

GRAND CITY
Properties S.A.

CORPORATE RESPONSIBILITY REPORT 2017



About this Report

[GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-56]

In line with the Luxembourg “Loi du 23 juillet 2016 concernant la publication d’informations non financières et d’informations relatives à la diversité par certaines grandes entreprises...” Grand City Properties S.A. (the “Company”) and its investees (“GCP” or the “Group”) have produced a separate, consolidated non-financial report for the financial year 2017 (January 1, 2017 to December 31, 2017) and will be publishing an updated report on a yearly basis. We have made the report publicly available from April 30, 2018 under the following web address as a PDF document: www.grandcityproperties.com/sustainability; it will remain publicly available for ten years. The non-financial report has not been externally audited, but has been scrutinized by the Company’s Board of Directors (the “Board”). A third-party assurance of the environmental data has been carried out by GUT Zertifizierungsgesellschaft für Managementsysteme mbH according to Assurance Standard AA1000, limited assurance.

This is the first Sustainability Report of GCP and its purpose is to demonstrate our commitment to sustainability beyond what is required by law. The report is aimed at business partners, investors, tenants, employees, and other interested stakeholders of the broader public and presents our activities and achievements from a sustainability perspective.

Content and Structure of the Report

[GRI 102-46]

This report lays the basis for our Corporate Responsibility Strategy and also provides the structure, processes, and principles for future sustainability reports.

Thematically, we have focused the report on the following topics: corporate governance, tenants, employees, environment, and society.

In addition to the online version of the Sustainability Report, we will distribute printed copies among key stakeholders.

Alignment with New GRI Standards and EPRA Guidelines

[GRI 102-54]

We have compiled this report using the guidelines developed by the Global Reporting Initiative (GRI) on GRI Standards as a reference. In particular when developing the concepts and compiling KPIs, we have oriented ourselves on the GRI Standards. In addition to this cross-sector initiative, we have also followed the EPRA (European Public Real Estate Association) Best Practice Recommendations on Sustainability Reporting.

Key figures have been collected by relevant departments and our dedicated CR Team has centrally collated these figures for our Sustainability Report.

Stakeholder Focus and Materiality

[GRI 102-46]

In view of providing internal and external stakeholders with transparency, we have performed a materiality analysis to identify GCP’s material topics. This process includes a peer group analysis and the cross-sectional mapping of stakeholder relevance. Going forward, we intend to include a quantitative survey with internal and external stakeholders in our future materiality analyses in order to incorporate stakeholder concerns even more comprehensively. We will routinely review the key topics with the help of input from our internal and external stakeholders.

Editorial Notes

[GRI 102-55]

With the aim of creating a user-friendly document we have included indexes listing the references to GRI and EPRA within the Facts and Figures chapter of this report. In addition, we have added references to specific GRI standards and EPRA recommendations at the beginning of each subchapter under the sub-headings and where applicable.

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Megi Cenaj (ESG Coordinator), Christian Windfuhr (CEO)

Letter from the Management

[GRI 102-14]

Dear readers,

Our society is increasingly realizing that what we do today will have a lasting impact on the world of our future. Global megatrends are changing our world and the challenges for the real estate industry are more crucial than ever before. Ensuring that these challenges culminate in positive advances for everyone in society is a goal that can only be achieved if all players are aware of our joint responsibility for one another's future.

The tasks society faces are highly complex and require that companies pair innovative thinking with a commitment to value-oriented business. As a leading real estate company, we, too, are conscious of the need to structure our business to take on these new requirements. Navigating these challenges is an ongoing task and must be pursued with flexibility and a willingness to evolve.

Grand City Properties S.A. is specialized in sustainable value creation on the residential property market. We are committed to a vision of long-term asset repositioning based on careful property selection combined with targeted investment. Sound economic profiles, balanced demographics, and a conservative financial policy lay the groundwork – and a dedication to sustainability-oriented investment drives performance.

At GCP, our philosophy is to identify and invest in properties with significant upside potential. As such, we aspire to achieve responsible property development that generates long-term yields for our shareholders as well as clear benefits for local communities and tenants. In order to pursue this vision efficiently, we recognize that environmental, social, and governance (ESG) criteria must be firmly embedded in our organization's structures and our business approach. Defined areas for action and materiality assessments ensure effective CR management. Step by step, we are evaluating our impact and implementing measures. We strive to lift our assets' value as well as their contribution to communities.

For instance, during refurbishment we often install improved building insulation and more efficient heating systems. In addition to the environmental benefit, enhancing our buildings' energetic profiles reduces utilities costs. As building operator, securing our tenants' well-being is crucial for GCP's success. We believe that highest service commitment and strong, diverse communities are the best foundation for long-term stability. Our dedicated service center and numerous tenant events solidify our involvement and intensify personal relation-

ships. We cultivate diversity in our workforce as well as a tool for providing our tenants and shareholders with top-level performance.

Our continuous efforts in the field of corporate responsibility are evidenced among others in the high score received from Sustainalytics in 2017, ranking us as an "Outperformer" (top 10%) among over 300 peers worldwide, and by our recent EPRA Gold award.

We are now pleased to present to you GCP's very first corporate responsibility report. Through this report we will inform you about the successes we have achieved and the challenges we face.

We hope that you will join us on this journey and invite you to take the opportunity to engage with us.

Yours sincerely,



Christian Windfuhr
CEO



Megi Cenaj
ESG Coordinator

Company Profile

Expert Property Development

[GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-10]

Grand City Properties S.A. is a specialist in residential real estate, investing in value-add opportunities in densely populated areas. We are a leading specialist in buying, optimizing, and repositioning previously under-managed and under-rented residential assets in locations with strong fundamentals predominantly in Germany. Registered in Luxembourg, our asset repositioning and property management operations focus solely on income-generating assets. Thanks to the expertise of our dedicated team of specialists, we have been able to take advantage of positive developments in the German residential real estate market and create significant shareholder value.

As of December 31, 2017, our portfolio totaled € 6.4 billion, consisting of 86,780 owned units located in densely populated urban areas. Assets in North Rhine-Westphalia currently account for the largest share of portfolio value (28%), followed by Berlin (24%), and the metropolitan areas of Dresden, Leipzig, and Halle (together 16%). Overall, GCP's portfolio boasts very good asset and tenant diversity and yields stable or increasing cash flows.

Investment markets have been impressed by the Company's success to date. Grand City Properties was up-listed to the Prime Standard of Frankfurt Stock Exchange in May 2017. Moreover, in September 2017, GCP was taken up in the MDAX¹⁾ index of Deutsche Börse and other key indices, which included the STOXX index family in December 2017, evidencing its successful value creation.

For more details on our company profile as well as our past and current economic performance, please see our latest company presentation and the financial statement from 2017 on our website: <http://www.grandcityproperties.com/>.

Strategic Repositioning Generates Value

The Grand City Properties vision is to ensure attractive real estate development and long-term growth in investment value. With presently almost 900 employees, we successfully turn under-rented objects into portfolios that generate sustainable profits. The GCP asset repositioning

"WE ARE AN EXCEPTIONAL TEAM OF EXPERTS ON A MISSION TO CREATE SHAREHOLDER VALUE WHILE IMPROVING OUR RATING BY REDUCING RISK AND DELIVERING BEST-IN-CLASS TENANT SERVICE."

GCP Vision Statement

strategy is underpinned by the key tenets of ecologically sensitive development and enhancement of tenant well-being. Many of our projects relate to previously neglected properties where we can significantly improve the residential environment, reduce ecological impact through refurbishment, and thereby create both attractive residences and shareholder value. Our aspiration is to achieve optimal balance between profitable and sustainable value creation and our responsibility to our tenants and other stakeholders.

GCP's repositioning strategy pursues a fundamentally long-term orientation. Suitable assets are sourced via a network of sourcing specialists cultivated over 14 years. These properties are subsequently evaluated through an extensive due diligence process to identify all opportunities, risks, and challenges for sustainable and responsible development. Sound economic profiles, balanced demographics, and a conservative financial policy form the basis of the acquisition selection process. Upon takeover of the property, asset development commences. Targeted capital expenditure can achieve increases in rent and occupancy rates, decreases in operating costs and non-recoverable costs, and improve tenant satisfaction. Taken together, GCP's strategic repositioning measures successfully turn under-managed and under-rented residential assets into sustainable shareholder value.

¹⁾ The MDAX includes the 50 Prime Standard shares from sectors, excluding technology, that rank immediately below the companies included in the DAX index.

Strong Governance for Responsible Success

[GRI 102-16, 102-18, 102-20, 102-22, 102-23, 102-24, 102-26, 102-27]

A decisive factor in GCP's ability to achieve the success to which it aspires and deliver on its value creation promise is its commitment to responsible business practices. Our Company vision is founded on the core values of integrity, respect, performance, accountability, and sustainability. We have formulated these values into five guiding principles, which we use to shape our daily operations and strategic decisions:

- **Integrity:**
We embrace loyalty and integrity.
- **Respect:**
We foster openness, trust, teamwork, diversity, and treat each other with respect.
- **Performance:**
We encourage innovation, focus on priorities, and win by improving our performance constantly.
- **Accountability:**
We accept responsibility, keep our promises, and maintain control of our business processes, systems, and procedures.
- **Sustainability:**
We act in an environmentally and socially responsible manner and maintain superior health and safety standards.

Grand City Properties is guided by the strategic leadership of the Board of Directors and operational oversight from the CEO, Mr. Christian Windfuhr. To ensure optimal consideration for the Company's philosophy of value-oriented business, environmental, social, and governance (ESG) criteria have been integrated both structurally and in strategic functions. The Company's management is fully committed to maintaining high ESG standards and improving on ESG performance wherever possible. The CEO has assumed direct responsibility for ESG topics, with relevant team members tasked with individualized implementation. These team members provide regular reports on their progress.

GCP places strong emphasis on robust corporate governance and high levels of transparency. The majority of directors on the Board of Directors are independent directors. All directors are appointed by the General Meeting and guide the Company free of any conflicts of interest. The Company's directors and senior executives are specialists in their field with vast experience and skills that aid GCP in maintaining the high level of trust it has received from its shareholders, bondholders, tenants, and other stakeholders.

Achievements Recognized

GCP's extensive experience in the market and value-oriented management philosophy have resulted in a proven track record of success in repositioning under-managed and under-rented properties. In addition to investing in refurbishment, GCP prides itself on its tenant management capabilities and exemplary tenant service. The European Public Real Estate Association (EPRA) has recently awarded the GCP Tenant Relation Manager Program with first place for its "Outstanding contribution to society," formally recognizing our commitment to our tenants. GCP's corporate achievements were honored with a total of five awards in September from EPRA, including the EPRA BPR Gold for our annual financial report and EPRA sBPR Gold for our sustainability data reporting as highest recognition of our transparency and reporting standards.

01

CORPORATE GOVERNANCE





Management and Operations

Transparent Structures for Considered Governance

[GRI 102-22, 102-24, 102-32 / EPRA Gov-Board, Gov-Selec]

Strong corporate governance with a commitment to high transparency is a key pillar of GCP's value creation promise. The Company's oversight is administered by the Board of Directors, which is currently comprised of one dependent director and two independent directors. The members of the Board of Directors are elected by the General Meeting and have a term per appointment of no longer than six years. The Directors can be dismissed at any time at the discretion of the General Meeting, with or without cause. The CEO is appointed by the Board of Directors and carries responsibility for operational activities. The Board of Directors views a clear commitment to sustainability and maintaining high ESG standards as a core component of its transparency responsibility. ESG is thus firmly anchored throughout GCP's governance structure.

Our vision is to provide our shareholders and other stakeholders with long-term opportunities for generating attractive returns. To balance value creation for our shareholders with our responsibility to society as a whole, GCP's corporate mission is derived from five essential values: integrity, respect, performance, accountability, and sustainability. We have systematically aligned our property development strategy with sustainable value performance. Comprehensive compliance is a core tenet in our risk reduction philosophy.

Clearly Defined CR Responsibilities

[GRI 102-19, 102-33]

GCP's commitment to sustainability and ESG issues are bundled under the CR Steering Committee, which is chaired by the CEO. GCP CEO Mr. Christian Windfuhr has assumed the responsibility for personally stewarding development of these topics within the Company's operations. The CR Steering Committee also comprises the heads of all relevant departments. The Committee is charged with overseeing strategic guidance for CR topics and discusses developments in regular committee meetings. The CR Steering Committee is also the first point of contact for the CR Department, providing them with strategic orientation for their activities.

Concrete realization and operational implementation of CR strategy is the task of the CR Department. The CR Department is led by the ESG Coordinator and reports directly to the CEO. These streamlined structures ensure that GCP's commitment to sustainability receive due consideration in strategic oversight as well as operational management at highest level.

CR Responsibilities at GCP



The primary task of the CR Department is that of acting as a cross-departmental, interdisciplinary interface. The department liaises with all other departments and coordinates efforts throughout the Company. It oversees implementation of both internally and externally oriented CR topics. The CR Department is furthermore charged with preparing GCP's CR reporting and carrying out the materiality analyses on which the reporting is based. Within the public relations component of its work, the department also fields inquiries from investors related to ESG topics and coordinates with Investor Relations to ensure ratings agencies have all ESG-related information needed for preparing accurate assessments.

Highest Standards of Ethical Business

[GRI 102-25, 205-2 / EPRA Gov-Col]

GCP is proud of the confidence our shareholders and investors have placed in our value creation promise. We thus set great store by working to uphold and maintain this high level of trust. We believe that ethical, value-oriented stewardship of our company combined with ongoing strong returns are the foundation for this support. Thus, GCP has implemented a comprehensive set of policies and guidelines outlining our commitment to transparency and ethical business. These form a binding framework and all GCP employees and business partners are required to act accordingly.

The GCP Code of Conduct for Employees and the Code of Conduct for Business Partners form the core of this framework and are a mandatory component of all employee contracts as well as all supplier and other business contracts. They clearly lay out GCP's standards of behavior and expected practices throughout its business interactions. The Code of Conduct is comprised of several significant guidelines for our employees. We actively engage with our employees on topics about anti-corruption measures, avoiding conflicts of interest, preventing bribery, and anti-discrimination practices. Organizational oversight is provided by the Board of Directors, supported by the work of the Risk Committee, the Audit Committee, the Nomination Committee, and the Remuneration Committee.

To ensure that any potential violations of GCP's standards become known and are investigated appropriately, a whistle-blowing system is also in place. Together, all GCP employees and executives operate within a system carefully designed by our Compliance Department to ensure conscientious, rightful behavior throughout their dealings on behalf of the Company.

Risk Management Safeguards Value Creation

[GRI 102-30, 102-31, 205-1]

Recognizing and mitigating risks is a core factor in GCP's ability to identify attractive assets and create long-term value growth. There are both internal and external risks that have the potential to negatively impact GCP's operations. Risk management at GCP is overseen by the Risk Committee, which is responsible for carrying out regular analyses of the Company's risk position. With regard to internal risks, GCP is subject to risks resulting from human negligence, unethical behavior, or inadequate structural frameworks. External risks relate to interest rate volatility, liquidity, ability to attract credit, regulatory and legal factors, market behavior, and collection and tenant deficiencies.

Risk assessments guided by the Risk Committee analyze the Company's organizational structures with a view to risk and potential weaknesses. The Risk Committee also evaluates the Company's infrastructure, resources, and systems to ensure these are adequate for its operations. Our risk management processes provide the Company with sufficient scope to adjust to

market changes as they happen and improve organizational dynamics. The Risk Committee provides reports to the full Board of Directors on a regular basis.

In addition to setting and communicating high standards and expectations for the integrity of employee and executive behavior, GCP has instituted a variety of internal controls. From an operational perspective, GCP has implemented physical controls, compliance checks, and verifications such as cross-departmental checks. GCP strongly emphasizes a separation of duties with dual approvals from two different parties needed, for instance for approval of payments and costs. On execution, payments are cross-checked with budgeting and relevant contracts. Additional approval is required from the head of the department for payments exceeding a certain threshold. Moreover, GCP monitors all payment operations and spot checks unusual entries. A detailed comparison of actual vs. budget figures is carried out monthly. These effective and sustainable control systems demonstrably reduce the probability of error or unethical dealings and successfully mitigate risk.

Leipzig



Sustainability Strategy and Stakeholders

Engaging with Our Stakeholders

GCP pursues its entrepreneurial objectives with openness and transparency. We continually work to maintain the trust shareholders and stakeholders place in us and have set our standards of practice accordingly. As a company we value greatly close interaction with our stakeholders and actively seek dialogue in our communities. Feedback in the form of criticism or suggestions and proposals is taken on board with circumspection and always given due consideration, either to identify areas for improvement or to take inspiration for new ways forward. Only via active and productive exchange with a broad range of stakeholders will GCP be able to fully live up to its ambition.

Communicating Our Responsibility

[GRI 102-40, 102-42, 102-44]

GCP's stakeholders comprise a broad cross section of society and thus have correspondingly varying expectations of and concerns for our business operations. The major stakeholder groups for GCP are tenants, employees, investors, banks and analysts, local communities, suppliers and business partners, policy-makers and associations. To cater for their differing informational and dialogue needs, GCP uses a variety of communication channels to seek input and engage in discourse. For tenants (both existing and prospective) and local communities in particular, our TÜV-certified Service Center is a key point of first contact. The GCP Service Center takes great pride in providing a response to each and every query within 24 hours. All departments maintain long-term relationships with key contacts in these groups and interact directly with their partners to ensure an ongoing process of dialogue and feedback.

A Strategy Based on Relevance and Impact

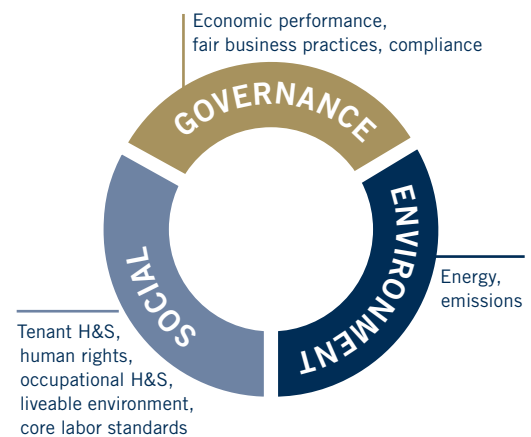
[GRI 102-29, 102-47]

An important tool in ensuring that GCP provides adequate and targeted information for its stakeholders is the materiality analysis. Possible topics are identified and assessed internally for their relevance and their impact. The topics that rate highest in relevance are those topics with highest impact and thus greatest relevancy for GCP's stakeholder communication. A materiality analysis was also used to determine appropriate content for this report. It guided prioritization of topics as well as the structuring of chapters.

The steps of a materiality analysis are as follows:

1. Prepare a comprehensive list of topics, using external reporting guidelines (GRI, EPRA, DNK) as a basis
2. Incorporate all legal requirements, in particular any applicable EU Directives
3. Conduct a peer group analysis to validate and align topic selection
4. Aggregate topics into thematic clusters
5. Select material topics based on cross-sectional mapping of stakeholder relevance and ESG impact
6. Identify topics with high and very high materiality

According to the materiality analysis, the topics with highest priority for GCP are economic performance, fair business practices, compliance, energy, emissions, tenant health and safety, occupational health and safety, diversity and equal opportunities, liveable environment, human rights and core labor standards. In addition, GCP also reports on such topics as local communities, training and development, tenant satisfaction, suppliers, water consumption, and generation of waste and wastewater. GCP's CR strategy and reporting is thus oriented toward indicators related to these areas.



Aligning Reporting Content

For this report, the mapping of topic relevance and subsequent assessment was carried out internally by the CR Department in close coordination with the relevant operational departments. The results were then validated by the CR Steering Committee under the aegis of the CEO as chairperson. GCP aims to step by step expand its CR reporting to provide further differentiation among the topics and finer revision of the materiality analysis.



Duisburg

Compliance

Governed by Ethical Business Standards

[GRI 102-17]

GCP attaches great importance to being a responsible market participant. In particular, our reputation is one of the most valuable pillars of our business. Our tenants', customers', and suppliers' decision in favor of our services is predicated on our reputation for professional asset management with credibility and integrity. Each and every employee is charged with upholding this expectation and carrying our vision forward. Failure to meet these expectations and maintain the trust placed in us would have significant detrimental impact on our ability to successfully pursue our value creation promise. We thus pride ourselves on working within highest standards of ethical business, and compliance with all relevant laws and regulations is a matter of course.

GCP began laying the framework for a comprehensive compliance management structure to underpin its operations with its very first investments. In today's environment of increasingly complex legal frameworks and rising public expectations of ethical business, these ambitions are all the more important. These systems ensure that management has full oversight and control of GCP's operations at all times. Our compliance processes and control systems also help safeguard our business against risks from potential unethical or corrupt behavior related to our dealings. Conscientious compliance throughout

gives management the tools it needs to take account of changing conditions and guide the Company appropriately in challenging situations.

Comprehensive Compliance Structures

Compliance issues are relevant for all aspects of our operations. Impact can occur at all levels, affecting employees, management, customers, and stakeholders. The GCP compliance and risk management system is coupled with corresponding internal audit procedures and covers all areas of our business – from acquisitions to asset management to administrative and operative functions. At operational level, the employees are strengthened in their ability to take decisions through clear guidelines and rules.

The prime objective of GCP's compliance management is always to guarantee a lowest possible level of compliance violations or incidents of corruption. Promoting ethical conduct throughout staff at all levels is central to this endeavor. Structures are designed to promote timely, complete, and fault-free disclosures of conflicts of interest and other sources of controversies. GCP intends to maintain its long-term zero tolerance of compliance violations. Carrying this notable ambition forward is a key component in continuing to attract and retain employees and investors as well as maintaining stakeholders' trust.

Clear Policies Guide Decision-Making

[GRI 206-1]

Our compliance policies are designed to give staff at all levels appropriate guidance such that they feel empowered to act rightfully in challenging situations. The Code of Conduct for Employees is a mandatory component of all employment contracts. It was initially implemented in 2009 and since then has been updated and reviewed on a yearly basis. The Code of Conduct has been signed retroactively by all employees already on staff. It lays out clear standards of behavior and is supplemented by a range of more specific topical policies on key issues. These policies include: Anti-corruption Policy, Anti-discrimination Policy, Whistle-blowing Policy, Data Protection Declaration, User Policy for dealing with digital content and devices, and the Green Procurement Policy. In 2017, GCP expanded its staff education on compliance awareness to include yearly training on the Code of Conduct via an e-learning tool. The training is mandatory for all employees.

On the external side, all GCP business partners are required to sign the GCP Code of Conduct for Business Partners. The Code of Conduct for Business Partners was introduced in 2015 and updated in 2017, and all existing suppliers are required to sign the Code in its updated form.

The updated Code will also form a mandatory component of all future contracts with business partners. For more information on supplier compliance, please see the Suppliers section, p. 14.

Embedding Responsibility

Responsibility for compliance management lies with the Compliance Management Team, which is allocated to the Legal Department. The Compliance Management Team is made up of three persons: the Chief Compliance Officer and two Compliance Analysts. The Chief Compliance Officer reports directly to the CEO. The Compliance Management Team dovetails its work with input from the Legal Department and the CR Department as well as all other Departments under the guidance of the CEO and the Risk Committee.

GCP undertakes a yearly analysis of the risk situation and critically reviews all compliance policies and structures on this basis. The risk analysis is carried out at departmental level. In 2017, the compliance management system was updated to conform with EU regulations on sustainability reporting. The results of this recent comprehensive analysis ensure that GCP has effective due diligence structures in place to manage all market, technical, environmental, le-

Berlin



gal, and community-related risks. As part of this review, existing governance policies were also updated to harmonize all Company guidelines with the latest market and legal requirements as well as the evolving Company mission.

Reporting Parameters Implemented

In the event that unethical conduct does occur, GCP has implemented a whistle-blowing system so that actors of all kinds may have the possibility to report incidents. This service is operated via an external service provider, thus ensuring even greater independence of interests. It is primarily aimed at persons reporting external to the Company, but can also be used by employees.

In general, the aim of GCP's compliance structures is to prevent misconduct outright. Should misconduct nonetheless occur, the Whistle-blowing Policy is designed to ensure that employees feel empowered to register their concerns. Such empowerment is crucial for enabling investigations to be initiated and appropriate measures taken. Violations relate to violations of the law, Company policies, or contracts of all kinds. Material misconduct is defined as being any behavior which could result in material (significant) damages to the Company or its employees without qualifying as a violation of the terms of the policy as such.

Systematic Empowerment

GCP welcomes its employees addressing any concerns they might have about violations of the law, the Code of Conduct, or internal policies in person. However, they may also do so entirely anonymously. The decision for or against anonymity lies solely with the informer. GCP clearly communicates in the Whistle-blowing Policy that an informer will not be subject to disciplinary or other sanctions as a result of their reporting another person's misconduct. A company-internal route for registering concerns with a superior is outlined in the GCP Code of Conduct. Multiple paths are named so as to account for instances in which the concern in question relates to an individual in the usual chain of reporting. Employees can discuss compliance concerns in confidence with the Chief Compliance Officer at any time.

In the event an incident is reported, the Chief Compliance Officer bears responsibility for investigating the circumstances, conducting dis-

cussions with the parties affected, and logging formal reporting accordingly. Reporting persons and witnesses are updated by the Chief Compliance Officer as needed. Disciplinary sanctions are taken should the preconditions for such measures be met.

Ongoing Review and Adaptation

[GRI 102-31]

GCP considers its internal control systems to be thorough and highly effective. They are carefully designed to provide the Board of Directors and the CEO with extensive oversight of all the Company's activities and dealings. As our structures go well beyond legal requirements and market expectations, GCP is a forerunner in its segment in this regard. Nevertheless, GCP strives to continually enhance its processes to keep pace with company and market developments. Control systems are thus reviewed and adapted on a regular basis. They reflect in particular GCP's rapid and ongoing growth dynamic and changes to our risk environment. Maintaining comprehensive control of all of our operations is a key component of our continued success.

GCP carries out annual assessments of internal and external compliance risks. Compliance risks can relate to environmental issues, workplace health and safety topics, or potential for corruption in the form of bribery or fraud. It is GCP's philosophy that organizations bear responsibility for the actions of their employees and other agents and have a concrete duty to implement adequate policies and educate accordingly. GCP intends to sustain its pleasing record of zero compliance incidents to date going forward.

Suppliers

Ethical Partnerships throughout the Supply Chain

[GRI 308-1, 414-1]

As a company committed to responsible and ethical standards of business, GCP recognizes that these expectations must also apply to its partners in the supply chain. GCP carefully selects business partners with whom it has shared values of sustainable business and value creation. We are conscious of our partners' business practices, obtain corresponding commitments to sustainability standards, and foster comprehensive transparency in our supply chain. GCP clearly communicates these expectations in its invitations for bids and selects contractors accordingly.

At GCP, we expect all our business partners to maintain high standards of ethical, environmental, legal, and professional business. Human rights violations of any kind are not tolerated and all suppliers must commit to providing decent standards of work. Child labor and forced labor are explicitly renounced. GCP equally expects all suppliers to foster workplaces free of discrimination and harassment. Suppliers are expected to mitigate negative environmental impact wherever possible and orient their operations toward the environmental norm ISO 14001.

Binding Commitment to High Standards

[GRI 308-2, 414-2]

Close cooperation with our partners is central to upholding the standards we have set for ourselves. GCP orients its activities toward long-term relationships with trusted business partners who have a proven track record of operating to the same high ethical standards as GCP itself. We work together with our suppliers to regularly assess various aspects of sustainability and discuss where improvements can be made. Open dialogue about ongoing commitment to sustainability plays an especially important role when beginning a relationship with a new supplier.

The GCP Code of Conduct for Business Partners forms the basis for all relationships with suppliers and business partners. It was implemented in 2015 and applies for all existing and new contracts with suppliers. The Code details GCP's expectations regarding issues of ethical business, including bribery and corruption, legal compliance, conflicts of interest, environmental impact, and workplace health and safety, among other topics. As a mandatory component of the relationship, the Code makes GCP's sustainability and ethical standards contractually binding. Should a business partner violate stipulations of the Code, GCP is entitled to terminate the relationship with immediate effect. GCP also reserves the right to subsequently exclude the contractor concerned from the awarding of future contracts.

Supplier Operations Strictly Regulated

[GRI 102-9]

The suppliers engaged by GCP all operate within central Europe and are subject to the EU's tightly knit legal framework. Where significant risks have been identified, such as in materials handling, suppliers are required to provide evidence of corresponding certifications and permits. In addition, GCP performs spot checks during site visits.

To ensure business partners are selected appropriately, GCP has implemented a Green Procurement Policy. This policy defines the basis on which contracting decisions should be made and is communicated to all employees with purchasing responsibility. GCP educates its staff accordingly to enhance awareness of how purchasing decisions affect environmental impact and other sustainability issues in the supply chain.

In 2015

the GCP Code of Conduct for Business Partners was implemented

Human Rights

Inviolable Commitment to Human Rights

[GRI 412-1, 412-3]

GCP considers maintaining standards of decent work and respect for human rights to be non-negotiable components of its business premise. As GCP operates mainly within central Europe, its operations are governed throughout by the strict regulations and legal framework of the European Union. These laws provide extensive human rights protection at local level, meaning concrete human rights violations are not a substantial risk in GCP's operations.

A significant part of GCP's asset repositioning strategy is the refurbishment of formerly mis-managed residential properties to create long-term value. The construction work required by these activities is carried out by construction companies and their subcontractors. The main area for possible human rights violations lies with subcontractors, as these are not under direct oversight by GCP. There is also a risk of human rights violations occurring in relation to the migrant workers employed by large construction firms. As of the date of this report, no human rights violations had been identified in GCP's direct operations or in the supply chain.

Ensuring Supplier Commitment

[GRI 412-1, 412-3, 412-13]

GCP works to avoid human rights violations in the supply chain and engages primarily local medium-sized enterprises. All business partners are further required to sign GCP's Code of Conduct for Business Partners, which details a firm commitment to human rights. In the case of construction activities, each undertaking is managed by a dedicated GCP project manager, who deals directly with the on-site contractors. Regular project manager site visits evaluate contractors' compliance with the Code.

The GCP Compliance Department also conducts spot checks of supplier compliance and carries out a yearly review of all suppliers. GCP aims to maintain its current standard of zero human rights violations occurring in its supply chain or otherwise connected to its business operations.



Essen

02

TENANTS





New Housing and Residential Concepts

Satisfaction Secures Performance

The well-being and safety of our tenants are vital to the successful development of GCP's long-term performance. GCP takes its responsibility to continually enhance the quality of its residential units and their surroundings very seriously. We aim to create a high standard of living at our properties through safe, attractive buildings, active community building, and a clear pledge to engaged customer service. Our ability to cultivate high levels of tenant satisfaction is a key component in our value creation promise. GCP invests in tenants' quality of life via construction measures as well as community involvement. We believe that ongoing property enhancement with a focus on community cohesion is essential to achieving our corporate goals.

As asset developer and property manager, GCP has a significant impact on the residential conditions of its tenants. Our investment targeting and service commitment crucially shape their living environment. GCP management has strategically aligned its asset repositioning approach with the aim of developing and improving residential concepts, in particular to create family-friendly environments. GCP's overall goal is to continually increase its tenants' living standards via three-pronged investment in building modernization, a strong service commitment, and active community involvement.

Investing in Tenants' Needs

[GRI 413-2]

At a structural level, GCP invests in a variety of refurbishments to enhance an asset's extrinsic and intrinsic value. Such refurbishments can be aesthetic measures on a building's facade, improvement of the building's energetic profile, or construction of tenant facilities. In addition to their positive environmental impact, energetic enhancements such as improved insulation, more efficient heating systems, and precise metering technology reduce utility costs for tenants (see the section Energy and Emissions, pp. 36–39, for details of energy strategy). Structural enhancements also relate to accessibility measures for tenants with special needs, like ramps and stair lifts as well as bathrooms for the disabled.

The GCP portfolio strategy focuses on the acquisition and value-enhancing development of suitable assets. This value creation process translates to clear quality of life benefits for tenants as well. Planning for improvement of the assets' housing quality begins immediately following a property's addition to the GCP portfolio. Extensive assessments of the building's structural characteristics provide the basis for targeted investment in refurbishment activities. Long-term relationships with local authorities and policy-makers aid GCP in harmonizing its decisions with the needs of the community it is expanding.

Strong Communities Foster Tenant Stability

[GRI 203-2, 413-1 / EPRA Comty-Eng]

GCP can positively impact the communities of which it is a part through active engagement with local policy-makers and authorities or as part of local initiatives. For example, GCP cooperates with local non-profit organizations that are dedicated to homework and educational assistance as well as general care for children living in our properties. As part of these cooperations, GCP provides rent-free access to a housing unit or commercial space and supports the organization with furniture, equipment, and operational costs. Measures like free communal areas and accessibility enhancements improve inclusion and prevent segregation in disadvantaged neighborhoods. Improvements that provide gains for local infrastructure or bring other community benefits are a key pillar of GCP's repositioning investment. The Company also actively pursues an extensive Community Involvement and Development Program aimed at strengthening inclusive communities and promoting GCP's community-building activities.

Community facilities like indoor and outdoor playgrounds, fitness trails, and BBQ areas create spaces where people can congregate and build relationships. GCP also helps to cultivate tenant cultural opportunities and infrastructure, such as by operating and providing books to the tenant library in Leipzig. Improvements that foster a feeling of community unity and togetherness benefit the well-being of all tenants in a property. As tenants often choose to stay longer if they enjoy the quality of housing and community offered by the assets, GCP benefits in turn through longer average lease terms. More information on GCP's neighborhood and community activities can be found in Chapter 05 Society, pp. 46–48.

Active Assistance to Lessen Tenants' Burden [GRI 413-2]

As early as the due diligence phase, community aspects are taken into account in assessments of a property's tenant diversity structure, the age structure of the city in which the property is located, and other urban development factors like immigration and emigration. These assessments are used to align GCP's investment approach and target measures toward improving community risk profiles. Where factors are identified that indicate tenants are facing community challenges, GCP deploys additional on-site employees (Tenant Relations Managers) who actively support the tenants by offering a set of additional services such as assistance with local authorities or mediation in cases of dispute.

In order to create stable communities and to minimize the risk of crime and property damage or high rental debt rates, GCP's Tenant Relations Management teams are in place to help tenants resolve their individual personal challenges. Among other things, GCP on-site employees assist in communication with schools and authorities and overcoming language barriers. In general, GCP strives to tailor its response as far as possible to respond to local or regional needs and in doing so develop individual residential solutions. Enhancing local infrastructure is the foundation for creating attractive communal areas.

Monitoring Tenant Care

Property acquisition follows clear rules laid down by the Board of Directors. Acquisitions are typically initiated by the development team and approved by executive management within clear guidelines or the Board of Directors. Executive management and the respective regional directors are also responsible for developing and overseeing GCP's overall housing and residential strategy. Initial residential strategy for a property is based on due diligence and risk assessments on acquisition and then developed further on the basis of tenant satisfaction metrics. GCP has implemented IT and software systems that provide advanced tenant care management tools for its entire portfolio. These tools offer immediate control over new assets and can be used, for instance, to identify areas of tenant fluctuation.

Tenant satisfaction is one of the core responsibilities of GCP which includes all departments. The effective use of cross-departmental synergies ensures a great customer experience. On a local level, tenant satisfaction is the responsibility of a Tenant Relations Manager and Property Manager for each building. These teams are supervised by regional directors, who report in turn to the COO. Tenant satisfaction data is reviewed and controlled in quarterly meetings with the COO and CEO and subsequently analyzed for relevant input on strategy formulation.



Berlin

Long-term Risk Reduction

High tenant satisfaction translates to greater tenant loyalty and lower tenant turnover. High tenant living standards are thus beneficial for preserving low vacancy rates as well.

Social tensions at our properties carry the risk of increased rates of crime and of property damage, both of which reduce quality of life for tenants. GCP stands for strong commitment through careful maintenance of its properties.

Communication and Transparency

Dialogue for Effective Development

[GRI 102-43, 417-1]

In the area of tenant care management, GCP aspires to a philosophy of continual improvement. As tenant satisfaction is the focus of our efforts, direct interaction with tenants is of crucial importance for identifying needs and assessing topics for elevation. Only if areas of lower performance are communicated and discussed can appropriate corrective measures be implemented. For structural investments in particular, GCP liaises closely with tenants' associations to tailor its commitment to actual tenant needs. Building strong communities must be the result of productive collaboration between property manager and tenants.

Tenants are directly impacted by GCP's ability to provide them with effective information, advice, and assistance. Communication of our activities and transparent processes are crucial to creating attractive living spaces. To better manage tenant concerns and ensure timely, targeted support, GCP has set up a dedicated service team. GCP employees address tenants' concerns through direct interaction as well as via the GCP Service Center. Our extraordinary service orientation is a core aspect of training for new employees on our Welcome Day, and upcoming executives are further sensitized to the subject in the GCP Leadership Program. A commitment to utmost professionalism in service is deeply embedded in management philosophy at the highest levels.

Berlin



Operations with Service Mentality

GCP's service promise to its tenants is guided by clear standards of professionalism. Since 2011, the GCP Service Center has operated 24 hours a day, seven days a week, 365 days a year. It possesses TÜV certifications (DIN EN 15838 and in service quality) and offers services in a variety of languages. The service team's work is further aided by extensive data collection and issue-tracking tools. The Service Center's overarching aim is to effectively manage tenant satisfaction by eliminating sources of dissatisfaction and fostering heightened living standards. Open communication of concerns is crucial to cultivating a productive relationship between a responsible property manager and its tenants.

Tenants must at all times feel confident that their concerns and requests for service are always taken seriously. GCP affirms its responsibility as property manager to laying the foundation for their trust in its management. In addition to offering around-the-clock availability, the Service Center is committed to maintaining a 24-hour response time in all cases. The Service Center is reachable via toll-free numbers and email as well as via app and chat to keep pace with technological advancement.

An in-house developed ticketing system ensures that all tenant concerns are properly registered and addressed. To ensure that every request is fulfilled to the utmost satisfaction of the tenant, tickets are not closed until a follow-up call with the tenant has been performed regarding their perception of satisfactory handling. The system enables individualized tenant-level assessment and evaluation. Tickets are additionally allocated a status and categorized, thus building up a substantial data set on actual service performance. This data is a valuable tool for complaints handling and aligning strategic improvements. The service process is overseen by the Service Management Team, which reports directly to the CEO and collaborates closely with service providers and all departments.

Continual Evaluation of Service Quality

GCP strives to provide ongoing high service quality and constantly improve upon its service performance. Strict adherence to the GCP standard of a 24-hour response time has been achieved. Delivering on this service promise is

vital to upholding tenants' trust. GCP continuously tracks and monitors customer satisfaction rates in order to identify potential for improvement and optimise existing processes to maximise customer satisfaction.

GCP evaluates the success of its tenant relation activities via satisfaction feedback surveys and the ticket system. Issues raised in tickets are included in daily reports to management as well as progress reports on outstanding issues. Monthly quantitative reporting includes the total number of issues logged per month and per category, processing time and rate of reopening issues. For more information on tenant satisfaction and feedback surveys, please see pp. 22–23.



Our Service Center has been TÜV-certified since 2016

Communication Fosters Trust

The primary risk that GCP faces with respect to tenant communication is tied to its direct impact on tenant satisfaction. Lower service quality and inadequate communication are detrimental to achieving the high levels of tenant satisfaction and trust that safeguard GCP's corporate goals. Unsatisfied tenants correlate with a potential risk of high fluctuation and concurrent vacancies. GCP's capacity to generate long-term yields and strong value performance are hence closely linked to tenant satisfaction. The overriding goal of all tenant communication activities is thus to increase tenant satisfaction.

Tenant Satisfaction

Continued Monitoring of Satisfaction

GCP has consistently aligned its business with its responsibility to its tenants. It is GCP's duty to ensure their safety, well-being, and communal needs are safeguarded throughout its operations. Tenant satisfaction is the prime indicator for how effectively GCP is putting this commitment into action. Higher tenant satisfaction bears direct rewards for GCP as well, as it is the primary factor in ensuring attractive occupancy rates and strong returns long term.

Changes in tenant satisfaction have direct impact on all aspects of GCP's operations. Lower satisfaction levels will negatively affect the larger residential environment at the properties and have follow-on effects throughout our business. To ensure the Company keeps abreast of tenant needs and corresponding feedback, GCP actively monitors and evaluates satisfaction. In-depth analysis of status quo comparisons with needs' profiles as reflected by tenant satisfaction feedback allows GCP to better tailor its infrastructure investments and other measures so as to achieve continual improvements in satisfaction.

4.72

Friendliness and Reachability
of Service Center (out of 5)

Tenant Safety Informs Strategy

[GRI 416-1]

The prime strategic focus of GCP's improvement activities is always to enhance safety and well-being. For instance, when a property is added to GCP's portfolio, one of our first focus areas is to substantially reduce any existing maintenance backlog. Safety factors and fire protection are included in initial risk assessments to ensure outstanding issues are addressed quickly. Fire safety is a particular focus as it not only protects human lives, but also enhances assets' value and prevents property damage. GCP commissions expert opinions from external fire safety specialists and subsequently aligns its investments with their recommendations. If deficits are identified, these are documented and reported to the construction department for remedy. The construction department is responsible for executing the necessary remedies and reports on a regular basis to the regional directors. Follow-up processes verify that the work has been carried out

and the deficit corrected satisfactorily. Over the course of GCP's ongoing management of a property, a regular and strong on-site presence through property visits, tenant office hours, unit acceptances, etc. enables the Company to keep a close eye on safety aspects and identify necessary enhancements swiftly. Site visits also play a key role in preparing budget decisions.

Additional infrastructure investments often target the creation of pleasant communal areas or other spaces that will strengthen the sense of community at the property. Such investments are further augmented by support for direct involvement in community activities. In Bochum, for instance, GCP provides space free of charge for utilization by a local dance association, and in Solingen, GCP has provided facilities for a community-oriented grocery store. Enabling such initiatives to take place in GCP properties helps make the residences as unique as the people that live in them. Strong communities with clear own involvement in shaping their living environment are vital to maintaining tenants' trust and loyalty.

Dedicated to High-quality Service

[GRI 102-43]

Established in 2011, the TÜV-certified Service Center is proof of GCP's authentic commitment to tenant satisfaction. As the Service Center is often the first point of contact for tenants, the quality and reliability of tenant services is of crucial importance. GCP strives to respond promptly and efficiently to all feedback it receives.

The Service Center employs a ticket tracking system to ensure all inquiries receive full and timely responses. GCP additionally uses data from the tracking system to assess tenants' needs and concerns as well as their overall satisfaction. GCP supplements this passive data with targeted active calling as part of tenant satisfaction surveys.

Tenant surveys are conducted after a service request is closed. They are analyzed on a semi-annual basis. In these surveys, tenants are asked to assess GCP's performance in the areas of Service Center friendliness, business partner friendliness, reachability, quality of work conducted, and time to resolution. GCP takes a long-term

view of tenant satisfaction and monitors its performance accordingly. In 2017, the scale for assessing tenant satisfaction was changed from a three-point scale to a five-point scale in the course of receiving TÜV certification. This change limits comparability of the 2017 data, but will enable higher granularity in assessment going forward. Satisfaction for 2014 to 2016 is assessed via the three categories positive, neutral, and negative. Overall, the figures from 2014 to 2016 show a clear upward trend, rising from 74.0% to 91.6% positive in the category reachability and from 49.4% to 62.9% positive in the category time until resolution. For 2017, GCP achieved a value of 4.72 (out of 5) or 94.4% in reachability and 4.37 (out of 5) or 87.4% for time until resolution. GCP's perceived effectiveness in addressing tenant concerns thus continues to gain at an already high level.

Intrinsic Corporate Service Philosophy

As a company we focus our development efforts on creating active, livable communities for our tenants with the aim of fostering tenant loyalty and retaining residents. Low turnover rates benefit our properties' communities as well as GCP's operational results. Tenant satisfaction metrics are included in GCP's due diligence process through systematic analysis of complaints, claims, and other grievances. Responsibility for tenant satisfaction management lies with both the operational teams and the Service Center. Regular reporting to the CEO and executive management team ensure tenant care issues are given ongoing consideration in strategic alignment.

Tenant satisfaction is an explicit training component for all new staff. This begins during staff onboarding at Welcome Day and is intensified for all employees involved with the Service Center. For candidates with particular management potential, GCP's commitment to service is a key component of training on holistic and strategic thinking in GCP's Leadership Program.

Rewards of Long-term Tenant Stability

Tenant satisfaction affects GCP's risk profile through its impact on occupancy rates and on the Company's reputation. Suboptimal fluctuation rates can result in costs for the Company as

well as instability in revenues. GCP strives to minimize these risks by closely monitoring developments in tenant satisfaction and taking targeted measures to address specific concerns. Overall, GCP aims to continually enhance satisfaction levels with regard to all assessment areas.

Munich



03

EMPLOYEES





Company Culture

The Backbone of Our Value Promise

[GRI 102-8]

As a leading company in the German real estate sector, GCP is defined by the talented and diverse people who make up its staff. Our business success and value creation for stakeholders is a direct result of the quality and competence of the Company's workforce. With almost 900 employees and still growing, corporate culture at GCP is defined by the people who live it. We at GCP are dedicated to working together with mutual respect and a commitment to personal growth as our foundation.

EMPLOYEES – OVERVIEW	2017	2016	2015
total number of employees	872	773	450
female	463	445	247
male	409	328	203
total number of permanent employees	427	209	109
female	227	114	60
male	200	95	49
total number of temporary employees	445	564	341
female	236	331	187
male	209	233	154
total number of full-time employees	795	681	418
female	398	395	222
male	397	286	196
total number of part-time employees	77	92	32
female	65	50	25
male	12	42	7

The combined professional skill and diversity of viewpoints of our workforce are a key competitive advantage. We are committed to attracting top professionals and creating an environment that inspires them to leverage their unique talents for the benefit of the Company. Further, we are committed to offering opportunities for them to develop talents further. GCP is proud to be able to offer its staff flexible working hours, open communication and flat hierarchies, varied

NEW EMPLOYEES	2017	2016	2015
total number of new employee hires	191	431	264
female	94	246	157
male	97	185	107

training and development options, employee networks, support groups, and mentoring programs. We strive to help our employees achieve maximum performance, but also view it as our duty as an employer to support them in achieving maximum growth as well.

Living and Working in a Diverse World

For GCP, a corporate culture rooted in trust, openness, acceptance of diversity, and teamwork is seen as both essential and non-negotiable. GCP values highly the breadth of experience and viewpoints a diverse team provides and considers them a key component in its ability to achieve business success. GCP thus actively promotes diversity within our workforce – mirroring the diversity of our tenants – and is committed to ensuring an inclusive work environment. Discrimination or harassment in any form are not tolerated. We value and respect the many individual differences represented by our employees, tenants, business partners, suppliers, and shareholders. At a day-to-day level, GCP considers willingness to help, reliability, and a consideration for others' needs a core factor in living up to our business promise to tenants and stakeholders.

The values behind its culture and the expectations GCP has of its employees are laid out for all staff in the GCP Code of Conduct. These are supplemented by our Diversity Policy and Anti-discrimination Policy accordingly. Equal opportunities for all and impartial, qualifications-based treatment are core pillars of GCP's entrepreneurial success. GCP requires that all employees abide by these Company standards of ethical business.

Developing Staff for Ongoing Success

[GRI 404-2]

GCP prides itself in growing and developing potential – in its portfolio and in its employees. Investing in our human capital is a core foundation of GCP's value promise. We foster our staff's skills so that they can succeed and consciously prefer to develop new leadership from within our team. As the challenges for the real estate industry are ever-changing, continuous learning is a crucial factor in entrepreneurial success. GCP offers an in-house academy that helps staff develop further in core competences and specifically trains its upcoming leadership for the new and complex challenges they will face.



Berlin

Payment and Social Benefit

Commensurate Pay Honors Commitment

[GRI 405-2 / EPRA Diversity-Pay]

In order for employees to reach top performance, appropriate compensation for their contributions is a non-negotiable prerequisite. GCP considers adequate pay a self-evident component of its responsibility as an employer. From an entrepreneurial perspective, appropriate compensation is not simply a matter of bottom-line costs. Paying our staff attractive remuneration is directly linked to our ability as a company to draw highly qualified new personnel. For existing staff, receiving satisfying compensation in return for their contribution to the Company's success is an important source of motivation. Ensuring that our employees are motivated and inspired to perform enhances employee retention rates as well as the Company's overall results.

Providing equal opportunities for all is a top priority for GCP, and the Company prides itself on competence-based career development. Remuneration as well is determined solely based on the skills of the individual, the tasks and responsibilities associated with the position, and their personal success in their role. For 2017, the gender pay gap for women to men was 17% among the whole workforce and 30% at management level. For the whole workforce, this represents an improvement of six percentage points over the previous year (2016: 23%). Development at management level was essentially flat (2016: 31%). There is still work to be done; however, our numbers clearly show a positive trend and are in line with national averages.

Education and Training

A Workforce Trained for Success

GCP is committed to investing in the long-term potential and growth of its human capital. The competences and skills that our employees bring to the table are the tools with which we achieve our business success. They are also the tools with which we will pursue sustainable business, as we depend on our staff to implement sustainability policies and to give life to our strategy. We are counting on their skills in order to identify opportunities for improvement and to constantly find ways to outperform our own vision.

It is part of GCP's promise to its team as a responsible employer that we provide scope for developing potential and help our team acquire the skills needed for successfully taking on new and complex challenges. Global megatrends like digitization and demographic change will require that all members of the workforce proactively commit to lifelong learning and personal development. The primary risk for GCP is that of not having sufficiently qualified personnel to perform our business operations. Thus, investing in our employees' personal and professional development is essential in mitigating this risk.

EDUCATION AND TRAINING	2017	2016	2015
Average hours of training per year per employee (in hours/year)			
female	6.3	12.3	8.25
male	6.75	9.37	8.55
employees	4.81	7.29	–
upcoming leaders	112.66	168	236
Percentage of employees receiving regular performance and career development reviews (in %)			
female	98	90	50
male	98	90	50

We commit to professional development of our staff at all levels and throughout all units of the organization. Professional development enhances employee motivation as well as satisfaction. It plays a key role in our reputation as an employer of choice and thus our ability to attract new employees. Further, developing talent already in our organization for new challenges enables us to promote largely from within the Company, further boosting motivation and saving the Company recruitment costs.

Cultivating Potential throughout the Company [GRI 404-2]

GCP believes potential is the decisive factor for performance. We actively train candidates for specific positions based on their talents, not necessarily their preexisting qualifications. Staff with training related to a different professional field or without a university degree are gladly developed if they are deemed a good fit for the role in question. GCP wants its employees to succeed and is committed to providing them with the tools to do so.

GCP operates a wide range of own training seminars through its GCP Academy, which was founded in 2014. The Academy is structured to provide appropriate offerings for employees at all levels of the Company. GCP views individualized content to be more effective than generalized training for all staff with limited impact and thus prioritizes training tailored to skill sets, both professional and personal. The Academy seminars are coordinated internally or with the help of external experts where appropriate, in particular for specialist topics such as soft skills development.

GCP has also created a special in-house program for cultivating future leaders from within the Company's own talent pool. The GCP Leadership Program is a 12-month program specifically designed to give talented employees the opportunity to build up their competences within a managing position. Being able to see and communicate connections and thereby tap synergies are crucial skills for managers to leverage when tackling complex challenges. GCP also fosters similar development in talented young graduates.

When offering traineeships, GCP works closely with the Chamber of Industry and Commerce to dovetail skills-oriented training within the framework of the German dual-education system. In this format, trainees combine classroom theoretical units with hands-on job experience units in a company.

Investing in Effective Development

[GRI 404-1 / EPRA Emp-Training]

The Academy's activities are bundled under the aegis of the Training and Development Department. Managerial responsibility for training and development decisions lies with the Head of Human Resources with direct oversight by

the CEO. In order to guide efficient use of time and resources, development measures are catalogued in a Learning Management System (LMS). Among other things, the system provides an overview of needs' analyses for specific employees or roles, so necessary training areas can be identified. All employees have access to the LMS and can use it to participate in online training directly from their work stations.

To ensure appropriate targeting and effectiveness of our measures, feedback from both participants and departments is closely monitored. We also regularly assess the benefit created. In 2017, employees received an average of 6.53 hours

each (2016: 10.84). The decrease as compared with 2016 is due to GCP's unusually strong growth in 2015 and the resultant jump in demand for training. The high number of new hires in 2017 also impacts the figures. Average training hours were split roughly equally from a gender perspective (women: 6.30; men: 6.75). On average, 112.66 (2016: 168.0) hours of training were invested in upcoming leaders (non-leaders: 4.81; 2016: 7.29). The Leadership Program comprised a total of 13 staff in 2017 (7 women, 6 men; 2016: 9 women, 7 men). Yearly performance reviews have also been implemented and as of 2017 cover nearly the entire workforce (98%, 2016: 90%).



Diversity and Anti-discrimination

Diversity as Tool for Success

Diversity of viewpoints is essential for being able to produce effective and novel solutions to the challenges a company faces. GCP is firmly committed to diversity in all its forms – from culture to age – and considers this a key component in its power of innovation and success. We specifically strive to employ people from a variety of nationalities so that their diversity will enhance the quality of our work. Their specific national strengths also help us reflect the range of experiences and cultures represented by our tenants.

At GCP, protecting this diversity is a non-negotiable priority and discrimination in any form is not tolerated. GCP is a proud signatory of the German Diversity Charter, a corporate initiative to promote diversity in companies and institutions. Not only is discrimination a violation of inalienable human rights, it puts the Company's business success at risk as well.

Actively Cultivating a Culture of Openness

We as a company are firmly committed to offering equal opportunities and impartial treatment of all persons in line with their professional qualifications. This applies to all aspects of the employment relationship, including hiring, the agreement of working conditions, and access to further occupational training. As GCP bases its hiring and advancement primarily on qualifications, however, this can sometimes be in conflict with our aim of increasing diversity.

Variety in professional and personal experience, views, ideologies, and values are tools that should be leveraged. GCP strives to build synergetic power by actively building and supporting diversity within its workforce. Diversity management at GCP works to cultivate among staff awareness for how differences are a source of creativity and make our company more flexible, productive, and competitive. Staff thus receive diversity training to enhance diversity management skills.

DIVERSITY AT GCP (in %)	2017	2016	2015
Diversity of governance bodies			
female	39.73	43.14	50
male	60.27	56.86	50
Diversity of employees			
female	53.10	57.57	55.23
male	46.90	42.43	44.77

Zero Tolerance for Discrimination

Diversity in terms of differences in race, ethnic background, gender, religion, age, sexual orientation, mental or physical capabilities, or nationality affects staff at GCP throughout all departments and levels of the organization. Discriminatory behavior and a lack of openness in interactions within the work environment are demotivating for employees and a detriment to performance. Dignified and respectful treatment of others is a core value defining all interactions at GCP, be they with colleagues, management, or stakeholders. In this regard, GCP holds its executives in particular responsibility, as they should set a positive example for the staff.

Discrimination can take either direct or indirect form and is defined by GCP as any instance in which a person receives less favorable treatment than another in a comparable situation based on one of the factors named above. GCP also considers harassment a form of discrimination and it is considered to be any practice capable of violating a person's dignity on the basis of one of the above-named. Discrimination and harassment are highly detrimental to the working environment. At GCP we firmly reject any and all actions that would create a workplace characterized by intimidation, hostility, humiliation, or systematic insult, either through personal contact or through other means (e.g. electronic communication).

Committed to Equal Treatment

[GRI 406-1]

GCP has firmly anchored its commitment to diversity in its Company mission statement and its Diversity Policy. All GCP employees are required to sign as part of their employment contract the Company Code of Conduct, which clearly lays out the Company's rules and standards of behavior. The Code of Conduct is supplemented by the Company Anti-discrimination Policy, which communicates to staff the defini-

tions, as well as examples, of discrimination and harassment, the expectations placed on their own interactions, and their possibilities for reporting possible incidents. Reporting channels also include alternate routes for reporting should the incident relate to a person involved in the standard reporting procedure.

Should an incident occur, a report is made via one of several possible channels to the Company Chief Compliance Officer. The Chief Compliance Officer is responsible for investigating reports made over whistle-blowing channels and discussing events with involved parties where appropriate. Disciplinary measures are taken as needed. Continuing a very pleasing multiyear trend, no discrimination-related incidents were reported in 2017 (2016: 0).

Managerial responsibility for diversity-related issues lies with the Head of Human Resources with direct oversight by the CEO. A Diversity Committee comprised of staff from all levels of employment is the body coordinating our active commitment. The Diversity Committee is responsible for ensuring that our diversity philosophy is implemented in daily operations and that it is given due priority in strategic developments.

Integrity in Our Work and Our Workplace

Discrimination- and diversity-related issues pose risks for GCP and its operations in that they impact working conditions and Company culture in tangible ways. Should the workplace become an unpleasant environment for specific persons due to reasons of discrimination or should specific groups of people be placed at a disadvantage, this would negatively impact our ability to retain qualified staff. Employee satisfaction rates are monitored regularly via staff surveys. The results are subsequently reviewed and discussed with all departments so as to identify areas for improvement.

As integrity and ethical conduct are fundamental to GCP's business philosophy, discrimination can also translate to reputational risks in terms of both business activities and GCP's goal of being a preferred employer. It is GCP's philosophy that creating an outstanding work environment is a responsibility carried jointly between management and staff. Management takes great care to involve the staff and their concerns in strategic decision-making, but also expects its employees to support and live out this commitment.

Occupational Health and Safety

Workplace Safety Fosters Performance

We believe healthy, satisfied employees who feel safe in their workplace are better able to perform and add higher value to our company's success. Actively promoting health and safety in the working environment is key to our corporate vision of cultivating a working environment that inspires committed contributions from our employees.

As the health and safety of our staff is an issue that impacts all departments as well as all interactions with colleagues, management, and stakeholders, GCP takes an ambitious approach to developing safety awareness and cultivating responsibility throughout the team. Work processes and jobs are always to be arranged in such a way as to mitigate and eliminate as far as possible physical risks. In general, there are no positions in GCP directly that involve occupational activities associated with a high incidence of or risk for a certain disease or physical harm. As some of the subcontractors we employ are in the construction industry, safety concerns in the supply chain are a possible factor.

Cultivating Joint Safety Responsibility

[GRI 403-1, 403-2, 403-3, 403-4 / EPRA H&S Emp]

GCP is committed to ensuring highest standards of safety and employee protection at the workplace. In addition to implementing all statutory EU health and safety regulations, GCP is further implementing a range of internal policies designed to achieve highest possible workplace well-being. Overall responsibility for workplace health and safety lies with the Head of Human Resources. As per EU requirements, GCP has two designated Safety Officers. The Company trains First Aid Officers throughout the Company, with currently a total of 71 employees registered as a departmental First Aid Officer.

Beyond its duty of care toward its employees, GCP considers this goal to be a joint responsibility to which it expects its employees to be equally committed. Employees are required to be aware of and comply with all Company safety policies and measures, such as fire safety and evacuation plans. Staff are also tasked with identifying and reporting any unsafe working conditions or violations of safety requirements they encounter. All employees receive mandatory yearly health and safety training via GCP's online Learning Management System. Employees

must report all work accidents using a defined reporting process. All associated work absences are also recorded in HR software such that work accident rates can be tracked and evaluated. There are no positions at GCP that are subject to work conditions entailing a high level of risk, and in 2016 and 2017 there were no work-related incidents.¹⁾

Maintaining a healthy and safe workplace is a top priority. To provide our staff with further guidance on safety procedures and appropriate preventive behavior in the workplace, GCP developed in 2017 a corporate Health and Safety Policy. All employees are expected to maintain the standards of occupational safety it describes and to ensure that a dedication to safety is firmly embedded in GCP's corporate culture.

Helping to Keep Our Staff Healthy

Healthy and active employees are a key asset and crucial to GCP's ability to efficiently carry out its business operations. At our Berlin headquarters, employees have access free of charge to a state-of-the-art fitness center with training supervision and nutritional advice from a qualified trainer as needed.

Specialized coaching targets, for instance, reducing back complaints associated with prolonged desk work. Going forward, in addition to reducing staff turnover to 8% in 2018, GCP also aims to reduce sick days by encouraging our employees to be active and maintain a healthy lifestyle. Further mechanisms to ensure a safe and healthy working environment for our staff are being developed with HR with a particular focus on occupational integration management.

Zero

work-related incidents in 2017

¹⁾ GCP defines work related incidents as incidents which occur in direct relation to their employees' activities at the workplace.

04

ENVIRONMENT





Environmental Management

Shared Responsibility for a Shared Environment

The way in which companies conduct business and create value for stakeholders has a lasting impact on our planet and our society's resources. GCP takes this responsibility very seriously. First and foremost, as a company we have an ethical responsibility to future generations to leave them with the resources necessary for a high quality of life. From an economic perspective as well, however, ensuring that GCP's operations are not detrimental to the environment carries benefits for the Company in the form of optimized cost structures. Our commitment to responsible development is deeply embedded in the GCP business model. Comprehensive and holistic environmental management is thus a key priority for GCP.

A Strategy for Future Environmental Benefit

GCP has formally laid out its commitment to the environment in terms of both strategy and policy. On a strategic level, GCP structures its portfolio-building activities around improving existing building stock. It is our firm belief that renewing and revaluing rather than destroying and rebuilding makes an important contribution to tackling the societal and environmental challenges of the future. From a policy perspective, GCP has implemented a binding Company-wide Environmental Policy covering all aspects of energy management and environmental responsibility. The GCP Environmental Policy lays out the concrete framework for our goals and standards with respect to our impact on the environment. The core tenet of the GCP Environmental Policy is to constantly strive for ongoing improvement. To this end, it stipulates monitoring and review processes with respect to energy and water consumption, waste output, use of fossil fuels, and emissions, periodic target agreement as well as benchmarking systems and audits.

A key objective in the GCP Environmental Policy is to lessen ecological impact within the GCP portfolio. GCP is taking a two-pronged approach to achieving this aim, considering on the one hand the environmental profile of potential acquisitions and on the other hand the resource consumption and waste creation of the buildings already in its portfolio. GCP pursues a value creation strategy that underpins economic growth

with ESG criteria, using life-cycle assessments as a key component in decision-making. The impacts of climate change are also included in GCP's risk management framework. GCP ensures that responsibility for this topic lies directly with the CEO and that awareness of market expectations and regulatory requirements play a key role in operational decision-making.

Life-cycle Assessment at GCP

A life-cycle assessment at GCP comprises two due diligence procedures. Firstly, energy values from heating and electricity as well as total CO₂ emissions are calculated, taking into consideration consumption values as well as factors such as location and size of the property or type and size of heating units. Secondly, the technical due diligence process assesses the building fabric, materials used and relevant environmental aspects. These two examination processes are supplemented by information provided for energy certifications and together make up GCP's internal life-cycle assessment. Environmental impacts arising further upstream and downstream in the value chain are not considered by GCP's life-cycle assessment, as the necessary investment would far outweigh the benefits of such an extensive assessment.

Environmental Refurbishment Raises Asset Value

[GRI 102-44, 302-1]

Prior to adding a new asset to the GCP portfolio, environmental assessments are carried out as part of the due diligence process. From a strategic perspective, GCP strives to increase the share of green buildings in its portfolio. As the vast majority of the GCP portfolio comprises acquisitions of existing building stock, however, only very few buildings it acquires qualify for green building certification. When choosing suitable objects, environmental aspects of the repositioning process play a key role, in many cases with the intent of achieving Blue Building certification – a certification which recognizes green building standards as applied to mid-life-cycle structures.

Further, GCP is a member of the German Sustainable Building Council (DGNB). Investing heavily in structural improvements such as energy-oriented updates is a central tenet of our asset repositioning strategy. Tenant involvement and awareness are also a key concern, as the largest environmental burden resulting from

DGNB

member since 2017

GCP's operations occurs at resident level. GCP publishes a number of leaflets for tenants that educate on environmentally friendly heating behavior. Through their comic-style format, the leaflets are an awareness-enhancing measure with high accessibility. On top of this, GCP coordinates closely with other stakeholders to heighten tenant commitment and to lower environmental impact.

As building operator, over the past two years, GCP has switched 70% of its buildings to electricity from exclusively renewable sources. In addition to the benefit for the planet, this has generated cost savings of 47% to date. Moreover, GCP places great store by truly living its commitment to reducing environmental impact and wherever it is not bound by previous contracts procures all electricity for Company offices from renewable energy sources or climate-neutral gas.

Focused Commitment

To ensure GCP is leveraging its activities and resources to best possible effect, it bases its commitment on the results of a materiality analysis. The materiality analysis provides clarity on which aspects of GCP's operations carry the greatest significance for both the Company and its stakeholders. The analysis shows that the focus areas of energy and emissions, water, and waste are the topics with greatest relevance. GCP carefully monitors consumption and output in these areas to allow for efficient assessment of operations and to identify potential for improvement.

Energy and Emissions

Enhancing buildings' energetic profiles and technological energy management are two powerful levers for reducing energy consumption and emissions. Within contractual limits set by existing contracts GCP is switching its entire asset portfolio to electricity from 100% renewable resources. Ongoing modernization at its buildings – for instance increasing rollout of smart meters – gives tenants direct control of their energy costs and creates lasting changes in energy consumption behavior. Finally, over the course of 2016 and 2017, a total of 75 heating systems across GCP's portfolio have been modernized to allow for more efficient energy consumption.

Water

GCP is enhancing the collection of meter data throughout its portfolio. Installation of warm and cold water meters will play a crucial role in



Munich

monitoring and improving consumption patterns. Informational measures tailored to its tenants' needs are another major instrument GCP uses to heighten awareness for water conservation.

Waste

GCP invests in strategic partnerships with external service providers at its locations for waste management and separation. These partnerships have resulted in significant improvements to waste recycling and a 30% reduction in costs. GCP has also taken steps to integrate tenants more strategically into waste management processes, for example by implementing chip-based waste disposal.

At GCP we are committed to improving the environmental profile of our portfolio. To do this, it is essential that we monitor closely and regularly our energy, water, and waste consumption and emissions. We are now doing this systematically throughout our portfolio (total of 86,780 units as of December 31, 2017). Following extensive portfolio growth in 2015 and 2016, we have started to collect corresponding environmental data. We were able to provide an initial environmental report based on this data in 2017. In this CR Report we can now expand on this foundation and report on the full year's GHG emissions, water and waste impacts, developments and goals for the future.



Berlin

Energy and Emissions

Sustainable Business through Energy Efficiency

GCP is fully aware of the crucial role reducing energy consumption and limiting the emission of greenhouse gases will play in ensuring a sustainable future for our planet and our society. As a company, GCP is committed to doing its part toward achieving reduction targets and taking the energy transition forward. Energy consumption reductions translate not only to benefit for the environment, but also to reductions in operating costs and service charges. GCP's ability to gradually reduce these costs heightens the attractiveness of the assets in its portfolio, not only for its tenants but from many stakeholder perspectives.

Strict Compliance with Legal Framework

[GRI 307-1]

GCP operates within the comprehensive legal framework governing emissions and energetic building improvements bounded by EU regulations as well as national-level regulations in Germany. When it comes to asset maintenance and repositioning, GCP is thus subject to some of the highest minimum standards in the world. Strictest adherence to legal requirements throughout the value chain is something GCP prides itself on and a standard to which it holds all its business partners. In addition to full compliance with all legal requirements, GCP has set own standards in the form of strategic decision-making policy and its Environmental Policy.

Managing and Limiting Impact

The most significant adverse effect on the environment resulting from GCP's operations is due to energy usage and the resulting greenhouse gas emissions. Specifically, this relates to the energy consumed by our tenants at our rental properties. Tenant consumption is influenced on the one hand by the energetic properties of the buildings themselves and on the other by the tenants' own habits and consumption behavior. GCP strives to contribute to both these levers being activated, but has by far the greater scope for direct influence where construction measures and building improvements are concerned.

GCP's fundamental commitment to reducing environmental impact is formally defined in the GCP Environmental Policy, Code of Conduct and accompanying Green Procurement Policy. Together, these stipulate that all GCP business partners and employees act and operate in a climate-friendly manner. Compliance with these policies on the part of suppliers and subcontractors is a top priority for GCP. This expectation applies to all partners, suppliers, and subcontractors and is a prerequisite for entering into any business relationship. Responsibility for environmental compliance and for implementation of all measures rests with the Energy Services Department and the CR Department. The directors of these departments in turn report directly to the CEO, meaning responsibility for environmental concerns is anchored within highest levels of Company management. Regular and consistent internal audits of both energy consumption and technical implementation have been supplemented by an external audit within the scope of preparing our EPRA Environmental Report as well as regular audits for obtaining energy certificates. This also ensures compliance with Company policies at internal corporate level as well as in the value chain.

Benchmarking Identifies Potential

In order to assess if our operations are proceeding in line with our energy strategy as well as to assess the effectiveness of the strategy as a whole, GCP has implemented a range of energy consumption monitoring and benchmarking processes. These measures help us to continually identify and subsequently eliminate inconsistencies or inefficiencies in our activities. It is management policy to invest in energy-efficient

solutions that offer both climate and operational cost benefits. For determining prudent refurbishment and modernization potential, proper control, maintenance, and operation of our centralized building equipment play a pivotal role. We aim to fully tap technology capabilities and utilize corresponding tools with greatest possible efficiency. Outdated or inefficient equipment is replaced wherever technically and economically feasible; replacement tools are selected for highest technological advancement and efficiency benefit. Energy consumption is closely monitored and evaluated with the aim of identifying effective opportunities to reduce consumption, in particular through specific technical upgrades or in the course of general modernization. Technological advancements like enhanced metering capabilities are intended to be utilized wherever possible.

Investing in Energetic Refurbishment

Going forward, GCP aims to set itself strategic goals on continually reducing its carbon footprint. The first step in this process is the comprehensive environmental assessment carried out for all portfolio assets as part of the due diligence process. On the basis of these assessments, capital expenditure in the repositioning process is targeted at improving buildings' energetic profiles. Such improvements can take the form of enhancements to a building's skeleton, such as better thermal insulation, or modernization of heating systems. It is Company policy to give preference to low-emissions technology and other advancements that improve energy efficiency. For instance, replacing older heating systems with newer systems increases energy efficiency, allowing tenants to reduce their operating costs and at the same time lower greenhouse gas emissions.

GCP has set itself the goal of increasing step by step the use of energy from renewable resources for all properties it operates. This is achieved through technical measures as well as through the appropriate selection of energy providers. Energy procurement is bundled at national level and spread over a group of strategic suppliers. This generates greater savings in energy packages and provides incentive for competitive pricing on green energy. Where implemented, this brings emissions of greenhouse gases to nearly zero. In buildings where heating systems

100%

electricity from renewable sources
(70% of the buildings and 100%
of our offices)

use fossil fuels, potential for modernization to higher-efficiency systems is reviewed regularly. Nevertheless, energy contracts at unit level are agreed by the respective tenants, thus limiting GCP's scope for influence.

Technology Paired with Awareness

To heighten its indirect influence on the second lever of climate-friendly energy usage on the part of residents, GCP strives to heighten tenant involvement and thereby create better understanding and awareness of own consumption. At a technical level, GCP prides itself on providing its tenants with relevant and consistent information about their consumption. We are, for instance, gradually installing metering systems at unit level, as opposed to averaging consumption by square meter over a group of units. This gives tenants autonomous control over their costs and enhances responsibility for own consumption. Moreover, GCP works together with building managers on site to flag inefficient equipment and following technical review provide more energy-efficient solutions. GCP aims to instill in its tenants the same commitment to the environment to which it holds itself as a company.

Future measures to further enhance monitoring capabilities and corresponding ability to identify reduction potential will be analyzed and reviewed in 2018. Improved technological monitoring capability will greatly enhance the quality and quantity of data available to GCP. This data is needed to track achievement of precisely defined quantitative goals. In addition to improving the reporting GCP can provide, this will also aid in analysis and benchmarking for identifying further energetic improvement potential in GCP properties. Additionally, refining the data collection process will allow us to report on environmental data for the Group's headquarters separately as of 2018.

75

heating systems were modernized in 2017

Carbon-neutral Heating as a Focus

[GRI 302-4, 302-5]

To date, GCP has switched around 70% of its buildings and all of its offices to electricity from renewable sources. This switchover will continue to be implemented for the remaining assets as and when existing contracts expire as well as for new acquisitions. As compared with the previous energy contracts, these changes have so far resulted in cost savings of 47%. As a result we were able to achieve a reduction in CO₂ output of 12,083 tons in 2017, externally certified. Modernization of 75 heating systems to high-efficiency systems has already achieved a reduction in CO₂ output of about 1,561 tons p.a., or an increase in efficiency of output by some 10%. We are thus well positioned to noticeably outperform our goal of cutting CO₂ emissions by 1,000 tons over the next two years, as we have already achieved a substantial reduction in the first year alone.

About 26% of the GCP portfolio is supplied by centralized gas-powered heating systems. Of these, 28% have been switched to climate-neutral gas, which translates to a further reduction of 10,053 tons CO₂ output in 2017, externally certified. It is planned to switch the remaining 72% of these systems to climate-neutral gas over the next two years, if economically feasible and when existing contracts expire. GCP will be concluding exclusively cost-effective new contracts with suppliers who deliver fully climate-neutral gas. These strategic partners review their energy portfolios together with GCP on a regular basis and have committed to offsetting all corresponding greenhouse gas emissions.

ENERGY CONSUMPTION (like-for-like)¹⁾

	UNIT	2017	2016
Landlord-obtained electricity	kWh	2,622,194	2,569,849
Landlord-obtained heat	kWh	54,528,099	45,273,641
Landlord-obtained fuels	kWh	30,863,518	34,478,905
Building energy intensity	kWh/ m ² /year	138.74	129.77

Ongoing Strategy and Target Development

[GRI 305-1, 305-2, 305-4, 305-5 / EPRA Cert-Tot]

GCP continually monitors the success of its measures and its progress toward target achievement. We record both energy consumption and GHG intensity at our properties and benchmark these against average consumption rates for a given type of building and occupancy level. For longer-term measures, GCP uses comparisons of actual periodic data with calculated expected efficiency as a basis for assessment. On-site technical evaluations and external certifications, such as the DIN EN 16247 Energy Audit, also provide valuable input with respect to improving inefficient measures.

To better hone its strategic direction and tailor its activities accordingly, GCP plans to develop and define a comprehensive Environmental Roadmap, covering further specific goals, additional due diligence processes, and installation of suitable control mechanisms. Among these specific goals, replacement of inefficient heating systems is a top priority, as these are a significant source of harmful emissions. Overall, the goal for the next two years is to achieve a 10% reduction in CO₂ emissions and to have all landlord-obtained electricity at all buildings supplied from renewable sources. The roadmap will also include the development of entirely new energy-oriented projects. Specific performance data with respect to energy consumption and emissions can be taken from the table below.

Operating Risk in View

The main focus of our risk management activities are non-physical risks for our stakeholders, suppliers, and business partners. Physical risks for Germany as a result of climate change have not been significant over the last years. However, we take note of the risk of increases in flooding, storms, and average temperatures and will include the subject of climate change adaptation in our 2018 stakeholder and impact analysis. Overall, we take account of our identified risks by embedding them in management responsibility and strategic decision-making. Thorough and regular energy and technical audits provide assurance with regard to compliance as well as a sound basis for analyses of improvement potential.

GREENHOUSE GAS EMISSIONS (like-for-like)¹⁾

	UNIT	2017	2016
Emissions (Scope 1 and 2)	tons CO ₂ e	16,531	19,232
Direct emissions (Scope 1)	tons CO ₂ e	4,471	4,802
Indirect emissions (Scope 2)	tons CO ₂ e	12,060	14,430
GHG Scope 1 and 2 intensity from building energy	kg CO ₂ e/ m ² /year	26.06	30.32

¹⁾ For details on data compilation, please see Chapter 06 Facts and Figures.



Potsdam

Water

Taking Responsibility for Consumption

Water is a basic necessity for nearly all functions of life. GCP aims to limit water consumption to only that which is necessary and eliminate wasteful usage as far as possible. Efficient consumption behavior benefits the environment in terms of lower impact as well as tenants, the Company, and shareholders through reduced utility and service charges.

Ensuring Compliance

The European Union has laid out a comprehensive legal framework governing water consumption standards and wastewater disposal. These are supplemented by national-level regulations in Germany. GCP's operations are thus bounded by some of the highest minimum standards in the world. Full compliance with all legal requirements throughout its operations and value chain is a non-negotiable priority for GCP, and it requires corresponding commitments from all its business partners. In some areas, GCP's own standards even go beyond the legal requirements. These are laid out in formal strategic decision-making policies and our Environmental Policy.

Formulation and review of the Environmental Policy are managed by the Energy Services Department and the ESG Department in coordination with highest corporate management. The directors of these units report directly to the CEO, thus ensuring responsibility for these issues has executive-level support. GCP's commitment to sustainable water handling is foreseen to be included in our Environmental Roadmap together with concrete targets.

Refurbishment Activities and Tenants Impact Consumption

As GCP's operations themselves do not consume significant quantities of water, the most substantial impact on this resource occurs at the point where tenants enter the value chain. GCP's possibility to influence tenant behavior is somewhat limited due to the indirect nature of the relationship. However, it employs technological advancements that aid in reducing and/or informing consumption wherever possible. GCP views the provision of accurate and consistent information as a key factor in modulating consumption. GCP also actively strives to promote consumption awareness in its tenants via educational measures and thereby inform

Solingen



positive changes in usage patterns. Further impact occurs through water consumption at GCP's offices. Here as well, GCP promotes conscious consumption throughout all levels of its operations.

Within the value chain, water consumption occurs as part of infrastructural work, such as construction of new builds or building repairs. This consumption relates to GCP's operations insofar as the Company acquires new portfolio assets, pursues resource- and capex-intensive modernization work as part of repositioning, and oversees management and maintenance work at its properties.

Awareness Fosters Sustainable Behavior

The first step towards responsible treatment of water as a resource is adequate measurement. GCP uses the possibility to randomly check general and user-specific water consumption via the meter readings received as part of the billing process. Consumption data is evaluated for inefficiencies and to identify improvement potential within GCP's operations and at our properties. Improvement potential can take the form of investment in modernization and technological measures to reduce consumption as well as policy- and awareness-related measures.

GCP's primary goal is to gather accurate and regular consumption data and to use this as a basis for continually reducing the portfolio's environmental impact. Equipping all tenant areas with meters for both cold and warm water is thus a fundamental prerequisite for lowering consumption and with it operating costs. Installation of water meters throughout the entire portfolio is currently underway and is scheduled for completion in 2018. GCP uses improvements to technological measuring capabilities wherever possible and is actively pursuing installation of smart meters.

In addition to adequate measurement data, GCP views tenant education and awareness-building measures as a key lever for indirectly influencing consumption behavior. As consumption-conscious operators of our properties, we provide our tenants with informative publications, handouts, and videos offering tips on improving water consumption habits. To reflect our tenants' wide variety of cultural backgrounds, GCP also takes care to provide this information in a variety of languages. Our aim

is to show tenants how environmentally responsible behavior has a clear personal benefit in the form of cost and time savings, in addition to its societal benefit.

Data Is Key for Value-oriented Reporting

[GRI 303-1]

Following rapid portfolio growth in recent years, expanding data collection capabilities has been an important task for GCP. This was completed in the course of 2017. Specific performance data with respect to water consumption can be taken from the table below. Going forward, GCP's main focus will be on improving the quality and quantity of its metering data. Such data will form the basis for assessing and reporting on achievement of the targets defined in the Environmental Roadmap. Via benchmarking the data will be used to determine improvement potential and strategically oriented investment spending. GCP will assess the efficiency of measures implemented by comparing the results of regular controls with calculated expected efficiency gains and identify improvement potential. Results from the measures implemented thus far are expected to be apparent in the yearly benchmarking of figures for 2017.

WATER CONSUMPTION (like-for-like)¹⁾

	UNIT	2017	2016
Water for landlord-shared services	m ³	538,164	610,374
Building water intensity	m ³ /m ²	0.85	0.96

¹⁾ For details on data compilation, please see Chapter 06 Facts and Figures.



Hanover

Waste

Waste Management for a Cleaner Future

Waste output and waste disposal are a significant burden for the environment. GCP is firmly committed to the reduction of waste, and of non-recyclable waste in particular, as part of its duty to the planet and to its stakeholders. In addition to lessening climate burden, GCP believes that waste reduction tangibly enhances the attractiveness of its assets. Ongoing reduction of service charges is a strong motivator for bringing about sustainable behavior as well as a benefit for the Company in terms of operating costs.

Managing Refurbishment and Residential Waste

The two most significant sources of waste resulting from GCP's operations are refurbishment and other infrastructure projects and at the point of entry of tenants into the value chain. Where construction projects are concerned, these relate extensively to asset repositioning investments and activities to improve buildings' energetic profiles. GCP has direct opportunity for influence on the waste produced by its administrative operations.

In the case of larger refurbishment projects, reviews of the type and quantity of waste are carried out as part of due diligence. Particular attention is paid to possible problematic or contaminated waste such that adequate provisions can be taken into account as early as the planning stage.

At tenant level, GCP has only indirect ability to influence behavior. Our activities thus focus on provision of facilities for waste segregation and initiatives to reduce waste. To highlight the mutual benefit of economizing waste, GCP has been implementing at select locations an initiative whereby tenants use a chip-based waste disposal system. An electronic chip monitors the volume of residual waste each tenant disposes of and bills accordingly. Enhanced transparency in service charges leads to more cost-aware behavior and a subsequent reduction in waste. GCP also provides publications for its tenants in a variety of languages to educate on proper waste handling and recycling.

Compliance and Responsible Waste Planning

GCP operates its properties within a framework where it is subject to some of the highest minimum standards in the world, made up of both EU-wide regulations and regulations at a national level in Germany. GCP considers full compliance with all legal requirements a matter of course and expects the same from its business partners throughout the value chain.

Corporate waste management policy at GCP is laid out in our Environmental Policy. External waste management providers are engaged where necessary and legally approved. Wherever possible, GCP prefers wholesale providers without narrow geographic limits. Generally, however, water supply and waste disposal contracts are

agreed at municipal level, as supplier economies in these sectors are largely localized. All suppliers are subject to regular checks that proper disposal is in line with legal requirements and that waste is being recycled appropriately. Responsibility for domestic waste lies with the Property/Asset Management Department and for waste with registered contamination with the Construction Department, the heads of which report directly to the CEO. Additional guidance is provided by the Energy/Environmental Department and the ESG Department.

Expanding Benchmarking Data

[GRI 306-2]

GCP relies on a combination of monitoring and benchmarking as well as due diligence assessments to guide strategic management of waste handling. Data on waste output is recorded and benchmarked to buildings of a given type and according to occupancy rate. These comparisons allow conclusion for possible improvement within GCP's operations. The integration of our portfolio's waste data into energy management software will provide additional opportunities for optimizing our waste management and create a solid basis for future audits of the entire asset portfolio. GCP's overarching goal is to reduce waste output and the disposal charges this incurs. Specific performance data with respect to waste volume can be taken from the table below.

Over the past two years we have developed the necessary processes to enable effective data collection. On this basis, GCP is now focusing on ramping up monitoring and measuring capabilities so that we will in future be able to provide more specific non-financial indicators on waste output. From a qualitative perspective, the measures GCP has implemented thus far are expected to yield positive effect in benchmarking of the 2017 figures. Waste issues and corresponding targets will be included in the Environmental Roadmap. Through integration with energy management software in 2018 as well, more accurate reporting on changes in key data points will be enabled.

Physical risks in the form of contaminated or problematic waste are included in risk management processes. A further aim is to raise awareness of the non-physical risks a lack of compliance with waste policies can entail – such as reputational risks or financial consequences – among our various stakeholders and business partners.

WASTE DISPOSAL (like-for-like)¹⁾

	UNIT	2017	2016
Waste by disposal route	liters	43,863,092	43,756,342
Recycled waste	liters	13,997,672	18,653,324

¹⁾ For details on data compilation, please see Chapter 06 Facts and Figures.

05

SOCIETY







Summer Fair, Magdeburg

Social Engagement

A Dedication to Social Involvement

[GRI 203-1, 203-2]

GCP considers itself an active and responsible contributor towards creating a strong community. We understand that good relationships with our tenants lead to strong commercial performance of our assets and view it as our duty to offer not just a place for the people of our cities to live, but to help foster flourishing communi-

ties in and around our shared living spaces. Strong communities translate to higher living standards. We have committed ourselves to building inclusive communities in our residential properties and contributing our support to projects that enhance society's functioning.

Relationships Enhance Community Cohesion

[GRI 102-43, 413-1]

Strong relationships with local communities are the foundation for our long-term goal of reducing vacancy rates and retaining support for local development projects. The role we play in our communities has a clear impact on our ability to maintain high levels of tenant satisfaction and customer retention. It is our firm belief that strong communities and social engagement are the key to customer retention and thus to our ability as a company to create added value.

GCP is able to contribute positively to the communities of which its buildings are a part in the form of the shared spaces and facilities it provides, the developments in which it invests, and other active engagement in local community organizations. GCP structures this involvement via both actions at a corporate level, such as development investing and sponsorship, and at an individual level in that GCP employees personally participate in community events for residents. GCP proactively pursues rewarding relationships with local groups and policymakers and initiates community involvement and development programs. GCP is firmly committed to contributing its resources towards activities that heighten inclusion at our properties. Throughout our involvement, our aim is to create for our tenants a strong sense of community and strengthen their sense of "family" in the widest sense of the word.

Strategic Programs for Targeted Commitment

[GRI 203-1 / EPRA Comty-Eng]

GCP's tenant and community outreach activities are bundled under the umbrella of our Community Involvement and Development Program and defined in our Community Involvement and Development Policy. The program is managed at corporate level by the Compliance Department to provide strategic direction and then implemented in more specific, tailored form at local level by regional directors. A core tenet of the program's strategy is to fundamentally ori-

ent the activities implemented towards tenants' actual needs. This process begins as early as the acquisition stage where community risk assessments are carried out during due diligence before a building is added to our portfolio. In conjunction with feedback from tenants' associations, these assessments will be used to later tailor investments to the community affected. Possible initiatives include resident events, partnerships with local associations, or clubs, and relationship-building activities with local policymakers and other stakeholders such as mayors or fire brigades.

GCP sees its tenants as customers, and our attitude towards our tenants is very service oriented. In addition to our 24/7 TÜV-certified Service Center, we have local Tenant Relations Managers who actively assist our tenants on a personal basis. Consultations include, for instance, help with authorities, school, or even mediation in case of conflicts between tenants. In addition, the Tenant Relations Managers proactively manage the relationships with tenants' associations. The Tenant Relations Managers are employed directly by GCP at regional level. We measure some of our highest levels of tenant satisfaction and retention in assets that are supported by Tenant Relations Managers. In turn, this leads to lower renovation, advertising, and sales agents costs. Over the last year, we have continuously expanded this program and are planning ongoing further development.

GCP is very cognizant of the need for highest transparency with regards to monetary donations and the initiation of sponsorships. It is vital that all donations are carried out on a strictly voluntary basis with no expectation of any form of consideration in return. To ensure compliance concerns are given due care during community involvement activities, sponsorships and monetary donations of all kinds are strictly governed by the rules and stipulations laid out in the GCP Code of Conduct.

A Focus on Tenant Quality of Life

[GRI 102-44]

In all its community activities, GCP's overriding goal is to enhance living standards through community cohesion and strong support networks. Understanding what our tenants' needs are is crucial for being able to fulfill this promise. GCP carries out regular needs' analyses for the various regions in which GCP operates. These analyses assess our regions from an urban development perspective and evaluate public information such as inhabitant structure, demographic data of the city in question, and immigration and emigration. Involving the tenants themselves in creating an optimal service experience for residents carries double benefit as it enables them to have a more active role in how measures are implemented to serve their communities and enhances tenant retention. A key tool GCP uses for orienting its community involvement effectively is tenant feedback statistics and satisfaction surveys. GCP has committed itself to making timely and efficient responses to all tenant concerns a top priority and views this promise to its tenants as an important demonstration of our responsibility as a property manager.

GCP reviews its community-oriented activities during quarterly meetings. The results of these meetings are reported to the CEO to ensure appropriate strategic orientation. Tenant satisfaction surveys are carried out at regular intervals as part of our due diligence and monitoring processes as property manager. The resulting tenant satisfaction statistics are controlled for validity and evaluated at the quarterly meetings so as to provide further basis for tailoring our activities. Overall, GCP aims to maintain or expand its current level of community involvement.

“THE COOPERATION WITH GCP STANDS OUT DUE TO ITS EMPHASIS ON LONG-TERM AND FUTURE-ORIENTED COLLABORATION. IT FOCUSES ON THE POSITIVE DEVELOPMENT OF THE ‘GROHNER DÜNE’, WHICH IN TURN BENEFITS THE WHOLE DISTRICT OF VEGESACK.”

*Martin Prange, Representative of Bremen-North
in the Senate of Bremen and Head of the State Department/Department 1,
Senate Chancellery Bremen*

Creating Spaces and Experiences to Share

[EPRA Comty-Eng]

Active community-building activities that go beyond basic tenant supervision have always been a key part of GCP's social responsibility. In 2017, GCP celebrated a total of 175 events together with its tenants and their families – from summer festivals to seasonal occasions like Easter. In terms of monetary contributions, GCP targets its investments at creating high-quality shared spaces for its tenants and at supporting local community-building organizations. Facility investments cover a wide range of measures and

175

tenant events in 2017

focus on spaces that will enhance inclusion and the sense of community. These spaces include event rooms, tenant libraries, playgrounds, soccer fields, and other green spaces and communal areas. GCP's sponsorship activities involve active partnership with and support for sports clubs, and integrative and educational initiatives, such as homework support for schoolchildren. GCP also provides rent-free space for charities, such as the children's charity SOS-Kinderdorf, to use for their initiatives. For concrete details of tenant satisfaction figures, please see pp. 22–23.

Strong Communities for a Resilient Society

[GRI 413-2]

GCP views its community involvement activities as a duty of care and a key factor in reducing risk. Strong communities reduce social risks for individuals, foster support networks, and lessen personal tensions. These impacts have positive associations for society as a whole and for GCP's operations as a value-oriented enterprise. When community tensions increase, there is a risk that tenants' quality of living will decrease and that vacancy rates will rise as a result. Generally, the risk of property damage occurring is higher where such social tensions go unmitigated. GCP faces these challenges by promoting close interaction with its tenants across the board and continually striving to promote stable, long-term relationships.

As a real estate company we see it as our duty to actively take on responsibility for community developments and to shape them in a positive way. This is underlined by our EPRA Award of 1st place for "Outstanding Contribution to Society".



Cologne

06

FACTS AND FIGURES



GRI Content Index [GRI 102-55]

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		1	Stakeholder Focus and Materiality
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SPECIFIC STANDARDS

GRI INDICATORS		PAGE	COMMENTS
Category: Social Standards			
Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	14	Ethical Partnerships throughout the Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	14	Binding Commitment to High Standards
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CODE	PERFORMANCE MEASURE	UNIT OF MEASURE	PAGE
Environmental Sustainability Performance Measures			
Elec-Abs	Total electricity consumption	kWh/year	57
Elec-LfL	Like-for-like total electricity consumption	kWh/year	57
DH&C-Abs	Total district heating and cooling consumption	kWh/year	57
DH&C-LfL	Like-for-like total district heating and cooling consumption	kWh/year	57
Fuels-Abs	Total fuel consumption	kWh/year	57
Fuels-LfL	Like-for-like total fuel consumption	kWh/year	57
Energy-Int	Building energy intensity	kWh/ m ²	57
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	t CO ₂ e	57
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	t CO ₂ e	57
GHG-Int	Greenhouse gas (GHG) emissions intensity from building	t CO ₂ e/m ²	57
Water-Abs	Total water consumption	m ³	57
Water-LfL	Like-for-like total water consumption	m ³	57
Water-Int	Building water intensity	m ³ /m ²	57
Waste-Abs	Total weight of waste by disposal route	annual metric tons	57
Waste-LfL	Like-for-like total weight of waste by disposal route	annual metric tons	57
Cert-Tot	Type and number of sustainably certified assets	Total	39
Social Performance Measures			
Diversity-Emp	Employee gender diversity	%	56
Diversity-Pay	Gender pay ratio	Ratio	27, 56
Emp-Training	Employee training and development	Ø hours	28, 55
Emp-Dev	Employee performance appraisals	%	55
Emp-Turnover	New hires and turnover	Total	30, 54
H&S-Emp	Employee health and safety	Rate	31, 55
Comty-Eng	Community engagement, impact assessments, and development programs	%	18, 46, 48, 56
Governance Performance Measures			
Gov-Board	Composition of the highest governance body	Total	8
Gov-Selec	Process for nominating and selecting the highest governance body	Narrative on process	8
Gov-Col	Process of managing conflicts of interest	Narrative on process	8

Key Figures

EMPLOYEES

KEY FIGURES	UNIT	2017	2016	2015	GRI	EPRA
Number of employees						
total number of employees (permanent and temporary)		872	773	450	GRI 102-8	
female		463	445	247	GRI 102-8	
male		409	328	203	GRI 102-8	
total number of permanent employees		427	209	109	GRI 102-8	
female		227	114	60	GRI 102-8	
male		200	95	49	GRI 102-8	
total number of temporary employees		445	564	341	GRI 102-8	
female		236	331	187	GRI 102-8	
male		209	233	154	GRI 102-8	
total number of full-time employees		795	681	418	GRI 102-8	
female		398	395	222	GRI 102-8	
male		397	286	196	GRI 102-8	
total number of part-time employees		77	92	32	GRI 102-8	
female		65	50	25	GRI 102-8	
male		12	42	7	GRI 102-8	
New employee hires and employee turnover						
total number of new employee hires		191	431	264	GRI 401-1	Emp-Turnover
female		94	246	157	GRI 401-1	Emp-Turnover
male		97	185	107	GRI 401-1	Emp-Turnover
Rate of new employee hires						
female	%	49	57	59	GRI 401-1	Emp-Turnover
male	%	51	43	41	GRI 401-1	Emp-Turnover
age group <30		75	171	98	GRI 401-1	Emp-Turnover
age group 30–50		94	204	128	GRI 401-1	Emp-Turnover
age group >50		22	56	38	GRI 401-1	Emp-Turnover
total number of employee turnover		92	108	95	GRI 401-1	Emp-Turnover
female		46	52	55	GRI 401-1	Emp-Turnover
male		46	56	40	GRI 401-1	Emp-Turnover
age group <30		27	26	36	GRI 401-1	Emp-Turnover
age group 30–50		48	68	37	GRI 401-1	Emp-Turnover
age group > 50		17	14	22	GRI 401-1	Emp-Turnover

EMPLOYEES

KEY FIGURES	UNIT	2017	2016	2015	GRI	EPRA
Parental leave						
Employees that were entitled to parental leave		35	19	6	GRI 401-3	
female		31	15	6	GRI 401-3	
male		4	4	0	GRI 401-3	
Employees that took parental leave		35	19	6	GRI 401-3	
female		31	15	6	GRI 401-3	
male		4	4	0	GRI 401-3	
Employees that returned to work in the reporting period after parental leave ended		9	7	0	GRI 401-3	
female		5	3	0	GRI 401-3	
male		4	4	0	GRI 401-3	
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work		9	7	0	GRI 401-3	
female		5	3	0	GRI 401-3	
male		4	4	0	GRI 401-3	
Return to work and retention rates of employees that took parental leave	%	66.5	100	0	GRI 401-3	
female	%	33	100	0	GRI 401-3	
male	%	100	100	0	GRI 401-3	
Injuries, occupational diseases and number of work-related fatalities of employees in Germany¹⁾						
Employees		0	0		GRI 403-2	H&S-Emp
Average hours of training per year per employee						
female	hours/year	6.3	12.3	8.25	GRI 401-1	Emp-Training
male	hours/year	6.75	9.37	8.55	GRI 401-1	Emp-Training
employees	hours/year	4.81	7.29	–	GRI 401-1	Emp-Training
upcoming leaders	hours/year	112.66	168	236	GRI 401-1	Emp-Training
Percentage of employees receiving regular performance and career development reviews						
female	%	98	90	50	GRI 404-3	Emp-Dev
male	%	98	90	50	GRI 404-3	Emp-Dev

¹⁾ GCP defines work-related fatalities as incidents which occur in direct relation to their employees' activities at the workplace.

EMPLOYEES

KEY FIGURES	UNIT	2017	2016	2015	GRI	EPRA
Diversity of governance bodies						
female	%	39.73	43.14	50	GRI 405-1	
age group <30	%	10.3	9.09	17.65	GRI 405-1	
age group 30–50	%	82.75	81.82	76.47	GRI 405-1	
age group >50	%	6.59	9.09	5.88	GRI 405-1	
male	%	60.27	56.86	50	GRI 405-1	
age group <30	%	2.27	3.45	0	GRI 405-1	
age group 30–50	%	86.36	82.76	88.23	GRI 405-1	
age group >50	%	11.36	13.79	11.77	GRI 405-1	
Diversity of employees						
female	%	53.10	57.57	55.23	GRI 405-1	Diversity-Emp
age group <30	%	33.19	40.83	41.3	GRI 405-1	Diversity-Emp
age group 30–50	%	51.97	45	43.91	GRI 405-1	Diversity-Emp
age group >50	%	14.85	14.17	14.79	GRI 405-1	Diversity-Emp
male	%	46.90	42.43	44.77	GRI 405-1	Diversity-Emp
age group <30	%	24.55	25.4	22.58	GRI 405-1	Diversity-Emp
age group 30–50	%	52.71	59.13	62.36	GRI 405-1	Diversity-Emp
age group >50	%	22.73	15.47	15.06	GRI 405-1	Diversity-Emp
Ratio of basic salary and remuneration of women to men						
employees	ratio	0.88:1	0.77:1	0.78:1		Diversity-Pay
management	ratio	0.69:1	0.69:1	0.73:1		Diversity-Pay

TENANTS AND SOCIETY

KEY FIGURES	UNIT	2017	2016	2015	GRI	EPRA
Operations with local community engagement, impact assessments, and development programs (in absolute measures)						
Neighbourhood Activities		201	124	75	GRI 413-1	Comty-Eng

ENVIRONMENT

PORTFOLIO COVERAGE

The values for GCP's environmental performance measures are based on a sample that consists of 241 buildings covering a total of 634,363 m². The sample accounts for 12.0% (2016: 11.5%) of the total net rent area at the end of 2017.

LIKE-FOR-LIKE

KEY FIGURES	UNIT	2017	2016	GRI	EPRA	CRES D
Energy						
Building energy intensity	kWh/m ²	138.74	129.77	GRI 302-3	Energy-Int	CRE1
Electricity for landlord-shared services	kWh	2,622,194	2,569,849	GRI 302-1	Elec-Abs, Elec-Lfl	
Total landlord-obtained electricity	kWh	2,622,194	2,569,849	GRI 302-1	Elec-Abs, Elec-Lfl	
Heat for landlord-shared services	kWh	54,528,099	45,273,641	GRI 302-1	DH & C-Abs, DH & C-Lfl	
Total landlord-obtained heat	kWh	54,528,099	45,273,641	GRI 302-1	DH & C-Abs, DH & C-Lfl	
Fuels for landlord-shared services	kWh	30,863,518	34,478,905	GRI 302-1	Fuels-Abs, Fuels-Lfl	
Total landlord-obtained fuels	kWh	30,863,518	34,478,905	GRI 302-1	Fuels-Abs, Fuels-Lfl	
Total energy	kWh	88,013,811	82,322,395			
Greenhouse gas emissions (GHG)						
GHG Scope 1 and 2 intensity from building energy	kg CO ₂ e/m ²	26.06	30.32	GRI 305-4	GHG-Int	CRE3
Direct emissions (Scope 1)	tons CO ₂ e	4,471	4,802	GRI 305-1	GHG-Dir-Abs, GHD-Dir-Lfl	
Indirect emissions (Scope 2)	tons CO ₂ e	12,060	14,430	GRI 305-2	GHG-Dir-Abs, GHD-Dir-Lfl	
Total emissions	tons CO ₂ e	16,531	19,232	GRI 302-3	GHG-Dir-Abs, GHD-Dir-Lfl	
Water						
Building water intensity	m ³ /m ²	0.85	0.96	GRI 303-1	Water-Int	CRE2
Water for landlord-shared services	m ³	538,164	610,375		Water-Abs, Water-Lfl	
Total water	m ³	538,164	610,375		Water-Abs, Water-Lfl	
Waste (landlord-handled)						
Waste by disposal route	liters	43,863,092	43,756,342	GRI 306-2	Waste-Abs, Waste-Lfl	
Recycled waste	liters	13,997,672	18,653,324		Waste-Abs, Waste-Lfl	
Recycled waste	%	32	43			
Certified assets						
Mandatory (EPC): energy certificates of portfolio certified by building ¹⁾	%	95	95			CRE8

¹⁾ 95% of the certifications are available. The remaining 5% relate to certifications of newly acquired buildings or buildings under historical protection.

Memberships and Awards

Memberships

[GRI 102-12, 102-13]



GCP is an active member of ZIA. The German Property Federation (ZIA) pursues the objective of representing the general, economic, and ideological interests of the entire property sector and of promoting collaboration among its members. It supports and accompanies measures suitable for sustaining and improving the economic, legal, political, and fiscal framework conditions of the property sector.



GCP is an active member of EPRA. EPRA's mission is to promote, develop, and represent the European public real estate sector. EPRA achieves this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices and the cohesion and strengthening of the industry.



GCP is an active member of DGNB. The German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB e.V.) sees itself as a non-profit association with a goal of supporting sustainable construction and sustainable operation of the buildings around us. The DGNB is not driven primarily by economic goals, instead its aims are of a social nature. The organization is funded and supported by its members and it interprets sustainability as an extension of their definition of democracy and part of an obligation to future generations.



GCP signed the diversity charter. The diversity charter aims to promote the recognition, appreciation and integration of diversity into Germany's business culture. Organizations are to create a working environment free of prejudice. All employees should be valued – regardless of gender, nationality, ethnic origin, religion or worldview, disability, age, sexual orientation and identity.

Awards



91st percentile,
ranking as “Outperformer”,
as of November 2017

In November 2017, GCP’s ESG measures were assessed by Sustainalytics, a leading sustainability rating agency, who ranked GCP in the 91st percentile among over 300 international real estate peers worldwide, noting GCP as an “Outperformer” and additionally rating GCP as a leader in social metrics.



EPRA Awards:

At the EPRA Conference in September 2017, GCP’s accomplishments were recognized and rewarded with a total of 5 awards:

- EPRA sBPR GOLD + MOST IMPROVED AWARD for sustainability reporting
 - EPRA BPR GOLD + MOST IMPROVED AWARD for financial reporting
 - 1st PLACE for outstanding contribution to society
-

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