



EPRA SUSTAINABILITY BEST PRACTICE RECOMMENDATIONS



Cologne

OVERARCHING RECOMMENDATIONS & NARRATIVE ON PERFORMANCE

Introduction

Our sustainability reporting consists of three main publications: our Non-Financial Report, our Sustainability Insights and our summary Sustainability In Focus report which can be downloaded on the sustainability section of our [website](#).

As EPRA members we also chose to report on our ESG impacts in accordance with the 3rd edition of the EPRA Sustainability Best Practice Recommendations (sBPR). Our reporting response has been split into 2 sections:

1. Overarching recommendations
2. Sustainability performance measures

1. Overarching recommendations

Organisational boundaries

Environmental performance data is only reported on assets for which we have operational control. Unless otherwise stated, all utilities consumption relates to consumption that we purchase and/or control as the landlord, and relates to energy and water consumption used in common areas and shared services. Tenant obtained data (i.e. from bills which the tenant receives directly) is excluded.

Data relating to our employees covers all direct employees employed by Grand City Properties, including part time and temporary workers as well as inactive employees. Accordingly, it excludes contractors and those not directly employed by us.

Coverage

Absolute and like-for-like environmental data relates to 31,337 units that we are able to collect data for, out of a total portfolio of 74,303 residential (and commercial) units with a floor area of 3,802,151 m² at the end of 31 December 2020. Coverage for all performance measures is 100% of these units.

Coverage for our own office utilities consumption is based on the proportion of the total rental floor area occupied by Grand City Properties as we do not occupy the whole building. The data relates to consumption at our Düsseldorf and Berlin Top Tegel headquarters.

Reporting period

All data relates to our financial year which coincides with the calendar year, and consequently runs from January 1 to December 31 of the year under review.

Estimation of landlord-obtained utility consumption

Due to the timing of the publication of this report, the following estimations were applied when calculating our performance data for the 2020 calendar year:

Electricity: 86% of consumption is based on bills received, with the remaining 14% either extrapolated from incomplete bills for 2020 (1%), or estimated based on 2019 consumption (13%)

Heating: 71% of consumption is based on bills received, with the remaining 29% either extrapolated from incomplete bills for 2020 (2%), or estimated based on 2019 consumption (27%).

Water: 58% of consumption is based on bills received, with the remaining 42% either extrapolated from incomplete bills for 2020 (20%), or estimated based on 2019 consumption (22%).

Estimations were carried out only where:

1. Utility bills for the reporting year were not available in time for publication. In these instances, estimations were calculated based on the previous year's confirmed consumption during the same period. Extrapolations are based on the average of monthly demand available from bills in 2020, and then multiplied by 12 months.
2. Data is only available for a proportion of units under our management control, for example regarding recycled waste. In this instance we have extrapolated data for the units where we are able to collect complete data given the similarities between our units and tenants.

The total volume of waste is partially estimated based on the total volume of non-recyclable waste data obtained from 95% of applicable 2019 bills (with the remaining 5% estimated due to invoices from waste suppliers not being available at the time of reporting). 60% of waste data for 2020 was estimated based on 2019 waste volumes, with the remaining 40% based on bills. The total proportion of recycled waste is based on household averages published by the German environmental protection authority which represents the highest authority in the country.

Estimations of utility data for Grand City Properties' own office consumption is estimated based on the whole building data for the buildings occupied by Grand City Properties. GCP's proportion has been calculated based on the floor area occupied by GCP (1,793,956 m²).

Units of measurement & normalisation

Utilities data are reported based on absolute consumption measured in kWh (energy), tCO₂e (GHG emissions), m³ (water) and litres (waste).

GHG emissions are reported using location-based conversion factors published by the German Environmental Protection Association. Market-based emissions are calculated using emissions factors published by our energy suppliers.

Where consumption is normalised, we calculate intensity indicators using floor area (1,793,956m²) for whole buildings,

including tenant areas. We are aware there is a mismatch between the nominator and denominator in our methodology for calculating intensities, as we receive utility bills for electricity consumed only in common areas, but we receive utility bills for district heating and cooling and fuel consumed both in the common and tenant areas (it is not possible to separate these consumptions).

Employee coverage rates are expressed as a percentage of Grand City Properties' total direct employees at year end. Health and safety performance measures are calculated using the following formulae:

Injury rate = Number of reported incidents per working hours / Number of Full Time Employees (FTEs)

Lost Day Rate = Number of days lost due to workplace injuries / Number of working hours

Absentee rate = Number of days absent due to illness / Total number of working days

Analysis – Segmental analysis (by property type, geography)

Segmental analysis is organised by the property classification used in our financial reporting (see our Annual Consolidated Financial Statements for the year ended 31 December 2020) which defines our investment portfolio as residential properties comprising 64,000 units. Additional segmental analysis by geography is not relevant for our portfolio as the assets included in our reporting scope are all located within Germany, and therefore in the same climatic zone.

Narrative on performance

Explanation and analysis of our performance in relation to the following Performance Measures are available in the relevant Sustainability Insights that are available to download on the sustainability section of our website:

Elec-Abs; Elec-LfL; DH&C-Abs; DH&C-LfL; Fuels-Abs; Fuels-LfL; Energy-Int; GHG-Dir-Abs; GHG-Indir-Abs; GHG-Int: please see [Energy & Emissions](#)

Water-Abs; Water-LfL; Water-Int; Waste-Abs; Waste-LfL: please see [Water & Waste](#)

Cert-Tot: please see [Energy & Emissions](#)

Diversity-Emp; Diversity-Pay: please see [Diversity & Equal Opportunities](#)

Emp-Training; Emp-Dev: please see [Training & Development](#)

Emp-Turnover: please see [Employee Satisfaction](#)

H&S-Emp: please see [Occupational Health & Safety](#)

H&S-Asst; H&S-Comp: please see [Tenant Health & Safety](#)

Comty-Eng: please see [Local Communities](#)

Please see our [Annual Consolidated Financial Statements for the Year Ended 31 December 2020](#) for further information on our Board composition and selection process.

Assurance

This EPRA compliance report is designed to complement our Non-Financial Report for the year ending 31 December 2020. The Non-Financial Report has been assured according to the International Standard on Assurance Engagements (ISAE) 3000 (Revised), and a statement from the auditors can be found on page 23 of the report. The scope of the assurance includes the following EPRA Performance Measures included in this report:

- Elec-Abs, DH&C-Abs, Fuels-Abs
- Energy-Int
- GHG-Dir-Abs & GHG-Indir-Abs
- GHG-Int
- Emp-Training
- Emp-Turnover

SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES

2. Sustainability performance measures

EPRA Environmental Performance measures (portfolio)

IMPACT AREA	EPRA SUSTAINABILITY PERFORMANCE MEASURES		INTENSITY INDICATOR	2019	2020	% change
	RESIDENTIAL / MIXED USE					
ENERGY	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	137.02	134.88	-1.56%
GREENHOUSE GAS EMISSIONS	GHG-int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS CRE3]	kg CO ₂ e / m ² / year	26.24	25.41	-3.16%
WATER	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / m ² / year	1.26	1.31	3.44%
Net Lettable Area (m ²)				1,793,955.63	1,793,955.63	
Number of applicable units				31,150/ 76,646	31,150/ 76,646	

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			2019	2020	% change
ENERGY	kWh	Elec-Abs, Elec-LfL	Electricity (indirect)	for landlord shared services	11,128,812.44	11,831,258.73	6%
				Total landlord-obtained electricity	11,128,812.44	11,831,258.73	6%
				% from renewable sources	71.66%	82.68%	15%
		DH&C-Abs, DH&C-LfL	Heat (indirect)	for landlord shared services	137,418,258.00	137,064,988.77	0%
				Total landlord-obtained heat	137,418,258.00	137,064,988.77	0%
				% from renewable sources*	14.50%	15.00%	3%
		Fuels-Abs, Fuels-LfL	Fuels (direct)	for landlord shared services	97,264,743.50	93,072,477.27	-4%
				Total landlord-obtained fuels	97,264,743.50	93,072,477.27	-4%
				% from renewable sources	86.76%	88.59%	2%
		Total no. of applicable units (coverage)				31,337 / 74,303	31,337 / 74,303
Applicable net lettable area (m ²) total				1,793,956	1,793,956	0%	
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1	2,623.46	2,158.57	-18%
				Scope 2 (location-based)	44,453.28	43,430.14	-2%
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 2 (market-based)	40,170.53	39,253.17	-2%
				Total	47,076.75	45,588.71	-3%
		Total no. of applicable units total (coverage)				31,337 / 74,303	31,337 / 74,303
Applicable net lettable area (m ²) total				1,793,956	1,793,956	0%	
WATER	Cubic metres (m ³)	Water-Abs, Water-LfL	Water	for landlord shared services	2,263,839.09	2,341,808.45	3%
				Total landlord-obtained water	2,263,839.09	2,341,808.45	3%
Total no. of applicable units total (coverage)				31,337 / 74,303	31,337 / 74,303		
Applicable net lettable area (m ²) total				1,793,956	1,793,956		
WASTE (LANDLORD-HANDLED)	litres	Waste-Abs, Waste LfL	Waste	Waste by disposal route	179,315,984	171,448,530	
				% recycled	40.00%	34.00%	
Total no. of applicable units total (coverage)				31,337 / 74,303	31,337 / 74,303		
Applicable net lettable area (m ²) total				1,793,956	1,793,956		

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			EPC RATING							
					A/A+	B	C	D	E	F	G	H
CERTIFIED ASSETS	%	Cert-Tot	Mandatory (EPC) energy certificates	% of portfolio certified by floor area	0.4	9.6	22.3	23.1	16.2	15	9.6	3.9

* Due to different energy mixes provided by local suppliers, the proportion of district heating from renewable sources is taken from the German environmental protection association which represents the highest authority in the country.

EPRA environmental performance measures (own office and headquarters)

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			2019	2020	% change	
ENERGY	kWh/m ² /year	Energy-Int		Building energy intensity	96.77	94.27	-2.58%	
GREENHOUSE GAS EMISSIONS	kg CO ₂ e/m ² /year	GHG-int		Greenhouse gas Scope 1 and 2 intensity from building energy	26.31	22.17	-15.73%	
WATER	m ³ /m ² /year	Water-Int		Building water intensity	0.30	0.29	-6.15%	
Net Lettable Area (m ²)					20,554	20,554		
Number of applicable units					26/26	26/26		

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			OFFICE DÜSSELDORF		HEADQUARTERS BERLIN		HEADQUARTERS BERLIN + OFFICE DÜSSELDORF	
					Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)	
					2019	2020	2019	2020	2019	2020
ENERGY	kWh	Elec-Abs, Elec-Lfl	Electricity (indirect)	Total Grand City Properties obtained	24,415.28	24,055.29	685,607.00	675,409.00	710,022.28	699,464.29
		DH&C-Abs, DH&C-Lfl	Heat (indirect)	Total Grand City Properties obtained	N/A	N/A	N/A	N/A	N/A	N/A
		Fuels-Abs, Fuels-Lfl	Fuels (direct)	Total Grand City Properties obtained	107,500.60	66,836.71	1,171,395.30	1,171,395.30	1,278,895.90	1,238,232.01
No of applicable locations					8\8	8\8	18\18	18\18	26\26	26\26
applicable net rent area (m ²)					7,307.27	7,307.27	13,246.41	13,246.41	20,553.68	20,553.68
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs, GHG-Dir-Lfl	Direct	Scope 1	9.47	7.01	150.07	150.07	159.54	157.08
		GHG-Indir-Abs, GHG-Indir-Lfl	Indirect	Scope 2 (location-based)	13.11	10.27	368.17	288.40	381.28	298.67
			Indirect	Scope 2 (market-based)	7.86	6.20	68.12	51.90	75.98	58.10
No of applicable locations					8\8	8\8	18\18	18\18	26\26	26\26
applicable net rent area (m ²)					7,307.27	7,307.27	13,246.41	13,246.41	20,553.68	20,553.68
WATER	m ³	Water-Abs, Water-Lfl	Water	Total Grand City Properties obtained	389.15	486.65	5,877.02	5,394.24	6,266.17	5,880.88
No of applicable locations					8\8	8\8	18\18	18\18	26\26	26\26
applicable net rent area (m ²)					7,307.27	7,307.27	13,246.41	13,246.41	20,553.68	20,553.68
WASTE (LANDLORD HANDELED)	liters	Waste-Abs, Waste Lfl	Waste	Total waste	68,385.49	68,385.49	352,665.37	352,665.37	421,050.86	421,050.86
				% recycled	39.80%	39.80%	39.80%	39.80%	39.80%	39.80%
No of applicable locations					8\8	8\8	18\18	18\18	26\26	26\26
applicable net rent area (m ²)					7,307.27	7,307.27	13,246.41	13,246.41	20,553.68	20,553.68
CERTIFIED ASSETS	%	Cert-Tot	Mandatory (EPC) energy certificates	% of locations certified	100.00	100.00	100.00	100.00	100.00	100.00
				No of applicable locations					8\8	8\8
applicable net rent area (m ²)					7,307.27	7,307.27	13,246.41	13,246.41	20,553.68	20,553.68

EPRA social and governance performance measures (portfolio and corporate)

EPRA CODE	UNIT OF MEASURE	COVERAGE	2019	2020
Diversity-Emp	% female (Board)	Corporate operations	33%	33%
	% female (Senior management)		41%	34%
	% female (all employees)		51%	53%
Diversity-Pay	Ratio of basic salary and remuneration of women to men (Board) *	Corporate operations	n/a	n/a
	Ratio of basic salary and remuneration of women to men (Senior Management)		0.72:1	0.64:1
	Ratio of basic salary and remuneration of women to men (all employees)		0.88:1	0.83:1
Emp-Training	Average hours per employee	Corporate operations	4.99	7.3
Emp-Dev	% of total workforce with performance appraisals	Corporate operations	22%	17%
Emp-Turnover	Total number of new hires	Corporate operations	428	212
	Rate (%)		41%	23%
	Total number of leavers		157	126
	Rate (%)		11%	10%
H&S-Emp	Injury rate	Corporate operations	1.24	1.11
	Lost day rate		0.004	0.002
	Absentee rate		6.78	5.4
	Fatalities (total number)		0	0
H&S-Asset	% of assets undergoing health & safety assessments	Portfolio	100%	100%
H&S-Comp	Total number of incidents of non-compliance from health & safety assessments	Portfolio	0	0
Comty-Eng	% of assets with community engagement initiatives **	Portfolio	180	n/a
Gov-Board	Total number of Executive members	Corporate operations	1	1
	Total number of Independent members		2	2
	Average tenure		7.3	5.8
	Total number with competencies relating to environmental and social topics		2	2
Gov-Select	Description	Corporate operations	Please see the Corporate Governance section of our website .	
Gov-Col	Description	Corporate operations	Please see the Board of Directors' Report (page 37) of our Consolidated Financial Statements for the year ended December 31, 2020	

* The gender pay gap at Board-level is not applicable as the Board includes two independent directors (one male and one female member), and only one full time employee (the CFO). Taking only the pay of the independent directors into account, the pay ratio is 1:1.

** 2019 data relates to the total number of community events held across our properties. 2020 data is not applicable due to the challenges presented by COVID-19 which prohibited large gatherings and in-person contact. As a result, our physical community events were put on hold during 2020 to ensure the health and safety of both our tenants and employees.