note that water benefits most from the use of a 'per person' indicator as its consumption is driven by people and users of the building.
- Floor area
  Whilst floor areas used in sustainability reporting may vary between and within different regions, where possible, these should be consistent with those used in financial reporting. This ensures that the total portfolio is accurately represented, while being aligned with the applied organisational boundaries. For a complete representation of building energy intensity, whole building operational energy applied to the gross floor area is optimal although not always possible with the available data coverage. Please see the Energy-Int section for further guidance.
- Revenue
  Revenue can be used as a basis for intensity indicators as this can provide valuable insight when comparing the real estate industry to other industries. Under the ESRS requirements, revenue is the preferred denominator for Energy, GHG and Water intensity calculations.[76, 77, 78, 79] The revenue used to calculate the intensity indicator should be the "net rent" received as derived from the IFRS financial statement on the buildings associated with the consumption (i.e., excluding service charges revenues, asset sales proceeds, etc.).
- Days/hours worked
  Lost days and hours worked (or multiples thereof) are a standard denominator used to calculate injury, lost day, and absenteeism rates. They should relate to the total number of hours/days contracted to be worked by total number of employees or Full-Time Equivalent (FTE) included in the scope of the Performance Measure.

[76] Please note that while 'Revenue' is the preferred denominator for intensity indicators according to the ESRS requirements, the EPRA sBPR equally accepts the other listed denominators mentioned above.
[77] Further guidance on energy intensity based on net revenue can be found in ESRS E1-5 40.
[78] Further guidance on greenhouse gas intensity based on net revenue can be found in ESRS E1-6 53.
[79] Further guidance on water intensity based on net revenue can be found in ESRS E3-4 29.

7.7 Segmental analysis (by property type, geography, etc.)

Issue
Building types and their location may have a significant impact on asset-level Performance Measures. Therefore, aggregated environmental, health and safety and community data across multiple asset types and geographies can make it challenging for stakeholders when understanding the materiality of a Performance Measure, or which region or asset class might be under/outperforming against other regions or assets groups in the portfolio.

Rationale
Comparison between geographies and property types can help explain trends in environmental and social performance.

- Geographical segmentation can be a helpful way to analyse resource consumption, although reporters should be mindful when making comparisons between absolute and intensity performance across geographical borders (e.g., explaining weather factors which affect consumption in the accompanying narrative).
- Property types provide another useful way to analyse consumption as property types have different consumption patterns and drivers for resource use.

The GRI also encourages comparison by location (geographical position of a building according to climatic zone) and building types (function or form of a building). These can include high level categorisations such as commercial and residential, as well as more detailed categorisations of these, such as commercial office, retail warehouse and shopping centre. Please refer to GRI 302-3: Energy intensity for an example of the segmental analysis approach applied to energy reporting.

This is also supported by the ESRS which requires the "disaggregation" of data by country and/or different significant asset type.[80]

Note that there are further segmentations that may be meaningful for certain reporters in addition to geography and property type.

RECOMMENDATIONS

CORE: It is important that meaningful segmental reporting and analysis is adopted in line with the approach selected by companies in their financial reporting.
- Companies should use the property typologies adopted in their financial reporting. Where additional typologies are used, an explanation for this should be provided.
- Mixed use developments represent a special case where it should be clear whether mixed use properties are listed as one asset or broken down by types of use (e.g., office and retail unit element). In all cases, the approach towards mixed use developments should be in line with companies' financial reporting.
- Segmental reporting and analysis can be applied to both absolute and intensity asset-level Performance Measures.

[80] Further guidance on the "disaggregation" of data can be found in ESRS 1, section 3.7 Level of disaggregation.

7.8 Disclosure on own offices

Issue
In addition to disclosing their investment portfolio and corporate-level performance, the environmental impact of a company's own occupation should also be disclosed within a company's sustainability report.

Rationale
Companies are responsible for the environmental impact of their own occupation, in leased or owned offices. While this impact may seem minimal compared to the environmental impact of their investment portfolio, it is important to demonstrate that sustainability principles are also practised at the corporate level.

RECOMMENDATIONS

CORE: When reporting environmental Performance Measures for a companies' own office(s):
- Own office(s) impacts should be disclosed and reported separately from those of investment portfolios.
- The reporter must clearly state any methods of estimation used.
- The proportion of disclosed data that is estimated must be clearly stated.

7.9 Narrative on performance

Issue
Similarly to financial performance, the environmental, social and governance performance and position of real estate companies often requires additional narrative information.

Rationale
Explaining the context of the company's operations and management decisions can enhance stakeholders' assessment and analysis of non-financial performance in the same way as it can help evaluate financial performance.

RECOMMENDATIONS

CORE:
- Adjustments should not be made to asset-level and corporate-level Performance Measures. Companies should provide, where appropriate, additional information and commentary or explanation of past performance, and outline plans for managing future performance.
- When looking at the environmental performance of a portfolio, it may be useful to understand what factors, other than building management and tenant behaviour, might explain consumption trends. The most frequently used factors that influence environmental performance include weather, levels of building occupancy, 'special uses' (e.g., higher consumption in buildings where tenants undertake trading activities) and age of buildings.
- When Performance Measures, like Cert-Tot, H&S-Emp, or H&S-Asset data is reported as "0", narrative must be provided to explain why the company does not participate.

7.10 Location of EPRA Sustainability Performance Measures in companies' reports

Rationale
It is EPRA's view that companies should include yearly sustainability and corporate responsibility content in their annual report and accounts, supporting the transition towards integrated reporting. This is also supported by the ESRS which mandates the publication of the sustainability statement in the management report.

However, it is not necessary for companies to report in detail on EPRA Sustainability Performance Measures in their annual sustainability and corporate responsibility report, or that complete EPRA sBPR performance tables are disclosed in their annual report and accounts.

A template table is provided for illustrative purposes as a supplementary document on the EPRA website called *Sample Data Table of EPRA sBPR Sustainability Performance Measures*.

RECOMMENDATIONS

CORE:
- Companies must, as a minimum, include a cross-reference (e.g., a reference or hyperlink) to the location of the most comprehensive EPRA sBPR performance tables that use the Performance Measure codes (e.g., Elec-LfL) if these have been published elsewhere (e.g., on the company's website). Companies should report all Performance Measures in the table format (including corporate-level Performance Measures) although, for governance Performance Measures, these tables can include a reference to where the information can be found using the relevant Performance Measure codes.

7.11 Reporting period

Rationale
Companies that have been reporting on their sustainability performance for a long time may have access to many years' worth of historical data. While like-for-like Performance Measures must be reported for the two most recent years, companies can choose to report their performance against absolute and intensity Performance Measures over a much longer period. At the same time, companies must balance the benefits of disclosing longer term trends with the need to provide meaningful data.

RECOMMENDATIONS

CORE:
- Historical data for absolute and intensity Performance Measures can be disclosed at the discretion of the reporting company. If the reporter has, for example, multiple years of historical data, they may wish to report the oldest year (especially if it is a baseline year), significant milestone years as well as the most recent three years. For example, a company with 23 years of data may report years 2000, 2010, 2021, 2022 and 2023.

7.12 Materiality

Issue
Materiality is a crucial element in guiding a strategic approach to sustainability for companies and creating relevant disclosures for stakeholders. By conducting a complete and robust materiality assessment, companies can identify key material issues across their value chain, thus demonstrating an understanding of where the company may have material impacts on society and the environment, may experience material financial effects, or both.

There is an increasing expectation on companies to conduct a materiality review as a prerequisite for reporting against both voluntary and mandatory sustainability reporting standards.

Rationale
When assessed concurrently, the dimensions of impact materiality and financial materiality form the concept of 'double materiality', now present in mandatory reporting standards set with the CSRD and guided by the ESRS.

The ESRS classifies a sustainability matter that is material from an impact perspective "…when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- or long-term." This definition includes impacts associated with operations upstream and downstream in the value chain and is not limited to contractual relationships. These impacts are irrespective of whether or not they are financially material.

The ESRS have adopted the same definition for impact materiality as the Global Reporting Initiative's Universal Standards, whereby organisations must report against the aspects that reflect their significant economic, environmental, and social impacts, taking into account the views of internal and external stakeholders.

The ESRS defines financial materiality as, "the identification of information that is considered material for primary users of general-purpose financial reports in making decisions relating to providing resources to the entity." It should be noted that the Sustainable Development Goals Disclosure (SDGD) also references a broader form of financial materiality in "…the ability of the organisation to create long term value for the organisation and society".[81] In other reporting guidance such as the IFRS Sustainability Disclosure Standards (also known as the ISSB standards), material impacts are disclosed on the basis of potential financial effects, primarily for investor stakeholders. There is alignment of the scope of financial materiality in ISSB standards and the ESRS, although the ESRS refers to a broader group of stakeholders and explicitly encompasses impact materiality next to financial materiality.

RECOMMENDATIONS

CORE:
- The EPRA Sustainability Performance Measures and associated recommendations are guided by consultation with industry and observation of good practice. Each Performance Measure is presented with the context to sustainability issues in real estate investment activities and Rationale for managing related impacts, whether environmental, social, or economic. As such, all Performance Measures are considered to be applicable to companies in scope of the sBPR, unless otherwise shown by the company in their report to be not material or not applicable.
- Although conducting a materiality review with any specific approach (impact, financial or double materiality) is not mandated by the Sustainability Best Practices Recommendations, EPRA never-the-less recommends reporting companies give due consideration to materiality when compiling their response.
- If a reporting company chooses not to respond to a Performance Measure because they do not consider it to be material, a signifier of 'not material' must be provided in the EPRA Sustainability Performance Measures tables or narrative.
- If a Performance Measure is considered not material, the reporting company may explain the conclusions of its materiality assessment for that requirement or topic.
- If a reporting company is mandated to provide a disclosure on material matters by other regulated reporting standards, the company may include a cross-reference (e.g., a reference or hyperlink) to the location of the relevant information.
- In the instance where a Performance Measure is considered 'not applicable', the reporting company must distinguish this separately to matters of materiality and must explain the conclusions.

[81] https://integratedreporting.ifrs.org/wp-content/uploads/2020/01/ICAS5045_SDGD_Recommendations_A4_22pp_AW3-1.pdf

Further guidance

There is guidance on materiality assessments available to companies from several sources, notably for impact materiality from the Global Reporting Initiative (GRI) Universal Standards. However, the obligation to adopt a double materiality approach in response to CSRD requirements and applying European Sustainability Reporting Standards (ESRS) presents a challenge to all sectors. To this end, EFRAG has created implementation guidance for the ESRS materiality assessments. Nonetheless, companies will need to adopt an assessment methodology with an appropriate framework that is suited to the specific context of their industry. As the EFRAG guidance is currently presented as sector-agnostic, our supplemental document, *EPRA Materiality Assessment Guidance for Listed Real Estate*, will build on the work by EFRAG and other related guidance, to provide further sector-specific context for listed real estate and highlight how the EPRA sBPR might be considered or used in the materiality process.

8 Definitions – Glossary of Terms

Absolute energy
The total amount of energy consumed by an entity and those deemed to be within its organisational boundaries.

Boundaries
The boundaries that determine the direct and indirect emissions associated with operations owned or controlled by the reporting company. This assessment allows a company to establish which operations and sources cause direct and indirect emissions, and to decide which indirect emissions that are a consequence of its operations to include. See also the following definitions on financial control, operational control, and equity share.

Building energy intensity
The amount of energy used per unit of an appropriate denominator (e.g., floor area, persons).

Building GHG intensity
The amount of carbon emitted per unit of an appropriate denominator (e.g., floor area, persons).

Building types
Categorisation based on the function or form of a building for example offices, shopping centres, retail warehouses, industrial, multi-family housing and hotels.

Building water intensity
The amount of water used per unit of an appropriate denominator (e.g., floor area, persons).

Carbon Disclosure Project
The Carbon Disclosure Project (CDP) works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations.

Common parts
Areas shared with other occupants in multi-let buildings, including entrance areas, corridors, lifts, staircases, waste storage stores, communal kitchen, or breakout facilities and any other parts within the asset and outside intended for the use of the occupiers of that asset.

District heating and cooling
District heating and cooling is a system for distributing hot or cold steam and water generated in a centralised location for residential and commercial heating requirements such as space heating and water heating. The heat is often obtained from a cogeneration plant burning fossil fuels but increasingly biomass. Heat-only boiler stations, geothermal heating and central solar heating are also used.

Employee
An employee refers to an individual who is in a direct employment relationship with the reporting organisation (excluding supervised workers and sub-contractors), according to national law or its application.

Equity-share
Used to define organisational boundaries for financial and sustainability (and especially GHG emissions) reporting. Equity share reflects economic interest, which is the extent of rights a company has to the risks and rewards flowing from an operation. Typically, the share of economic risks and rewards in an operation is aligned with the company's percentage ownership of that operation, and equity share will normally be the same as the ownership percentage.

Floor area
Codes for defining floor areas vary by location, building type and landlord-tenant arrangement, for example common parts area, lettable/leasable area, internal area, usable area, occupied area and conditioned/treated area.

Financial control
Used to define organisational boundaries for financial and sustainability (and especially GHG emissions) reporting. Financial control relates to where the organisation has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities.

Fugitive emissions
Fugitive emissions are emissions of gases or vapours from pressurised equipment such as air conditioning due to leaks and various other unintended or irregular releases of gases.

Governance body
Governance body refers to the committee or board responsible for the strategic guidance of the organisation, the effective monitoring of management and the accountability of management to the broader organisation and its stakeholders. For the purposes of the Sustainability Performance Measures, governance body typically refers the Board of Directors of the company.

Greenhouse gas (GHG) emissions
Greenhouse gases (sometimes abbreviated to GHG) are gases in the Earth's atmosphere that cause the greenhouse effect, which can greatly affect the temperature of the Earth. GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6). Since the beginning of the Industrial revolution, the burning of fossil fuels has substantially increased carbon dioxide (CO_2) emissions into the atmosphere, thereby contributing to the greenhouse gas effect.

Human rights incidents
These are considered work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations.

HVAC
Heating, Ventilation and Air Conditioning.

Landlord-obtained
Landlord-obtained is when the landlord has the purchasing contract with the utility company (and the energy consumed that they generated themselves too).[82]

Like-for-like
Consumption of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years. This like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting. For example, the 2024 like-for-like change compares the 2024 Elec-Abs consumption with the 2023 Elec-Abs consumption for a consistent portfolio. This is the simplest way to take account of changes in the size and composition of a portfolio.

Materiality
Material topics for a reporting organisation include those topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

Not applicable
An indication that a Performance Measure is not relevant or does not apply to the reporting entity.

[82] EPRA Sustainability Best Practices Recommendations Q&A 2020 - https://www.epra.com/application/files/7115/8089/5590/EPRA_sBPR_QA_Feb_2020.pdf

Not material
An indication that a Performance Measure is omitted from reporting, due to its relative insignificance. Significance is determined by impact on society, environment, or business finances and considered through the perspective of impact materiality, financial materiality, or the relation of both dimensions, with double materiality.

Operational control
Used to define organisational boundaries for financial and sustainability (and especially GHG emissions) reporting. Operational control relates to where the organisation or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.

Persons
The average number of persons used as a denominator of a building energy intensity indicator. For example, measures include: visits in shopping centres, workstations in offices, workers in industrial warehouses, residents in multi-family housing or guests in hotels.

Purchase Power Agreement (PPA)
A contract between a power producer and consumer outlining the terms for the sale and purchase of electricity over a specified period of time.

Renewable energy
Energy sources that can be replenished in a short time through ecological cycles. Renewable energy sources include geothermal, wind, solar, hydro and biomass.

Tenant-obtained
Tenant-obtained is where the tenant has the purchasing contract with the utility company.[83]

Total direct GHG emissions
Direct GHG emissions come from sources owned or controlled by the reporting organisation. All direct emission sources are classified as scope 1 under the GHG Protocol.

Total indirect GHG emissions
Indirect GHG emissions are those that are a consequence of the activities of the organisation, but that occur at sources owned or controlled by another organisation or company. Indirect emission sources are classified as either scope 2 or scope 3 under the GHG Protocol. For the purposes of GHG-Indir-Abs, indirect GHG emissions relate to scope 2 emissions from landlord-obtained electricity, heat or steam consumption, and to scope 3 emissions from tenant-obtained fuels, electricity, heat or steam consumption.

Vacancy rates
The proportion of lettable/leasable area that is unoccupied.

Waste by disposal route
The method by which waste is treated or disposed of, including reuse, recycling, composting, recovery, incineration, landfill, deep well injection and onsite storage.

[83] EPRA Sustainability Best Practices Recommendations Q&A 2020 - https://www.epra.com/application/files/7115/8089/5590/EPRA_sBPR_QA_Feb_2020.pdf