



Biodiversity Commitment

“LIVING IN HARMONY WITH NATURE”

1. Scope

This Biodiversity Commitment (“the Commitment”) applies worldwide to Grand City Properties S.A., its subsidiaries and its affiliated companies (as defined in Section 15 of the German Stock Corporation Act) (“GCP” or “Group”), as well as to all companies in which the Company holds an interest, to the extent that these companies adopt this commitment as binding (hereinafter, all companies covered by the scope are referred to as “GCP”). This commitment applies to all personnel, including officers and apprentices, as well as Group’s governing bodies, without exception (“GCP” or “Group”) operations and its employees.

2. Our Commitment to Biodiversity and Ecosystem Protection

GCP acknowledges the vital role of biodiversity in sustaining ecosystems, enhancing quality of life, and advancing global sustainability goals. This Commitment outlines our dedication to protecting and promoting biodiversity within our operations, properties, and the communities we serve. Informed by both the 2050 Goals and 2030 Targets set forth in the Kunming-Montreal Global Biodiversity Framework¹, we are dedicated to promoting the human right to a clean, healthy, and sustainable environment, for both current and future generations. Recognizing biodiversity loss as a critical global challenge, the Group takes corporate responsibility to minimize possible negative impacts, as well as actively contributes to biodiversity preservation and restoration.

3. Our Long-Term Goals

Recognizing the interconnectedness between real estate development and biodiversity, our Group is committed to aligning its long-term goals with the goals and targets outlined in the Kunming-Montreal Global Biodiversity Framework. Our long-term goals include the following:

- Integrate biodiversity considerations into the Group’s projects, aiming to reduce biodiversity loss.
- Expand and enhance urban green spaces, supporting biodiversity and human well-being.
- Minimize climate change’s impact on biodiversity and strengthen its resilience, using nature-based solutions.
- Promote the sustainable use and restoration of biodiversity to support ecosystem services and sustainable development.

Our Commitment to biodiversity contributes to the achievement of the following Sustainable Development Goals (SDGs):

- Good Health and Well-Being (Goal 3)
- Sustainable Cities and Communities (Goal 11)
- Climate Action (Goal 13)
- Life on Land (Goal 15)

¹ For more information, please refer to the Kunming-Montreal Global Biodiversity Framework available on the Convention on Biological Diversity website: <https://www.cbd.int/gbf>.

4. Implementation

To align with our biodiversity ambitions, GCP focuses on the following areas of action:

4.1. Assessment and Planning

Our business model focuses on the acquisition, repair, maintenance, and management of existing building stock, resulting in a very limited impact on biodiversity loss. Nonetheless, we continuously monitor these topics through our annual Double Materiality Assessment (DMA). This helps us stay informed and proactive, considering potential risks and opportunities to further reduce our ecological footprint.

4.2. Application of the Mitigation Hierarchy

When operating near critical biodiversity areas, we apply the mitigation hierarchy (avoid, minimize, restore & offset). Our primary focus is on avoidance, minimization, and restoration actions, striving to create sustainable environments that promote biodiversity and ecological balance.

Our actions include:

- **Avoidance:** Prioritizing the acquisition, repair and renovation, as well as management of existing buildings located in population-dense urban areas, we generally engage in few new constructions and even fewer greenfield developments. Overall, we aim not to operate in World Heritage sites, IUCN Category I-IV protected areas², or areas with globally or nationally significant biodiversity. In the case of greenfield developments, the Group aims to take into consideration environmental impact assessments or biodiversity studies requirements described in the EU Taxonomy Regulation.
- **Minimization:** We strive to minimize biodiversity impacts by adopting sustainable practices in procurement and property maintenance. For example, we instruct our facility management partners to avoid the use of harmful herbicides or pesticides. Biodiversity considerations are also integrated into facility management agreements, particularly for the maintenance of gardens and landscaping.
- **Restoration:** We engage in biodiversity restoration by enhancing local ecosystems through planting diverse vegetation, adding green spaces, and supporting local biodiversity with wildlife-friendly features such as nesting boxes, shelters, habitats for pollinators, and nature-enhancing landscaping features.

4.3. Education and Awareness

GCP is committed to raising biodiversity awareness within its operations. Our "Activate the Base" program encourages employees to propose and lead projects aligned with our ESG goals. As part of these efforts, some of our employees have established a biodiversity task force to support the implementation of biodiversity initiatives across our assets, promoting improvements and integrating best practices into GCP's operations.

² IUCN Categories I-IV encompass protected areas managed primarily for conservation, recreation, and preservation of natural features and habitats. These designations are made by the International Union for Conservation of Nature (IUCN). For more information visit the IUCN World Commission on Protected Areas website <https://iucn.org/our-union/commissions/world-commission-protected-areas/about>.

4.4. Community Engagement

As part of its commitment to the UN Sustainable Development Goals, GCP engages with local authorities, business partners, tenants, and communities to promote sustainable practices and environmental education. Initiatives, such as collaborating with our tenants and surrounding communities on urban gardening projects, encourage community involvement and foster awareness of biodiversity.

Through our whistleblower system (BKMS system), which is available on our intranet and website, and provided by an external service provider, internal and external stakeholders can anonymously raise biodiversity-related concerns, ensuring issues are tracked and investigated in accordance with our Whistleblowing Policy and engagement strategy.

5. Path Forward

This commitment sets out a roadmap for GCP towards fostering biodiversity and progressing towards our long-term vision of “Living in Harmony with Nature”. We are dedicated to regularly monitoring and reporting our biodiversity achievements through our sustainability reporting.