

Mind the Gap: EPRA, GRESB, close in on shared sustainability language

The European Public Real Estate Association (EPRA) and the real estate sustainability benchmarking organisation GRESB have completed the comparative Gap analysis of EPRA's latest Sustainability Best Practices Recommendations (sBPR) Guidelines with the 2018 GRESB Real Estate Assessment that encompasses public and private equity property investments. The Gap analysis concludes that the industry represented by both bodies is, in the main, converging on common definitions of ESG performance in real estate, though further consolidation still needs to be achieved.

EPRA and GRESB have recently updated their own frameworks to introduce new social and corporate governance indicators, such as gender diversity, health and safety of employees and assets, to provide investors with a wider set of information to monitor and manage the ESG risks and opportunities of their investments. The extension of the two organisations' reporting scope was the catalyst for initiating the Gap analysis across their respective guidelines.

Hassan Sabir, EPRA Director of Finance said: "There are a bewildering number of standards and frameworks for measuring and disclosing ESG performance in the market, so this first Gap analysis between the two most recognised initiatives in our industry, is an important step towards ensuring we all use and understand a common language and metrics."

EPRA and GRESB's Gap analysis streamlines and unifies the number of data sets companies, investors and regulators need to use to make informed and responsible decisions. Corporate and fund management sustainability officers were repeatedly required to complete multiple surveys on their corporate and portfolio performances for often the same overlapping, or perhaps incomparable data. A huge amount of time and costs could be saved if the industry was working from fewer and more unified methodologies, so all stakeholders including companies, investors and regulators would be confident that common definitions and comparable data are used for informed and responsible investments.

EPRA and GRESB have always taken similar approaches to disclosing performance data (e.g. energy consumption data) in real estate portfolios. With the new iteration of the GRESB Assessment, the alignment in terminology and interpretation of data becomes stronger as GRESB adopts the concepts of "Landlord and tenant obtained consumption".

Roxana Isaiu, Director Real Estate at GRESB said: "The 2018 publicly available gap analysis between the GRESB Real Estate Assessment and the EPRA sBPR is testament to our shared mission for sector transparency. Our long-standing collaboration is not only reflected in the common language we use, but also in the topics we identify as material for the real estate industry."

ENDS

About EPRA

The European Public Real Estate Association is the voice of the publicly traded European real estate sector. With more than 260 members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers), EPRA represents over EUR 450 billion of real estate assets* and 94% of the market capitalisation of the FTSE EPRA/NAREIT Europe Index. Through the

provision of better information to investors, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices and the cohesion and strengthening of the industry, EPRA works to encourage greater investment in listed real estate companies in Europe.

**European companies only*

About GRESB

GRESB is an industry-driven organisation transforming the way capital markets assess the environmental, social and governance (ESG) performance of real asset investments. GRESB data and analytical tools are used by more than 70 institutional investors, including pension funds and insurance companies, collectively representing over USD 17 trillion in institutional capital, to enhance and protect shareholder value. In 2017 850 property companies and funds, jointly representing more than USD 3.7 trillion in assets under management, participated in the GRESB Real Estate Assessment cementing its position as the global ESG benchmark for the sector.

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