

WATER & WASTE

1. UNDERSTANDING THE TOPIC

We take our responsibility to safeguard the natural environment and reduce the adverse impacts of our business activities very seriously. This approach aligns with our long-term commitment to tenants and society by ensuring that the resources we need to maintain a high quality of life are preserved.

Moreover, improving the management of natural resources, investing in more efficient water equipment and waste infrastructure increases the quality of our assets, with benefits for both tenants and GCP as the landlord. This translates into cost reductions; supports investor attraction and retention and contributes to not only sustaining, but also enhancing the value of our assets in the long-term.

2. MANAGING THE TOPIC

Environmental management

At a strategic level, we structure our portfolio-building activities around improving the existing building stock, which entails an inherently more sustainable approach. We believe that renewing and refurbishing rather than destroying and rebuilding makes an important contribution to tackling societal and environmental challenges in the urban context.

GCP has implemented a binding company-wide Environmental Policy which sets out our environmental management standards and framework geared towards continued improvement. This includes monitoring and review; benchmarking; auditing and target setting-processes for water consumption and waste outputs. It covers all our assets as well as corporate offices.

The Environmental Policy is applied at each stage of the property investment lifecycle. GCP considers the environmental impact of all potential acquisitions and uses asset life-cycle assessments as a key tool for decision-making. This involves comparative analysis of a building's environmental profile and economic profile. From a technical perspective, the building fabric, materials used, fixture and fittings and other considerations related to water and waste are reviewed, which is used to provide information about the potential repositioning opportunities presented by the asset.

Tenant involvement and awareness are key to reducing the operational impact of GCP's assets, as tenant utilities' consumption and waste production account for the most significant wa-

ter and waste related impacts across the scope of our activities. We have developed a variety of materials in different languages promoting water and waste reduction measures among tenants, emphasizing the links between resource efficiency, cost saving and environmental benefit. For example, our refreshed tenant app and loyalty program (launched in April 2021) features incentives, promotions and services that encourage tenants to adopt more sustainable lifestyles. Tenants earn loyalty points that can be exchanged for vouchers if they participate in tenant events and information days that promote recycling and water conservation efforts.

Water strategy

We aim to limit water consumption to only that which is necessary and eliminate wasteful usage as far as possible. GCP complies with the high standards for water quality and wastewater disposal set at EU and national level, and additionally we adhere to our own standards set out within our Environmental Policy. GCP's own operations do not entail significant water consumption; the most substantial impact in terms of water withdrawal occurs at the point where tenants enter the value chain. GCP's ability to influence tenant water consumption is limited, but can be aided by using advanced measurement and pragmatic engagement techniques.

In the first instance, GCP carries out random checks of general and user-specific water consumption data via the meter read-

ings it receives as part of the billing process. Data is evaluated to identify inefficiencies and potential interventions from both a structural and management perspective. As such, water efficiency improvements include both technical measures, such as the replacement of water consuming systems and fittings as well as building management and tenant awareness-related measures.

We strive to provide tenants with consistent and relevant information about their water consumption. Through 2021, we continued to extend the collection of water consumption data from our assets, facilitated by the roll out of digital meters. Tenants are also provided with leaflets and videos in several languages, informing them about the benefits of water conservation in terms of cost savings, as well as reduced environmental impact.

Waste reduction

Our goal is to reduce waste output from our activities and the disposal charges that this incurs. GCP's most significant waste impact is generated from two sources: the refurbishment of buildings as part of our asset repositioning, and tenant activities. In Germany, waste management is based on the principle of shared public and private responsibility. The Circular Economy Act (KrWG) which entered into force in 2012 introduced the

five-tier waste hierarchy which prioritizes prevention, preparation for reuse, recycling and other forms of recovery.

GCP has greater ability to control and influence waste production and disposal from refurbishments. On larger projects, reviews of the type and quantity of waste anticipated are carried out as part of the due diligence process, thereby enabling us to plan appropriately for the management of hazardous or other waste streams that are more difficult to recycle. As a commercial operator, we must comply with requirements for the mandatory separate collection of specific waste fractions and ensure that any mixed waste remaining after segregation must be pre-treated.

During the operations phase, reducing waste and ensuring good housekeeping of unavoidable waste helps to keep service costs down and make buildings more attractive to current and prospective tenants. Although GCP cannot directly control tenants' management of waste, we strive to promote good practices by providing facilities for waste segregation and information in multiple languages on correct waste handling and recycling, and engaging tenants in waste reduction initiatives.

Nonetheless, we have found that opportunities for more effective recycling have been lost due to inefficient onsite segregation on the part of tenants. As such, we have begun working

with external providers to optimize the waste segregation and recycling progress at our assets. 30% of our portfolio is currently under contract with supplier Innotec which provides proactive assistance to increase on-site segregation of waste, thereby increasing recycling rates and avoiding costs on non-recyclable waste. We have also piloted a pay-by-volume waste system at select locations, which involves tenants using an electronic chip which monitors the volume of waste they dispose of and bills them accordingly. This system highlights the mutual benefit of waste reduction, focusing on cost.

With respect to both refurbishment and tenant waste, we continue to increase the scope and quality of our data collection, and carry out due diligence and benchmarking assessments to highlight improvement opportunities. As a fundamental principle, GCP ensures that waste contractors are subject to regular checks, that proper disposal is in line with legal requirements and that waste is being recycled appropriately.

Within our own offices, GCP has introduced waste separation in all office kitchens and water dispensers, avoiding the use of hundreds of plastic bottles per day. We also seek to reduce paper use, with initiatives such as the introduction of paperless pay slips.

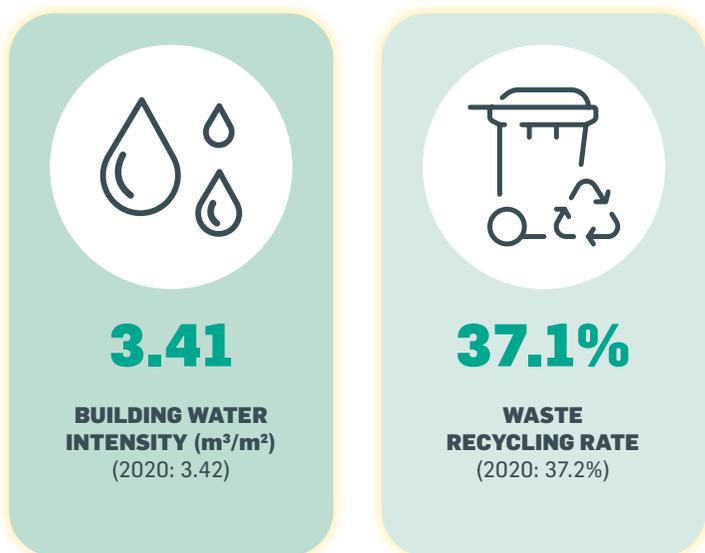
3. PERFORMANCE

Long-term Goals and 2021 Performance

To guide the implementation of our sustainability strategy and track our progress, we have developed two long-term target that we are continuing to work towards:

- Limit water consumption to only that which is necessary and eliminate wasteful usage
- Further reduce non-recyclable waste by expanding waste management

We use two key performance indicators that we track on a yearly basis to monitor our performance.¹²



Water and waste data are reported in line with the EPRA Sustainability Best Practice Recommendations (sBPR), which we use to assess our baseline performance at a Group level and evaluate progress against our long-term goals. The water consumption data represents 1,751,269 m² area out of a total managed portfolio of 3,425,770 m² (equivalent to approximately 51.1% of our portfolio).

Water

During 2021, landlord obtained water consumption totaled 5,102,748 m³, a 0.3% decrease compared to 2020 (5,116,728 m³). The building water intensity of our portfolio also showed a minor reduction from 3.42 m³/m² in 2020 to 3.41 m³/m² in 2021.

Waste

In 2021, total waste generated across our portfolio was 1,564,838 m³, an increase of 0.6% compared to 2020. Of the total waste generated in 2021, approximately 37.05 % was recycled. Waste volumes are based on the total volume provided by our waste contractor Innotec which runs about 30% of GCP portfolio. The total proportion of recycled waste is based on household averages published by the German Environmental Protection Authority.

DATA TABLE

Key figures	Scope	Unit	2020	2021	% change
Water					
Water consumption	Total landlord-obtained water	m ³	5,116,728	5,102,748	-0.3
Water intensity	Building water intensity	m ³ /m ²	3.42	3.41	-
Waste					
Waste (Landlord-handled)	Waste by disposal route	m ³	1,563,738	1,563,738	-
	% Recycled		37.2	37.1	-
Proportion of properties supplied by waste management contracts		%	40%	30%	-10%

1. Note that 2020 figures have been restated due to additional real data from last year.
 2. The figures disclosed for all parameters capture 'Like for like' values.