



# SUSTAINABILITY: IN-FOCUS

# 2025



Hannover

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# Introduction

In 2025, sustainability reporting legislation in the European Union continued to evolve, alongside refinements to existing regulations relevant to the real estate sector. In this context, we closely monitored developments related to the European Union “Omnibus” package and assessed its potential implications for sustainability reporting. Against this backdrop, Grand City Properties S.A (“GCP”, the “Company”) published its second Consolidated Annual Report in accordance with the *Corporate Sustainability Reporting Directive* (“CSRD”), aligned with the *European Sustainability Reporting Standards* (“ESRS”), and inclusive of disclosures in line with the EU Taxonomy Regulation. Building on the experience gained during the first year of CSRD reporting, we further strengthened our internal processes, governance structures and cross-functional collaboration supporting sustainability reporting. The Consolidated Annual Report addresses all topics identified as material in our 2024 Double Materiality Assessment (“DMA”), which was reviewed and assessed for continued validity in 2025. The DMA continues to serve as a well-established and reliable foundation for our sustainability disclosures and fulfils the Company’s reporting obligations under the CSRD, however, the 2025 review concluded that pollution would be removed as a material topic for GCP.<sup>(\*)</sup>

In addition to the required disclosures, we acknowledge the importance of maintaining transparency and ensuring continuity in our reporting. The Sustainability In-Focus Report therefore also includes updates on non-material topics which, although not identified as material in the recent DMA, continue to hold relevance - both in the context of responding to ESG rating agencies’ questionnaires and in relation to our broader sustainability agenda. GCP has consistently addressed several of these topics in previous reporting cycles and remains committed to ongoing improvement in these areas. This

approach ensures that our reporting remains comprehensive, forward-looking, and aligned with the evolving expectations of our stakeholders.

Throughout 2025, GCP continued to advance in key focus areas of its ESG strategy by further embedding energy-efficiency and decarbonisation priorities into its business model, guided by the Company’s Climate Transition Plan and 2030 targets. We prioritised upgrading older assets through energy-efficient refurbishments and low-carbon solutions (e.g., improved insulation/windows, modernised heating, solar PV, and heat pumps), while strengthening portfolio energy and emissions data quality through more digital, automated collection and ongoing metering pilots. In the area of waste management, we provide waste separation facilities across our sites and actively engage with tenants to support effective waste practices. Additionally, in 2025, we completed our asset-level physical climate risk assessments and started sensitivity and vulnerability assessments to develop and implement tailored adaptation solutions over time. Beyond environmental performance, we continued to invest in people and communities, reflected in a 92.0% tenant satisfaction rate and approximately €365,000 in charitable contributions. Together, these actions reflect our continued commitment to creating long-term value.

Our priorities in 2025 remained aligned with the key focus areas of our ESG strategy, including tenant satisfaction, health and safety, and active engagement in local communities.

Throughout this Sustainability In-Focus Report, we offer deeper insights into these focus areas.

\* For further information please see our Consolidated Annual Report 2025.

# Environment

## Climate Change Mitigation and Environmental Protection

*Our carbon reduction strategy integrates various efficiency improvement initiatives, renewable energy investments, and stakeholder engagement, supported by rigorous governance and reporting mechanisms. These efforts help us monitor progress and uphold accountability. Grand City Properties' Environmental Policy sets out our management framework for continued improvement across the Company's main environmental impacts, including water use and waste management. In energy management, key objectives include procuring renewable energy and progressively upgrading energy systems during maintenance. The policy establishes a consistent framework of action across the portfolio, with the necessary flexibility to accommodate property-specific characteristics and tenant arrangements.*

### Energy and Carbon Emissions

Our practical approach to energy and carbon reduction is embedded in our business model and strategy, focussing on the refurbishment of existing building stock to minimise environmental impact. Key aspects include:

- 1. Refurbishment-First Approach:** Prioritising the renovation of existing buildings over new construction to minimise energy consumption, construction waste, and environmental impact.
- 2. Long-Term Targets and Goals:** Targeting a 40% reduction in CO<sub>2</sub> intensity and a 20% reduction in energy intensity by 2030, along with a transition to certified renewable electricity through Power Purchase Agreements ("PPAs") by 2027.
- 3. Carbon Reduction Strategy:** Implementing our comprehensive Energy and Environmental Policy policy to guide efficiency and renewable energy projects, supported by a Climate Transition Plan to monitor progress and identify improvement measures.
- 4. Investments in Renewable Energy Infrastructure:** Prioritising investments in solar PV systems, efficient energy generation, and smart meters to optimise energy consumption. In 2026, GCP aims to increase its total solar PV capacity by 1 MWp, focusing on infrastructure expansion and efficiency optimisation to enhance renewable energy generation and reduce carbon footprint.
- 5. Renewable Power Purchasing:** Transitioning to at least 50% of landlord-obtained electricity covered by PPAs by 2027, reducing carbon emissions from purchased electricity.
- 6. Green Leases and Internal Carbon Pricing:** Incorporating green lease clauses to promote energy conservation and applying an internal carbon pricing mechanism to assess the benefits of emissions reduction measures.
- 7. Governance and Reporting:** Regularly reviewing climate-related risks as well as environmental and energy policies, while reporting on energy consumption, emissions, and progress towards reduction targets.
- 8. Utilities Data Reporting and Monitoring:** Reporting utilities data based on absolute consumption. Greenhouse gases ("GHG") emissions are documented utilising market-based conversion factors provided by utility providers and location-based conversion factors provided by respective authorities for our countries of operation.

Engaging with tenants is crucial, with a focus on awareness campaigns, and collaboration for energy-efficient renovations. The carbon reduction pathway prioritises inefficient assets for interventions to safeguard or enhance our value, aligning with market standards. The Company also monitors its provision of sustainable product and services, which are measured through taxonomy-aligned turnover, representing revenue from buildings that strictly meet EU environmental sustainability criteria.

## GCP Employee Commuting

In response to evolving work patterns and a societal shift toward hybrid working between the office and home, we have calculated our Scope 3 corporate emissions related to employee commuting and teleworking for employees based in Germany. These calculations follow the technical guidance of the GHG Protocol for Category 7 Emissions: Employee Commuting.

For the calculation of our employee commuting emissions, we applied the average-data method, taking into account the proportion of time employees worked in the office during the reporting period. This proportion was determined based on recorded employee requests for home working over the year reflecting the corresponding reduction in commuting trips. To perform the average-data calculations, we used data on transport trends in Germany.<sup>(\*)</sup>

Our teleworking emissions were calculated based on average household energy consumption in Germany and typical usage of home office appliance. We then extrapolated this data using the number of home office hours worked during the reporting period. To estimate the additional energy use from remote working, we applied an intensity benchmark to the estimated floor area of a home workspace to the total household size.

As can be seen in the table below, our Scope 3 Category 7 emissions relating to employee commute and teleworking decreased in 2025 compared to 2024 driven by a slight decrease in employees in Germany combined with less intensive teleworking emissions due to cleaner grid energy and higher fuel efficiency and a slight decline in the emissions from public transport systems in 2025 compared to 2024.

Table 1

Commute Group	GCP 2025 Emissions (tCO <sub>2</sub> e)	GCP 2024 Emissions (tCO <sub>2</sub> e)
On Foot	0	0
Bicycle	0	0
Private Motorised Transport	280	282
Public Transport	89	93
Total Employee Commuting	369	375
Teleworking Emissions	145	168
<b>Total Scope 3 Category 7 Emissions</b>	<b>514</b>	<b>543</b>

\* Studie "Mobilität in Deutschland" (2023) - Bundesministerium für Digitales und Verkehr

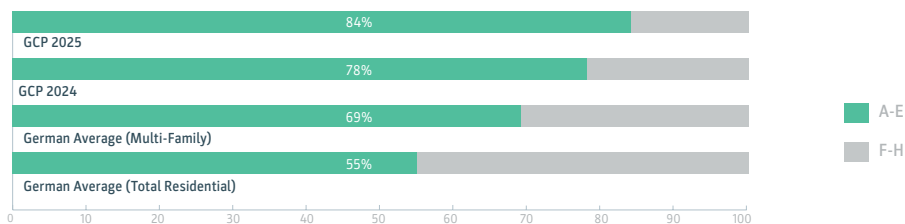
## Energy Performance Certificates

Energy Performance Certificates ("EPCs") are required for most buildings when they are sold or leased. They provide an objective measure of a property's energy performance for prospective buyers or tenants. Under the German system, EPCs must be prepared by a certified third party and are valid for a period of 10 years. EPCs are either calculated based on estimated energy demand due to a building construction (*Bedarfsausweis*) or actual energy use (*Verbrauchsausweis*) which is adjusted for climate factors and vacancy rates at the time of certification.

The figures below show the EPC distribution of GCP's German and London residential portfolios based on floor area. As the Company aligns its Climate Transition Plan with emerging EU energy performance requirements set out in the *Energy Performance of Buildings Directive* ("EPBD") recast, EPCs are utilised as the primary criteria for identifying inefficient assets to prioritise for improvement measures. Germany is, however, still in the process of setting out their EPBD-aligned reduction pathway based on EPCs for residential and non-residential buildings alike, leaving a degree of regulatory uncertainty. Based on the requirements prescribed by the EPBD over the next 10 years and the anticipated national implementation in Germany, GCP considers assets with EPC E or better to be "regulation ready."

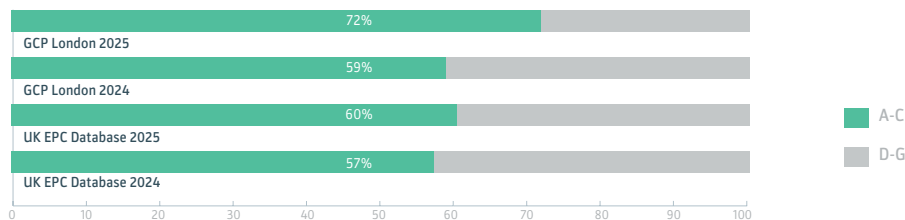
The UK Government, which is not subject to the EPBD, has announced an intention to set a minimum requirement of EPC by 2030 for residential properties several years ago, although no concrete legislative action has been seen since. Nonetheless, this updated, and EPC-based approach already allows for more targeted energy audit and renovation planning process relying on real, asset-specific data.

### German Residential 6% YoY



\* Source: German Residential EPC Distribution: Federal Ministry for Economic Affairs and Climate Action, *Langfristige Renovierungsstrategie der Bundesregierung*, 2020

### GCP London



\*\* Source: UK Residential EPC Distribution: Ministry of Housing, Communities & Local Government, *Energy Performance of Buildings Certificates Statistical Release October to December 2025 England and Wales* (Also includes 2024 data)

## Circular Economy

The European Union recognises that construction and demolition waste accounts for more than one third of all waste generated in the EU. Although resource use and circular economy was not considered material in the Company's 2024 DMA, nor in its 2025 review of the DMA, GCP acknowledges that it can make a major contribution to the environment by minimising waste generation and contributing to a circular economy in general. We focus on implementing sustainable resource management practices to minimise waste generation and conserve water resources.

To set quantitative targets for waste reduction and improved recycling rates, we first develop an accurate baseline by collecting data across our assets. For this purpose, we initiated an agreement for waste disposal with an established waste management provider to streamline reporting capabilities and enhance control over the process. The above-mentioned agreement will also support higher recycling rates.

Waste at GCP originates from operational waste from our assets and tenant-generated waste, alongside construction and renovation projects. While we have yet to formalise a specific circular economy policy, our overarching goal is to reduce overall waste production at our properties and increase the proportion of recycled or reused materials within the circular economy framework.

## Tenant Waste Management

To increase recycling rates, we provide waste separation facilities on our sites and engage with our tenants on their waste management practices. As with other sustainability measures, reducing waste output and landfill volume not only lowers our environmental impact but also helps to cut operating costs.

Most of the waste produced in the operation of our properties is outside our direct control. To reduce our environmental impact, we actively engage with our tenants to help reduce their footprint. Our local technical teams and Service Centre are always available to support tenants seeking guidance on waste reduction and sustainability. This coordination and engagement between stakeholders are essential to building a more circular, resource-efficient economy.

We also try to leverage the indirect influence of our properties to encourage more sustainable practices among tenants. This is often done through awareness raising activities. An example: GCP publishes leaflets and provides tenants with informational video content on environmentally friendly practices such as recycling, efficient heating, energy waste avoidance, and proper ventilation of their apartments. GCP continued the previously rolled-out pay-by-volume waste systems, which monitored the volume of waste disposed by tenants and billed them accordingly. These systems are yet to prove effective in inciting meaningful behavioural changes, for example by drawing tenants' attention to the cost-saving benefits of waste reduction. Moreover, there is no significant evidence of their impact on the actual volume of waste disposed, so extending this initiative to further assets is not to be expected.

As another key aspect of GCP's waste reduction strategy in the properties is the digitalisation of its postal correspondence with tenants and the switch to the new GOGREEN Plus services from Deutsche Post DHL. This means that currently all postal correspondence with GCP tenants, including the energy consumption documentation, is digitally transmitted to Deutsche Post, which offers a climate-neutral hybrid mail dispatch, by email, SMS, fax or post. This substantially reduces the waste generated in the production and delivery of leaflets while also supporting our tenants in reducing their carbon footprint. According to Deutsche Post's GOGREEN Plus certificate issued for GCP in 2025, the Company was able to avoid 16,872 kg CO<sub>2</sub>e emissions, which constitutes a saving of around 97% in comparison to normal postal service dispatch. In line with the waste reduction efforts, we also continued expanding our digital invoicing and purchase order process this year, as well as the digital signature of leases and last year saw the rollout of our digital handover protocols. We will continue to look for innovative partnerships and strategies to further optimise our resource efficiency in the upcoming years.

## Recycling of Construction Waste

In general, our goal is to preserve existing structures and materials rather than demolish and build new ones. This is advantageous from an economic and ecological perspective.

When it comes to construction-related waste, we maintain a higher degree of control over waste management and recycling processes. Whenever we undertake larger construction and refurbishment projects, we review the type and volume of waste generated, to ensure lawful disposal of hazardous and non-recyclable materials while maximising recycling efforts.

The topic of circular economy is becoming increasingly important for the construction and real estate sector, not least due to the European Union's EU Taxonomy regulation setting a 70% recycling target for the industry. We therefore aim to engage even more closely with our contractors to improve demolition waste recycling and enhance data collection on waste disposal and recycling rates. In line with this, we have updated our standard construction contract templates to include a requirement for contractors to provide recycling data.

Our overarching goal is to preserve existing structures and materials rather than demolish and rebuild, as this approach is both economically and environmentally beneficial.

### Metrics: Circular Economy

Regarding particularities for waste data, it is important to note that most of our portfolio is located in Germany, where local municipalities handle much of the waste collection services and report waste collection in various formats. The figures presented here are based on service provider invoices that allow for direct calculation of waste collected in volume (m<sup>3</sup>). However, these invoices do not specify the disposal method for non-recycled waste.

To align with best practices in sustainability reporting, we apply conversion factors to convert volume data (m<sup>3</sup>) into mass data (tonnes).<sup>(\*)</sup> This conversion, however, causes deviations in the relative share of recycled versus non-recycled waste in the two sets of figures as conversion factors differ by waste type based on the density of involved materials. For example, glass is a denser material compared to the materials typically found in general non-recycled waste bins. This results in contrasting results after conversions have been applied, however the Company places its main focus on m<sup>3</sup> figures since this matching the primary data we receive from utility providers. In terms of performance, like-for-like waste generation in m<sup>3</sup> remained stable with only a 1% decrease in 2025 compared to 2024, with similar stability in the recycled share of waste. The slight decline in absolute data coverage is due to newly introduced data quality checks leading to some 2025 data being rejected, these cases are under investigation with the intention to use findings to improve overall coverage for 2026. Like-for-like waste data coverage, however, has increased significantly compared to our Sustainability In-Focus Report 2024, showing an overall improvement.

\* Please note that throughout this report, any mentions of tonnes, refer to metric tonnes

Table 2

Absolute and Like-for-Like Waste Generation for Managed Assets					
Waste reported in tonnes and m <sup>3</sup>		Absolute		LfL	
EPRA Code	Metric	2025	2024	2025	2024
Waste-Abs	Landlord-managed waste recycled (including tenant waste) (tonnes)	4,342	4,390	4,194	4,278
	Total landlord-managed waste non-recycled (including tenant waste) (tonnes)	20,281	20,572	13,342	13,479
	Total landlord-managed waste generated (including tenant waste) (tonnes)	24,623	24,963	17,536	17,757
Waste-LfL	Landlord-managed waste recycled (including tenant waste) (m <sup>3</sup> )	46,713	46,757	45,422	45,899
	Total landlord-managed waste non-recycled (including tenant waste) (m <sup>3</sup> )	148,723	150,861	97,845	98,848
	Total landlord-managed waste generated (including tenant waste) (m <sup>3</sup> )	195,436	197,618	143,267	144,747
Additional information					
Waste-Abs	Proportion of landlord-managed waste generation data that is estimated (including tenant waste) (%)	100%	100%	100%	100%
Waste-LfL	Total waste generation data coverage, by area (m <sup>2</sup> )	2,986,007	3,005,445	1,882,488	1,882,488

## Water Management

Although the topic of water and marine resources was not identified as material during our 2024 DMA, as well as the 2025 DMA review, we recognise the importance of responsible water management, and the potential negative environmental impacts arising from unsustainable practices. Sustainable water use has been established as a key environmental priority under the EU Taxonomy, reinforcing its relevance. In line with this, we are promoting efficient water use across our portfolio and aim to comply with the high standards for water quality and wastewater disposal set at EU and national level.

We seek to positively influence tenants' water consumption, through engagement programmes and advanced measurement technologies. The Company is exploring investment in smart water meters to improve data accuracy, identify inefficiencies, and enable leakage detection while providing tenants with accurate information about their water usage. Based on these insights, we seek to implement technical improvements to prevent building damage and reduce water consumption across our properties wherever feasible. Pilot projects for smart water metering were initiated in 2025.

Our Water Resource Specialist works closely with relevant stakeholders and management to ensure that water-related risks and initiatives are effectively managed in alignment with the Company's broader sustainability strategy. A Water Management Policy and procedure were also developed, establishing a unified framework for managing water resources at operationally controlled and owned assets, outlining our current water strategy, water management, and water-related procedure principles. The Water Management Procedure also provides further information to asset and property managers on improving sustainable water usage at assets in our portfolio.

## Metrics: Water Management

Our water management strategy is outlined in the section above. In order to track the progress of our approach, we collect water consumption data from our assets and monitor this year on year as shown in Table 3. Due to restrictions on tenant data sharing, water consumption recorded through tenant submeters is included in our overall landlord-obtained water consumption figures. In 2025, like-for-like water consumption remained stable, showing just a 1% decrease compared to 2024, indicating improved data stability after methodological improvements were implemented in last year's reporting.

**Table 3**

Absolute and Like-for-Like Water Consumption for Managed Assets					
Water reported in m <sup>3</sup>		Absolute		LfL	
EPRA Code	Metric	2025	2024	2025	2024
Water-Abs	Total landlord-obtained water consumed (including tenant submeters) (m <sup>3</sup> )	3,758,342	3,945,120	3,664,943	3,699,713
	Proportion of landlord-obtained water consumption data that is estimated (including tenant submeters) (m <sup>3</sup> )	57%	56%	56%	55%
Water-LfL	Total water consumption data coverage, by area (m <sup>2</sup> )	3,748,918	3,895,773	3,656,275	3,656,275
Total building water intensity					
Water-Int	Building water intensity for all water consumed (m <sup>3</sup> /m <sup>2</sup> *year)	1.00	1.01	1.00	1.01

## Metrics: EPRA sBPR Environmental Disclosures for Own Offices

In order to show the impact of our portfolio management operations, the tables below contain the environmental indicators for our own offices. The methodological notes for the energy and emissions figures in the following table are the same as those outlined in our Consolidated Annual Report 2025, p. 87-90. The relevant methodological notes specific to the waste and water figures are the same as those in the *Methodology and EPRA sBPR Data Preparation Notes* section later in this report. Since our own offices are units within properties reported for the entire portfolio, the figures have merely been adjusting according to the relative floor area of the building.

**Table 4**

EPRA sBPR Environmental Disclosures for Own Offices					
EPRA Sustainability Best Practices Recommendations Performance Measures		Absolute		LfL	
Energy reported in MWh					
EPRA Code	Metric	2025	2024	2025	2024
Elec-Abs	Own offices electricity consumed (MWh)	219	216	219	216
	Proportion of own offices electricity generated offsite from renewable sources (MWh)*	99%	98%	99%	98%
Elec-LfL	Own offices electricity consumption data coverage, by area (m <sup>2</sup> )	5,836	5,836	5,836	5,836
	Proportion of own offices electricity consumption and associated GHG emissions that is estimated (%)	89%	93%	89%	93%
Fuels-Abs	Own offices fuels consumed (MWh) **	234	622	221	622
	Own offices fuels consumption data coverage, by area (m <sup>2</sup> )	3,557	3,404	3,404	3,404
Fuels LfL	Proportion of own offices fuel consumption and associated GHG emissions that is estimated (%)	0%	10%	0%	10%
	Own offices district heating/cooling consumed (MWh) ***	270	245	270	222
DH&C-Abs	Own offices district heating/cooling consumption data coverage, by area (m <sup>2</sup> )	2,279	2,432	2,279	2,279
	Proportion of own offices district heating/cooling consumption and associated GHG emissions that is estimated (%)	23%	36%	23%	39%
Building energy intensity (kWh/m <sup>2</sup> *year)					
Energy-Int	Own offices energy intensity for energy consumed (kWh/m <sup>2</sup> *year)	123.97	185.50	121.67	181.63
Energy Performance Certificates					
Cert-Tot	% of own offices certified by floor area	94%	94%	94%	94%
GHG emissions reported in tonnes CO <sub>2</sub> e					
GHG-Dir-Abs	Direct GHG emissions from own offices (GHG Protocol Scope 1) (tCO <sub>2</sub> e)	42.85	113.85	40.39	113.85
GHG-Dir-LfL					
GHG-Indir-Abs	Indirect GHG emissions from own offices (GHG Protocol Scope 2 Location-Based) (tCO <sub>2</sub> e)	135.59	152.67	135.59	145.65
GHG-Indir-LfL	Indirect GHG emissions from own offices (GHG Protocol Scope 2 Market-Based) (tCO <sub>2</sub> e)	1.66	2.25	1.66	2.04

**Table 4**

EPRA sBPR Environmental Disclosures for Own Offices					
EPRA Sustainability Best Practices Recommendations Performance Measures		Absolute		LfL	
EPRA Code	Metric	2025	2024	2025	2024
Building GHG intensity (kgCO <sub>2</sub> e/m <sup>2</sup> *year)					
GHG-Int	Own offices GHG emissions intensity (GHG Protocol Scopes 1 and 2; Location-Based) (kgCO <sub>2</sub> e/m <sup>2</sup> *year)	30.58	45.67	30.16	44.47
	Own offices GHG emissions intensity (GHG Protocol Scopes 1 and 2; Market-Based) (kgCO <sub>2</sub> e/m <sup>2</sup> *year)	26.13	43.52	25.71	42.32
Water reported in m <sup>3</sup>					
Water-Abs	Own offices water consumed (m <sup>3</sup> )	3,048	3,518	3,048	3,518
	Proportion of own offices water consumption data that is estimated (m <sup>3</sup> )	53%	37%	53%	37%
Water-LfL	Own offices water consumption data coverage, by area (m <sup>2</sup> )	5,836	5,836	5,836	5,836
Building water intensity					
Water-Int	Own offices water intensity for all water consumed (m <sup>3</sup> /m <sup>2</sup> *year)	0.52	0.60	0.52	0.60
Waste reported in tonnes					
Waste-Abs	Own offices waste recycled (tonnes)	1.28	1.28	1.28	1.28
	Own offices waste non-recycled (tonnes)	18.34	18.34	7.38	7.38
Waste-LfL	Own offices waste generated (tonnes)	19.63	19.63	8.66	8.66
Waste reported in m <sup>3</sup>					
Waste-Abs	Own offices waste recycled (m <sup>3</sup> )	13.13	13.13	13.13	13.13
	Own offices waste non-recycled (m <sup>3</sup> )	134.51	134.51	54.11	54.11
Waste-LfL	Own offices waste generated (m <sup>3</sup> )	147.64	147.64	67.24	67.24
Additional information					
Waste-Abs	Proportion of own offices waste generation data that is estimated (%)	100%	100%	100%	100%
Waste-LfL	Own offices waste generation data coverage, by area (m <sup>2</sup> )	2,981	2,981	1,101	1,101

\* We do not report the electricity generated onsite (neither consumed onsite nor exported) for our own offices since they represent only a limited share of the units within our properties, and allocating a proportion of onsite generation and consumption to our units would not make for a meaningful disclosure. Total portfolio figures are found in our Consolidated Annual Report 2025 E1-5 Disclosures

\*\* The only fuel consumed in own offices was natural gas. The Company does not purchase renewable fuels and the fuel consumption from renewable sources is thus zero

\*\*\* The Company does not hold contractual instruments for procuring district heating from renewable sources; therefore, this share is reported as zero. However, the Company sources district heating from suppliers whose standard offerings incorporate significant renewable energy shares, resulting in market based emission factors lower than the location based factor reflecting Germany's national average. This is reflected in the market-based emissions figures reported in this table

## Biodiversity and Ecosystems

While biodiversity and ecosystems were not identified as a material topic in the 2024 DMA, not in the 2025 DMA review, we remain aware of the need to and benefits of contributing positively to biodiversity at our sites.

Central to this approach is GCP's Biodiversity Commitment, informed by the 2050 Goals and 2030 Targets of the *Kunming-Montreal Global Biodiversity Framework*. The commitment prioritises integrating biodiversity considerations into projects, with an emphasis on urban green spaces, nature-based solutions, and sustainable development. The Company adopts a proactive approach, applying the mitigation hierarchy (avoidance, minimisation, and restoration), and fostering community engagement, reaffirming its responsibility to support biodiversity and build a resilient environment.

As part of our environmental strategy, the Company invests in outdoor spaces to enhance biodiversity. This includes the design of green areas, where we avoid the use of pesticides and herbicides, and actively engage local communities in installing birdhouses and insect hotels. These initiatives strengthen community involvement and raise awareness of practical actions that residents can adopt in their own homes.

To further integrate environmental protection within our operations, GCP has implemented a programme focused on planting and maintaining trees in public areas. This initiative enhances local biodiversity by creating habitats for various species in urban areas. In 2025, the Company has planted 28 new trees in the surrounding areas of its assets, reaffirming its commitment to biodiversity and improving local environmental quality.

## Climate Change Adaptation and Resilience

Although Climate Change Adaptation was not found to be material in the 2024 DMA, nor in the 2025 DMA review, the Company remains committed to understanding and preparing for the physical risks of climate change.

Since early 2025, GCP's physical risk assessment has been extended to an asset-level analysis. As a first step, a physical climate risk exposure screening was conducted through a market-leading physical risk assessment tool, which is designed to identify and quantify location-based physical risks.

The physical risk assessment tool is based on the CMIP6 generation of climate models by the Intergovernmental Panel on Climate Change and it enables organisations to evaluate potential hazards that could impact physical assets or operations in specific locations. The screening of the GCP portfolio involved checking the asset's exposure to River Flood, Storm Surge, Heat Stress, Precipitation, Fire Weather, Drought, Cold Stress and Tropical Cyclone.

The assessment focuses on two climate scenarios for the years 2030 and 2050: SSP2-4.5 and SSP5-8.5. Each scenario is based on the Shared Socioeconomic Pathways ("SSPs"), each assuming varying forms of climate policy and socioeconomic development, for which expected greenhouse gas levels in the Earth's atmosphere are used to model Representative Concentration Pathways producing quantitative outputs including temperature and precipitation levels, as well as the likelihood of physical climate-related risk events.

As a second step and ongoing analysis, those assets flagged at moderate to high-risk within the physical risk assessment tool were assessed regarding their specific sensitivity and adaptive capacity. Only then could a conclusive decision on the asset's vulnerability and necessity of adaptation solution implementation be taken. Due to the size of the GCP's portfolio, this process is ongoing and may only be completed in the following year.

From a previous city-level physical risk assessment of the portfolio, the Building Resilience Task Force had developed an overall climate adaptation plan involving implementation of the certain measures by 2027, which had been selected based on their potential to bolster asset resilience and their feasibility. The following table provides an overview of these measures and the status of their implementation:

Table 5

Adaptation Measure	Implementation	Status
<p><b>Refurbishments:</b> Review of materials chosen at sites which are at risk, and roof maintenance works.</p>	<p>Refurbishments are part of the Company's climate change mitigation strategy through the implementation of energy efficiency measures. These are tracked in the EU Taxonomy analysis, as well as GCP's energy efficiency levers of the Climate Transition Plan. These actions also have positive outcomes for climate adaptation.</p>	Ongoing
<p><b>Tenant guidebook for extreme conditions:</b> Creation of a behavioural guide for tenants to deal with extreme climatic conditions, including definition of the internal and external notification chain in such emergency circumstances.</p>	<p>Tenant guidebooks were implemented for residential tenants in 2023 and have been communicated on respective websites and as part of welcome documentation for new tenants.</p>	Completed
<p><b>Flood analysis and planning:</b> Asset-level analysis of flooding and drought to determine countermeasures. Development of flood scenario plans and emergency plans.</p>	<p>A previously conducted flood analysis for German assets was replaced with a more comprehensive, portfolio-wide assessment through a physical climate risk assessment tool. In addition, the Company conducted open-source research and analysis of water-related risks to receive an even more accurate assessment of flood, precipitation and storm surge risks.</p>	Completed
<p><b>Tree planting programme:</b> Planting and maintenance of trees in public areas where this leads to a positive effect, and unsealing spaces to create more green areas around buildings.</p>	<p>While the benefits of trees and green areas for climate change adaptation are clear, professional and site-specific assessments are needed to ensure effective heat reduction through tree planting. The implementation is therefore tied closely to asset-level adaptation measures.</p>	Ongoing

Following the completion of the sensitivity and vulnerability assessments for the portfolio in 2025, GCP's Operations Departments will carefully evaluate relevant adaptation solutions for those assets that remain at risk.



Heat pump installation at residential asset

# Social

## Tenant Satisfaction and Retention

GCP implements a structured, year-round feedback mechanism. Following the resolution of a tenant enquiry through its Service Centre, tenants are invited to complete a satisfaction survey. The overall tenant satisfaction rate is derived by averaging tenant responses across five key indicators: resolution time, service provider's friendliness, quality of completed work, Service Centre's accessibility, and Service Centre's friendliness, each rated on a 5-point scale. The survey's average score of 4.6 out of a maximum possible score of 5 corresponds to a 2025 satisfaction rate of 92.0%, which exceeds the Company's target of at least 90.0%. The survey also achieved a near-complete coverage rate of 99.4%. Further details on the satisfaction survey results are provided in Table 6.

**Table 6**

Key Figures Tenant Satisfaction 2025					
Tenant Satisfaction Indicator	Unit	2025	2024	2023	2022
Tenant Rating of Resolution Time	Out of 5	4.50	4.53	4.54	4.78
Tenant Rating of Service Provider's Friendliness		4.62	4.54	4.66	4.91
Tenant Rating of the Quality of the Completed Work		4.51	4.50	4.55	4.72
Tenant Rating of Service Centre's Accessibility		4.54	4.68	4.75	4.88
Tenant Rating of Service Centre's Friendliness		4.56	4.67	4.83	4.90

GCP's complaint management process is certified for proven service quality in accordance with TN Standard A75-5008, and under ISO 9001:2015. Beyond the feedback mechanism described above, tenants have several options to request support or provide feedback. These include submitting online forms via the GCP website, sending an email, contacting a dedicated phone line or speaking with staff in person. In addition, GCP has a portal for online submissions, a "chat with human" option, and provides a dedicated app for added convenience.

For disabled or elderly tenants, GCP is especially committed to ensuring that its services are accessible and barrier-free. By providing omni-channel support, we ensure our services cater to both tech-savvy and those who prefer more traditional contact methods.

When a complaint is submitted, tenants receive a service request number via their chosen communication channel to confirm receipt. We seek to maintain transparency throughout the complaint resolution process. While response times may vary depending on the nature of the inquiry, tenants are kept informed about the status of their requests.

Tenant feedback plays an important role in improving our services and products. GCP maintains a comprehensive reporting processes in which every inquiry is categorised, enabling the generation of insightful reports. The report's insights support CapEx decision-making and the development of heat maps to identify complaint hotspots within the operations department. It also helps identify services that can be developed into self-service options, such as rental certificates or rental debt-free certificates. Escalated cases receive special attention: all relevant departments conduct a thorough investigation to determine appropriate remedies and capture lessons learned.

In alignment with the Company's ongoing commitment to enhancing tenant satisfaction and retention, a comprehensive loyalty programme is maintained and accessible via the GCP Tenant App. Tenants are rewarded with points for a range of activities and milestones, including each year of tenancy, timely rent payments, selection of eco-friendly energy solutions through Green Energy Certification, maintaining valid tenant insurance, and participation in digital engagement campaigns such as the GCP digital advent calendar, Easter surprise campaign, and autumn activity campaign.

In addition to the digital rewards, GCP facilitates a variety of on-site tenant activities. For instance, the autumn afternoon event takes place in 11 cities, offering engaging activities for tenants and seamlessly integrating with the digital autumn campaign. These initiatives intended not only to elevate tenant satisfaction but also to cultivate a strong sense of community, thereby contributing to higher retention rates and overall tenant wellbeing.

## Tenant Health and Safety

Keeping high standards of health and safety within our buildings is a fundamental responsibility towards our tenants and a prerequisite to ensuring their satisfaction and confidence in our service.

Supported by the ongoing commitment of our property management and operational teams, we actively promote a positive health and safety culture across our operations. Our goal is to protect tenants and third parties from health and safety risks, and to deliver a living environment which is healthy, safe and conducive to long-term use, with which our tenants are satisfied.

To guide the implementation of our sustainability strategy, maintain the highest health and safety standards, and track our progress, we have set a long-term goal to create a high standard of living at our properties through safe, attractive buildings, active community building, and engaging customer service.

Health and safety considerations are central to our asset management approach across the entire property lifecycle. During operation, we pursue our aim to continually enhance the quality of our residential units and their surroundings. Regular checks and maintenance work conducted by operational teams are designed to identify and mitigate potential health and safety risks before they materialise. Safety is a priority throughout these assessments. If deficits are identified, these are documented and reported to the Construction Department who are then responsible for seeing that the required work is carried out. The proper implementation of these corrections is confirmed by appropriate follow-up processes, through cooperation between the Construction Department and the Property Managers.

Our Tenant Health and Safety Guidelines set out basic principles for safeguarding health and safety and outline preventive works and checks, including installation of smoke detectors, functioning heating systems, mould prevention as well as tidiness and cleanliness in our assets.

All our properties are subject to continuous safety inspections as part of our operational monitoring activities. The quarterly site inspections performed according to our internal protocol are routinely conducted. These comprise scheduled visual inspections of health and safety aspects. Inspections are documented digitally, providing a consistent basis for transparency, follow-up, and oversight. The combination of these regular site visits also helps to prepare budget decisions for each property.

## Metrics: Tenant Health and Safety

Table 7

Asset Health and Safety				
EPRA Code	Units of Measure	Metric	2025	2024
H&S-Asset	Percentage of assets for which health and safety impacts are assessed or reviewed for compliance/improvement	Percentage of assets	95%	95%
H&S-Comp	Number of incidents of non-compliance with regulations and/or voluntary standards	Number of incidents	10	1

## Neighbourhood Development

At GCP, community engagement encompasses meaningful interaction with the broader community in which the Company operates, including tenants, local authorities and community organisations. GCP aims to foster constructive relationships and remain responsive to the needs and expectations of its tenants and surrounding communities. This engagement is operationalised through the Company's support system, comprising property managers for ongoing customer care, and facility managers for day-to-day technical support and maintenance. Together, these functions ensure responsive service delivery while maintaining clear contact with tenants and local stakeholders.

To nurture lively and supportive communities, where people enjoy living and staying, GCP strives to foster a sense of connection and neighbourliness. The Company provides a variety of communal amenities such as playgrounds, fitness trails, BBQ areas, tenant libraries, and seasonal events. In addition to the assistance offered by property managers and our Service Centre, tenants benefit from dedicated support roles including a collector and a social tenant's manager. These professionals offer guidance on issues such as communication with local authorities and the implementation of community projects. In locations without a designated community relations officer, property managers also serve as the primary contact for tenant engagement, ensuring active communication and support.

Neighbourhood development is another key pillar of GCP's social impact strategy. The Company seeks to support active urban areas and create inclusive spaces that benefit the broader community. In this context for example, GCP collaborates with a third-party partner to repurpose selected units into vibrant creative hubs. This project offers affordable studio space in Berlin for local artists and fosters cultural exchange through exhibitions, events, and community engagement. The project includes educational formats that promote artistic exchange and participation, such as artist residencies, guided exhibitions, and interactive programmes designed to make contemporary art more accessible.

GCP further reinforces its commitment to social responsibility through its Community Involvement and Development Guidelines. These guidelines offer a structured framework for proactive engagement with residents, local authorities, and organisations; promoting inclusive, safe, and active neighbourhoods through sustainable development; conducting regular assessments and transparent reporting on social impacts in alignment with EU sustainability standards; and supporting targeted social initiatives through the GCP Foundation ("the Foundation"). Together, these measures demonstrate the Company's commitment to the wellbeing of tenants and the surrounding communities.

## GCP Foundation and Community Engagement Initiatives

The GCP Foundation donates funds to support community projects and neighbourhood development initiatives, inter alia supporting youth, the elderly, and poverty relief. The GCP Foundation is run by the GCP Foundation Board, which ensures that funding is directed towards projects that will have the most significant positive impact on local communities and their residents. All employees are encouraged to propose projects for consideration, with each department and individual empowered to suggest initiatives within their region.

GCP is committed to actively engage with the communities surrounding the residential properties in which it invests. By funding neighbourhood events, shared public spaces, and cultural programmes, the Company fosters social integration in areas affected by urban development.

### In 2025, our initiatives and events have included:

- **Autumn Festival:** A community event held across 11 locations in Germany, featuring interactive entertainment programmes such as bouncy castles, a target-shooting wall, food stands and other activities. Tenants were also invited to participate in an online prize draw, with prizes including a main award of a €250 voucher.
- **Digital Advent Calendar:** An interactive digital calendar running from 1 to 31 December, offering daily games, quizzes, and surprises for tenants, alongside the opportunity to participate in a prize draw with a main prize of a €250 voucher.

- **Digital Easter Prize Draw:** A digital Easter-themed event hosted in the GCP Tenant App, where tenants could participate in interactive games and enter a prize draw for the chance to win one of ten Easter-themed surprise prizes.

Some of these events have evolved into long-standing traditions, with invitations for participation actively promoted through various channels to foster engagement. The strong participation rates (as highlighted in the sub chapter *Metrics: Community Engagement*) highlight the positive reception of these initiatives. The Company takes great pride in this success and remains dedicated to expanding and enhancing its community engagement efforts in 2026.

## Charitable Activities

In line with its commitment to enrich local communities, the GCP Foundation allocates funding to various charitable organisations and initiatives. These include support for youth and elderly care, arts and culture, education and vocational training, social welfare, and sports. The Foundation also assists refugees, displaced persons, victims of war, and individuals persecuted for political, racial, or religious reasons. Additionally, it promotes commemoration efforts, supports victims of discrimination based on gender identity or sexual orientation, and engages in development cooperation and other charitable causes.

In 2025, the Company spent approximately €365,000 to support local and international community projects. One notable contribution was made to the *Wambecker Pfad* day-care centre in Lemgo, which places a strong focus on inclusion and the everyday coexistence of children with and without disabilities. Another contribution was made to support *GSJ - Gesellschaft für Sport und Jugendsozialarbeit GmbH* in Berlin, whose projects specifically target socially disadvantaged children and young people, particularly those from high-stress or underserved neighbourhoods, using sport as a tool to promote social development, inclusion, and personal growth.

## Social Day

In addition to tenant-focused activities, GCP encourages its employees to give back to the community through its Social Day initiative. This programme allows employees to dedicate a paid working day to volunteering with charitable organisations that create meaningful social impact. Participants can either join a suggested organisation or select a cause of their own choosing.

In 2025, the Company organised 9 Social Days in collaboration with *Tafel e.V.*, an umbrella organisation comprising over 970 food banks in Germany, as well as *Lebenshilfe*, a German non-

profit supporting people with intellectual disabilities and their families by promoting inclusion and providing care, education, and advocacy services.

Furthermore, GCP has organised two blood donation events in our Berlin office. Building on this success, the Company aims to further expand the Social Day initiative in 2026, reaching even more employees across additional regions.

### Metrics: Community Engagement

GCP continues to prioritise meaningful local engagement across its portfolio. Table 8 presents the percentage of assets under operational control that have implemented local community engagement initiatives, impact assessments, and/or development programmes.

**Table 8**

Community Engagement				
EPRA Code	Units of Measure	Metric	2025	2024
Comty-Eng	% of assets under operational control that have implemented local community engagement, impact assessments, and/or development programmes	Percentage of assets	62%	58%

To measure engagement across our German portfolio, the Company uses a multi-channel approach, combining traditional on-site outreach (e.g., posting notices at building entrances) with digital interactions via the GCP Tenant App. By integrating visibility data and verified participation, we capture a comprehensive and accurate view of tenant reach.

## Employee Health & Wellbeing

We ensure strict compliance with all workplace health and safety regulations at national and EU level. While GCP has a dedicated internal Office Health and Safety Manager who implements our Occupational Health and Safety Policy. GCP recognises that every employee plays a vital role in maintaining a safe and healthy workplace. This includes actively identifying and reporting unsafe conditions, breaches of safety protocols, and workplace incidents. To support this shared responsibility, GCP HR Roundtables foster open communication and consultation with employees on all work-related matters including health and safety, ensuring their insights contribute to ongoing risk prevention and the continuous improvement of safety practices. Work-related injuries, ill-health and accidents are investigated in accordance with GCP's Occupational Health and Safety policy. The Company physician conducts site inspections to check occupational health and safety provisions, as well as periodic workstation ergonomics assessments. Findings are documented, prioritised and integrated into site-specific action plans to reduce or eliminate risks. In the case of accidents, root cause analysis is carried out to identify underlying issues or hazards to ensure appropriate corrective and control measures are in place. Lessons learned are shared across the organisation through training and other awareness programmes, to prevent recurrence.

We set short-term targets to manage material health and safety impacts, risks and opportunities. In addition to our mandatory occupational safety and health training for all employees, we offer first aid training to our employees internally, across our Berlin and regional offices. 96 employees are certified first-aiders, representing about 12% of GCP's total employees, which exceeds the 8% targeted for 2025. Training participation and effectiveness are regularly evaluated to ensure high standards are maintained. We will continue to provide these trainings for employees in coming years.

To support the wellbeing of employees, the Company offers a flexible package of benefits and working provisions, including eye examinations for employees who spend a significant amount of time working with computer screens. In 2025, we offered three eye examination days and will continue to review and adjust the number of examination days based on employee needs. Looking ahead, we aim to implement a digital solution to streamline the eye examination process, making it more accessible and efficient for all employees. We also have a cooperation agreement with an optical retailer offering subsidised glasses to employees since 2022.

All GCP employees have access to mental health appointments with a mental wellbeing coach at our headquarters. The Company also offers e-learning courses on managing and preventing mental stress in the workplace as well as training on mindfulness. Conversely, GCP organised a flu vaccination day in its offices during 2025 and intend to continue the initiative in 2026. Employees

at the headquarters in Berlin can use the company gym with personalised training and nutrition programmes offered by the trainers, including a specific course for employees suffering from back problems. There is also access to a health and wellbeing subscription service platform, which includes gym subscription, subsidised by the Company for all employees in Germany.

## Employee Engagement Survey

GCP engages with its employees through various channels, including an annual employee engagement survey, to gather direct feedback from employees across the Company. Oversight of this survey is the responsibility of the Group's Head of Human Resources, with the results informing management decisions and actions to address current and potential workplace issues.

The employee survey planned for 2025 was suspended to allow the Human Resource Department sufficient time to focus on implementing solutions to recurring issues identified in previous surveys. This approach is intended to ensure that meaningful progress is made before collecting new feedback, with the annual employee survey scheduled to resume in 2026.

The most recent survey conducted in 2024 indicated a high level of employee engagement, achieving a 71% response rate among GCP's employees in Germany. The survey covered a broad range of topics relating to employee interactions with management and the Company. Responses were measured using a 5-point Likert Scale, where 5 represents the highest level of satisfaction and 1, the lowest. The average employee engagement score across all topics was 3.8 out of 5.0, equating to approximately 76% satisfaction rate.

Topics such as "Relationship with Manager", "Goals and Goal Achievement" and "Relationship with Colleagues", received the highest ratings. In contrast, "Feedback and Communication", "Strategy, Vision and Culture", and "Workplace and Tools" received comparatively lower scores and have therefore been prioritised for improvements. Notably, no topic was scored below 3.5 out of 5.0, reflecting the Company's consistent efforts to foster a positive employee experience and an engaging work environment.

In addition to addressing the priority topics identified through the survey feedback, for which strategic actions are currently underway, GCP continues to implement initiatives that generate positive impacts on employees, as elaborated in the *ESRS S1 - Own Workforce* section of GCP's Consolidated Annual Report 2025.

## Labour Practices

GCP ensures that all paid overtime work is accurately documented and compensated in accordance with applicable labour regulations and internal guidelines. Employees working hours are monitored through a time-tracking system to engender transparency and improved time management.

In addition, GCP provides employees with paid annual leave in accordance with international labour standards and the Company's policies. Employees receive their regular pay during their annual leave period and are proactively encouraged by the HR department and supervisors to schedule and take their annual leave balances. This approach supports employee wellbeing and maintains productivity.

# Governance

## Board of Directors

GCP is administered by a Board of Directors vested with the broadest powers to make independent decisions and to manage and carry out its duties solely in the Company's best interest, free from any conflict of interest. All powers not expressly reserved by the *Luxembourg Companies Act* or by the articles of association for the general meeting of the shareholders fall within the competence of the Board of Directors ("the Board"). On a regular basis, the Board of Directors evaluates the effective fulfilment of their remit and compliance with corporate governance procedures implemented by the Company. This evaluation is also performed by the Audit and Risk Committees. The Board also remains attentive to matters of business ethics and regularly considers ethical risks as part of its oversight responsibilities.

## Board Gender Balance

Grand City Properties complies with the *Luxembourg law of 19 December 2025 transposing Directive (EU) 2022/2381* aimed at improving gender balance on the boards of listed companies. Based on the legislation, including the minimum thresholds set out in the annex, GCP currently meets the applicable legal requirements for a Board of Directors consisting of five members - one executive director, one non-executive director and three independent directors - of whom two are women. The Company will continue to monitor board composition to ensure ongoing compliance.

For further information on the Board Composition, its competencies and breakdown based on gender, geography and expertise, please refer to section *GOV-1 The Role of Administrative, Management and Supervisory Bodies* on pages 41-45 of the Annual Consolidated Report.

## Board Meeting Attendance

In 2025, the Board of Directors conducted 26 meetings. The table below shows the attendance of the Board members, as well as the attendance average:

**Table 9**

Director	Number of Meeting Dates* Attended	Percentage Attended
Christian Windfuhr	25	96%
Simone Runge-Brandner	24	92%
Markus Leininger	26	100%
Scot Wardlaw	26	100%
Monica Porfilio	26	100%
Board Average	25.4	97.7%

\* This overview reflects a consolidated approach in respect of separate Board minutes topics considered on the same meeting date and, for the purposes of this overview, attendance on the same meeting date is confirmed where a director participated in Board discussions on that date

The composition of our highest governance body is summarised in the following table:

**Table 10**

Composition of the Highest Governance Body						
EPRA Code	Units of Measure	Metric	2025		2024	
			Number	%	Number	%
Gov-Board	Total numbers and percentages	Executive board members	1	20%	1	20%
		Independent board members	3	60%	2	67%
		Non-executive board members	1	20%	1	20%
		Independent / non-executive board members with competencies relating to environmental and social topics	2	50%	2	50%
		Average tenure (years) on the Board of Directors	4.7	N/A	3.7	N/A

The ESG, Audit, Risk, Remuneration, and Nomination Committees support the Board, along with an Advisory Board. The Committees receive regular training on legal updates, regulatory, sector-specific knowledge, capital markets, and ESG matters. This proactive approach not only ensures sound knowledge of corporate governance among our Board members but also serves to advance sustainability goals outlined by the United Nations, particularly through ESG initiatives.



FC Borussia Brandenburg summer camp - supported by the GCP Foundation for the third year. Source: GCP/ Arountown, Berliner Stadtmission

## Human Rights Due Diligence and Risk Identification

GCP ensures respect for human rights across its operations and supply chain through a structured approach to identifying, assessing, and addressing human rights-related potential impacts. The Company's compliance framework addresses key internationally recognised human rights issues, including forced labour and human trafficking, child labour, freedom of association, the right to collective bargaining, and discrimination.

### Supply Chain

The Company's human rights due diligence process ("HRDD") identifies and assesses human rights risks in its supply chain. A central element of this process is the Business Partners Code of Conduct ("BPCoC"), which business partners with contracts exceeding €5,000 are required to sign, acknowledging GCP's values and standards with regard to human rights and compliance. There are limited exceptions to signing the BPCoC for business partners, such as having equivalent standards in place or operating in highly regulated sectors.

The BPCoC is aligned with applicable human rights laws, regulations, and internationally recognised standards and sets out GCP's expectations for its business partners. It explicitly addresses the key human rights issues outlined above and forms the basis for risk assessment and due diligence research to identify any potential human rights risks in the supply chain.

While not explicitly mentioned in the BPCoC, human trafficking is addressed by the Company, through compliance with applicable legal frameworks in the regions in which GCP operates. For further details on the Company's HRDD approach, please refer to section *ESRS S2 Workers in the Value Chain* in GCP's Consolidated Annual Report 2025.

### Human Rights Coverage in Own Operations

Since GCP's operations are primarily located within the EU, the above-mentioned human rights are protected under a comprehensive legal and regulatory framework, including the *Charter of Fundamental Rights of the European Union (2000/C 364/01)*. The charter explicitly covers forced labour and human trafficking, child labour, freedom of association and the right to collective bargaining, and non-discrimination. The corresponding requirements are reflected in the Company's internal policies and employment practices, which together ensure that relevant human rights risks are identified and addressed.

## Responsible Dealings, Industry Associations, and Policy Alignment

The Company's Anti-Corruption Policy prohibits direct engagement in lobbying and political involvements, including donations to political parties and facilitation payments. Facilitation payments being the request of a reward in return for the facilitation or acceleration of a lawful or unlawful measure or action by a public official or other persons.

**Table 13**

Key Figures	Unit	2025	2024	2023
Monetary Contribution to Lobbying and Interest Representation	€	0	0	0
Monetary Contributions to Local Regional or National Political Campaigns/ Organisations/ Candidates		0	0	0
Monetary Contributions to Industry and Trade Associations		30,718	30,718	26,415
Total Political Contributions and Spending on Public Policy		0	0	0

The Company recognises the pivotal role of industry and trade associations in shaping policies and influencing societal actions. GCP views these organisations as valuable platforms for engaging with climate policy, sustainability reporting and broader ESG topics relevant to the real estate sector in the EU. When selecting and renewing our memberships, we consider how closely an organisations' values and commitments align with our sustainability ambitions. We are members of the German Property Federation, *Zentraler Immobilien Ausschuss* ("ZIA"), the European Public Real Estate Association ("EPRA"), and the German Sustainable Building Council, *Deutsche Gesellschaft für Nachhaltiges Bauen* ("DGNB"). As of the time of this publication, our internal review of the climate positions of these associations has found a high degree of alignment with GCP's policy positions. However, if misalignments are identified in the future, the Company would first engage the relevant organisation to address the misalignment, and in the case of irreconcilable differences terminate its membership.

ZIA advocates for energy efficiency and sustainability standards in the real estate sector, striking a balance between ambition and pragmatism - particularly when dealing with older building stock prevalent in Germany. The association supports the *German Energy Saving Ordinance* and the *EU Energy Performance of Building Directive*, champions the Climate Action Plan 2050, and promotes Germany's Energy transition by advancing the integration of renewable energy in buildings. ZIA also endorses smart technologies to optimise energy usage as well as supports fair carbon pricing to develop effective climate policies aimed at reducing emissions.

Similarly, EPRA supports the European Green Deal's aim for climate neutrality by 2050. To achieve this, it promotes building energy efficiency and the integration of renewable energy as key strategies for reducing carbon emissions across an entire building lifecycle. It advocates for the use of sustainable technologies like smart building solutions and supports standardised and transparent reporting of carbon footprints and energy usage to ensure environmentally sound investments.

Meanwhile, DGNB develops internationally recognised certification systems for sustainable buildings. DGNB emphasises decarbonisation throughout the building's lifecycle, promoting the use of renewable energies, and sustainable materials and retrofitting existing buildings to improve energy efficiency. The association's certifications require comprehensive lifecycle assessments that evaluate environmental impacts from construction to demolition, aiming to minimise resource use and enhance occupants' quality of life.

These associations ensure the integration of sustainable practices that yield real benefits, which significantly influence our strategic environmental initiatives.

## Responsible AI Practices

GCP is committed to staying at the forefront of innovation and actively leverages artificial intelligence ("AI") to enhance productivity, efficiency, and the quality of its operations. While recognising the significant potential of AI technologies, GCP also acknowledges the importance of their responsible use. Accordingly, the Company has implemented an appropriate governance framework to ensure that AI is deployed in an ethical, secure, and compliant manner.

### Commitment to Responsible AI and Governance Framework

- AI tools should be subject to evaluation and approval by GCP's IT and Information Security Department prior to their deployment to ensure that they meet internal security, operational and ethical standards, including considerations relating to fairness and bias. All tools should be periodically reviewed to ensure continued alignment with the Company's requirements.

- The use and development of AI tools should prioritise the protection of data privacy and confidentiality. Employees are expected to avoid entering confidential, proprietary or personal information into AI systems and use privacy-enhancing settings, where available.
- Employees are encouraged to critically assess AI-generated outputs, recognising that they may be inaccurate or biased, and are reminded to verify information before relying on it for business decisions.
- Any concerns or incidents related to the use of AI tools should be reported through appropriate internal channels, inter alia with the Company's whistleblowing system.

In addition, as the Company operates primarily within the EU, it is subjected to the *Artificial Intelligence Act (EU) 2024/1689* ("AI Act"), which establishes a regulatory framework to ensure that AI systems are developed and used in a safe, transparent, and accountable manner.

### Operational AI Programme and Control Mechanisms

GCP manages a structured AI programme designed to ensure that the use of AI technologies is conducted in a controlled and risk-aware manner. The programme is aligned with the Company's ISO/IEC 27001-certified information security framework.

Within this framework, AI-use cases are subject to formal review through established change management processes involving the IT, Legal, and the Data Protection departments. GCP maintains an internal inventory of AI systems and applies risk classification prior to deployment to assess potential operational, legal, and ethical risks. High-risk AI applications - such as facial recognition, biometric surveillance, automated HR or tenant decision-making systems - are not deployed by the Company.

In addition, AI-generated or AI-modified images and visuals used in external communications (e.g. marketing materials) are clearly labelled where appropriate, in accordance with applicable legal requirements under the AI Act. The Company also maintains a cautious approach to automation and does not deploy fully autonomous AI decision-making systems in tenant-facing, human resources, or financial domains, ensuring that human oversight remains in place in sensitive business processes.

To ensure employees are equipped to use AI tools effectively and responsibly, the Company maintains an AI awareness and training programme which covers responsible AI use, introduction to the AI Act, data protection, cybersecurity risks and ethical considerations. Moreover, this programme is designed to actively build internal capabilities by strengthening employees' critical understanding of AI systems and practical skills for integrating AI into their daily work. In doing so, the Company empowers employees to confidently use AI as a productivity and innovation tool, supporting their professional development and effective day-to-day work.

## Approach to Taxation Statement

- The Company follows a Tax Policy, which is approved by the Board of Directors, and is based on a clear set of principles that guide its approach to tax management. The key principles of GCP's Tax Policy are listed below:
- Commitment to adherence to all relevant tax laws, regulations, and reporting requirements in each jurisdiction where we operate. External advice is sought where appropriate.
- The governance structure includes a professional in-house Tax Department led by the Tax Director who is responsible, among others, for recommending and, once approved, executing the overall Tax Policy. Material issues, if they exist, are reported to the CFO.
- Maintaining a healthy cooperation and communication with tax authorities.
- Ensuring legal compliance with all tax affairs and regulations on a subsidiary and Company level.
- Transfer pricing for transactions between Company entities located in different tax jurisdictions are to be determined using the arm's length principle.
- Tax structures, if exists, will have commercial and economic substance.

## Approach to Risk Management Statement

GCP's Risk Management ("RM") adheres to the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Enterprise Risk Management ("ERM"). It is implemented through a formal Risk Management System ("RM System") embedded in the Company's strategic planning and decision-making processes.

GCP's RM System is designed to ensure that key risks, financial or non-financial, are identified, assessed based on their impact and probability, managed and mitigated in a structured and consistent manner across the Company. Oversight rests with the Board of Directors, and primary responsibility for the RM system rests with the Audit Committee, which delegates certain responsibilities to the Risk Committee.

Roles and Responsibilities:

- **Board of Directors:** Leads the RM strategy, ensures its own independence, delegates responsibilities, aligns with the Company's risk appetite, and communicates through policies and documentation. The Board holds ultimate responsibility for the oversight and effectiveness of the RM System and internal control framework.

- **Audit Committee:** Has been tasked by the Board to maintain high standards of corporate governance and transparency and to provide guidance to the Board on integrity of the accounting and financial process, internal control and risk management. In relation to the latter, the Audit Committee monitors the effectiveness and adequacy of internal control and risk management systems and has delegated certain aspects of this to the Risk Committee.
- **Risk Committee:** Reviews RM system effectiveness and coordinates with other committees, particularly on ESG and non-financial risks. It supports the Board in overseeing the RM System and coordinates with the Audit Committee where relevant.
- **Risk Officer ("RO"):** Supports senior management in risk identification, assessment, mitigation, and action plans, reporting to the Risk Committee and Board. The RO also coordinates risk management activities across the Company and consolidates risk information.
- **Employees:** Assigned risk owners act as "first line of defence" by monitoring risks and are responsible for identifying, assessing, managing, and reporting risks within their areas of responsibility.

Responsibilities	Board	Senior Management	RO	Risk Committee	Other Committees	Employees
Risk Identification		X	X	X	X	X
Risk Tolerance	X					
Risk Evaluation		X	X			
Risk Mitigation		X				X
Supervision	X		X	X	X	
Reporting		X	X			X

Illustration 1: Enterprise Risk Management Segregation of Duties.

## The Company:

- Understands strategic objectives.
- Assesses the business environment.
- Identifies and evaluates risks in terms of their likelihood and magnitude through a bottom-up approach across business units.
- Monitors controls and mitigating activities.
- Reviews processes and establishes risk appetite and risk tolerance levels.
- Assesses risks via key risk indicators and takes corrective actions.
- Aggregates risks at Group level to ensure a complete and consistent risk profile.
- Implements risk response measures, including avoidance, reduction, transfer, or acceptance of risks.

Reviews occur regularly, at least annually, with immediate action on ad-hoc issues. This includes formal annual risk assessments and ongoing monitoring. Risks are displayed on a Risk Heat Map and are periodically reviewed and validated.

GCP maintains zero tolerance for legal breaches, fraud, and corruption, as well as for regulatory non-compliance and other unlawful or unethical conduct. The Company operates within a medium-low risk profile aligned with its long-term business strategy.

The Risk Officer reports regularly and, on an ad-hoc basis to the Risk Committee and the Board. This ensures timely escalation of material risks and transparency of the Company's overall risk exposure.

Please also see pages 33-34 in GCP's Consolidated Annual Report 2025 for further information on our Internal Control and RM Systems.



GCP Herbstfest (autumn tenant event) in Solingen. Source: Foto © offenblende.de

# Methodology and EPRA sBPR Data Preparation Notes

The following methodological notes provided in the Consolidated Annual Report 2025, p. 87-90 apply to the EPRA sBPR Environmental Indicators found in this report:

- Organisational boundaries
- Coverage
- Landlord and Tenant Boundaries
- Reporting period
- Segmental Analysis
- Disclosure on Own Offices

The remainder of this section outlines the notes specific to the EPRA sBPR indicators presented in this report.

## Estimation of Utility Consumption

The total volume of waste is based on the contracted waste volumes at properties where this information was available, and in cases where this is not available for the entire year invoices available are extrapolated to cover the full year. After a deeper review of invoice data provided by suppliers and data processing improvements, it has been identified that the suppliers themselves are often estimating reported waste collection volumes on the invoices, after passing this tag through to our own tagging for estimated data, waste data is essentially 100% estimated since the suppliers themselves do not provide real data. The Company also performs some additional extrapolation of waste data where incomplete information was found from utilities regarding the recycled share of waste. In the spirit of taking a conservative approach to dealing with missing information, the Company assumes all waste we extrapolate to be non-recycled which might cause an overstatement of non-recycled waste and an understatement of recycled waste. The conversion of waste from cubic meters to metric tonnes is also based on obtained averages from public organisations or utility providers to the extent that they have been made available, although a degree of uncertainty remains since some recycling containers contain a mix of materials with varying densities.

In cases where water data is only received for a portion of the reported year, this data is also extrapolated to cover the entire reporting period. The Company also uses internal benchmarks to estimate water consumption for assets where no data was provided to improve data coverage. These benchmarks were the calculated average water intensity per portfolio, country, and asset type for the reporting year used to estimate water consumption using floor area for each asset.

## Restatements of Information

Absolute waste figures for 2024 were restated after the Company improved its data processing of invoices while also introducing quality controls similar to those in place for energy and water data. Allocation of recycled waste bins was improved by the new approach, and in some cases inconsistent invoice formats between service providers had caused some assets to be incorrectly excluded which are now part of the restated figures.

## Units of Measurement and Normalisation

Utilities data are reported based on absolute consumption or measured in cubic meters (water and waste) and metric tonnes (waste). Water consumption has been normalised through calculated intensity indicators using floor area (square meters) for whole buildings, including tenant areas in order to provide a representative figure.

## Narrative on Performance

Explanation and analysis of our performance in relation to the Performance Measures reported on are found with the respective data tables throughout this report.

## Notes on Tenant Health and Safety Disclosures Coverage

The tenant health & safety figures in this report relate to the assets in the operational control portfolio in Germany which is a subset of the *Organisational Boundaries* defined in the relevant methodological notes. Reported performance data then concerns the assets within this subset for which we could collect this information, covering a net lettable area of 2,826K m<sup>2</sup> at the end of 31 December, 2025.

## Notes on Own Offices Disclosures

The reported environmental data for own offices is taken directly from the data collected and processed for our EPRA sBPR Portfolio reporting, since in most cases we are tenants within our own assets. As with our portfolio data, our reporting follows the operational control consolidation approach. This disclosure regards own offices in buildings we own and operate in Germany. Under this approach, own office area is also treated as landlord-controlled area. Coverage figures in square meters are provided for each indicator, for which the entire scope of own offices under operational control is 5,836 m<sup>2</sup>.

Due to lags between the reporting period and when final invoices are received, the electricity used in our office spaces is estimated, following the same approach as for tenant-obtained electricity disclosed in the methodological notes for *Estimation of Utility Consumption* in Section E1-6 of our Consolidated Annual Report 2025. This energy is allocated entirely to landlord-obtained electricity, and renewable energy designation for this estimated data is based on the contract-based designation for landlord-obtained electricity applied for the property during portfolio reporting.

Since environmental data was collected and processed on an asset level, consumption is allocated to own offices based on the share of floor area out of the entire asset. This is consistent with the methodology outlined in the methodological notes on *Landlord and Tenant Boundaries*, *Allocation by Scopes*, *Scope 3 Categories* in Section E1-6 of our Consolidated Annual Report. The application of this approach for own office disclosures differs in that data allocated to own offices is considered as being under landlord-controlled area and this is applied to water and waste data as well. The proportion estimated figures in the tables reflect the definition of estimated data outlined in the relevant methodological notes for our portfolio disclosures.



Sixth year of GCP Foundation support for the Deutschlandstipendium at Martin Luther University Halle-Wittenberg, funding six annual scholarships. Source: GCP/Aroundtown, Berliner Stadtmission