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Press release

Improved communication on the Sustainability performance in the property sector

Paris, 21 January 2010 - Today Novethic, with the support of the French Environment and Energy Management Agency (ADEME), releases the 2009 Barometer on sustainability performance reporting in the property sector. For the third year in a row, the Novethic Barometer assesses the quality of reporting on the energy performance and the CO₂ emissions of developers, property companies and property asset managers. Despite an undeniable rise in awareness across the sector, data from the research sample remains far from exhaustive on the performance of new buildings and existing assets. Similarly, a relationship between economic performance and energy performance has yet to be established that would help attribute a "green value" to property assets.

Clear awareness

The entire property sector is now aware of energy and climate change issues, showing a marked improvement from the 2008 Barometer:

- **+36%** for all **developers**;
- **+30%** for **property companies**;
- **property asset managers** boast the most spectacular progress: up **92%**. This shows that certain asset managers are more aware of these issues today, but should not hide the fact that this category generally trails behind other market players in taking into account the energy performance criteria of property assets under management.

Limited transparency

Despite the **specific target of 50 kWh/m²/year** set for new buildings by the Grenelle Environmental Forum **for 2012**, no operator provides any precise data that can be used to determine its average energy performance per m². The **quality of the information provided by developers in the sample did not improve between 2008 and 2009**, even for Bouygues Immobilier, which prevailed with the best rating. Nor did it improve for **property asset managers**, except for AEW Europe (subsidiary of Natixis Global AM), which provided information on its products including energy criteria and/or greenhouse gas emissions.

However, **property companies** boasted a **significant increase in transparency** about the energy and CO₂ performance of their assets. Six of them offer detailed information, as opposed to only two in 2008. Namely, Gecina, Unibail Rodamco and Accor feature far more developed practices than the twelve other members in the sample of property companies.

The new concept of "Green value"

The **relationship between economic performance and energy performance** is an emerging topic, but the concept of "green value" seems to be even more abstract. None of the companies stated that it explicitly uses this factor in its investment decisions. Three asset managers (Nexity, AEW Europe and Axa REIM) and three property companies (La Foncière des Régions, Société Foncière Lyonnaise and Icade, as part of programmes to develop innovative property financing) are looking into the relationship between environmental and financial performance. However, developers do not seem keen to promote their environmental policies or to quite know how to do so. The notion of "green value" is only just emerging in their communication and is therefore barely mentioned to clients.

Methodological principles

Companies are reviewed using a methodology developed by Novethic and ADEME based on reporting standards (French NRE law and the Global Reporting Initiative (GRI)) and issues specific to the property businesses reviewed. The Barometer analysed the documents available as of November 2009 (business reports, sustainable development reports and/or websites) and only assesses the communication quality of the companies under review. It does not cover the environmental performance resulting from their measures and investments.

The Barometer is broken down into four criteria that are weighted as follows:

- Mention of performance: 15%
- Transparency on performance: 35%
- Future performance commitments: 30%
- Information on financial, technological and managerial innovation: 20%

Click on this link to access the full survey: http://www.novethic.com/novethic/v3_uk/upload/Barometer_2009_EN.pdf

About Novethic

As part of Caisse des Dépôts, Novethic is the leading research center in France on Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI), as well as a sustainable development media expert. Since 2001, Novethic conducts studies and organises events to encourage financial actors to integrate Environmental, Social and Governance (ESG) factors in their investment activities.

ADEME in brief

The French Environment and Energy Management Agency (ADEME) is a state-run establishment under the joint authority of the Ministry of Ecology, Energy, Sustainable Development and Sea and the Ministry of Higher Education and Research. It participates in applying government policy on the environment, energy and sustainable development. ADEME also provides businesses, local governments, public authorities and the general public with its expertise and advice to assist them with their environmental programme. The agency finances a variety of projects, from research to implementation, involving waste management, soil conservation, energy efficiency and renewable energies, air quality and noise pollution. www.ademe.fr

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