



GCP



EPRA SUSTAINABILITY 2021

BEST PRACTICE RECOMMENDATIONS

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 from the sustainability section of our website: <https://www.grandcityproperties.com/sustainability>

As EPRA members we also choose 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 two sections:

1. Overarching recommendations
2. Sustainability performance measures

1. OVERARCHING RECOMMENDATIONS

Organisational boundaries

This year, we changed our approach towards distributing energy consumption between landlord-controlled areas and tenant-controlled areas. In the 2019 baseline, we have used a common area/total area ratio to apportion shared-service heating consumption between landlord and tenant spaces, based on the floor area distribution found with the property types classification appendix (3a) of the GRESB Real Estate Assessment reference guide. For electricity, the consumption for tenant-controlled areas was extrapolated based on industry standard energy benchmarks. Therefore, the energy consumption and the corresponding CO₂ emissions will now represent the entire building area i.e., of both landlord and

tenant-controlled area. We recognise that under an operational control approach, the allocation of CO₂ emissions between Scope 1 or 2 and Scope 3 is dependent on the metering and sub-metering arrangement in place between tenants and landlords. However, to create the desired representation of the entire building, we have classified indirect emissions by area apportioned between landlord and tenant spaces, as described in the methods above.

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

2021 environmental data relates to 52,793 units or 3,425k m² that we are able to collect data for, out of a total portfolio of 64,937 units or 4,096k m² (excluding assets held for sale and properties under development) at the end of 31 December 2021. 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

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 2021, and then multiplied by 12 months. In instances this was not possible for heating. Here we calculated an estimation by extrapolating expected heating consumption according to the EPC rating of the building and weather normalisation was not performed.
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.

We have reported the percentage of estimation that this represents per utility type in our EPRA sBPR tables.

Furthermore, according to our methodology to calculate tenant consumption as described in our Organisational Boundaries, we have disclosed the proportion of overall consumption that this estimation represents.

Regarding only landlord-obtained utility consumption, as per the EPRA sBPR requirements, we have detailed the extent of estimations below:

- **Electricity:** 100% of landlord-obtained electricity consumption is based on values delivered by the utility provider.
- **Heating:** 71.9% of landlord-obtained consumption is based on available utility consumption data, with the remaining 29.1% estimated.

The total volume of waste is based on the contracted waste volumes at properties where this information was available. No additional estimation occurred. 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 (21,006 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 (m²) for whole buildings, including tenant areas. Since we are now estimating the tenant consumption, we believe that our numerator and denominator provide a representative intensity figure.

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 Consolidated Annual Report for the year ended 31 December 2021) which defines our investment portfolio. Additional segmental analysis by geography is not applicable 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 & Climate Change
- Water-Abs; Water-LfL; Water-Int; Waste-Abs; Waste-LfL: please see Water & Waste

- Cert-Tot: please see Energy & Climate Change
- 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 Consolidated Financial Statements for the Year Ended December 31, 2021 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 2021. 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 39 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
- H&S-Asset, H&S-Comp

SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES

EPRA SBPR ENVIRONMENTAL PERFORMANCE MEASURES:

ABSOLUTE AND LIKE-FOR-LIKE

IMPACT AREA	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES				Total portfolio		Total portfolio	
					Absolute measures (Abs)		Like-for-like (Lfl)	
Environmental impacts	EPRA code	Measurement unit	Indicator	Boundaries	2020	2021	2020	2021
ENERGY	Elec-Abs	kWh	Electricity	for landlord shared services	11,029,898	12,442,873	11,029,898	12,442,873
				Total landlord-obtained electricity	11,029,898	12,442,873	11,029,898	12,442,873
				Total tenant-obtained electricity	85,388,317	136,411,707	n.a.	n.a.
				Total electricity	96,418,215	148,854,580	11,029,898	12,442,873
				% from renewable sources (landlord shared services)	100%	100%	100%	
	Fuel-Abs	kWh	Fuel	for landlord shared services	33,629,932	56,980,974	33,629,932	39,244,977
				tenant allocated	103,489,281	178,364,129	103,489,281	120,475,997
				Total landlord-obtained fuel	137,119,213	235,345,103	137,119,213	159,720,974
				Total fuel	137,119,213	235,345,103	137,119,213	159,720,974
				% from renewable sources	0%	0%	0%	
	DH&C-Abs	kWh	District heating & cooling	for landlord shared services	29,980,363	62,221,593	29,980,363	36,298,709
				tenant allocated	91,491,799	190,647,326	91,491,799	110,767,402
				Total landlord-obtained heating & cooling	121,472,162	252,868,919	121,472,162	147,066,111
				Total heating & cooling	121,472,162	252,868,919	121,472,162	147,066,111
				% from renewable sources	0%	0%	0%	
GHG EMISSIONS	GHG-Dir-Abs	t CO ₂ e	Direct	Total landlord-obtained	27,587	48,735	27,587	32,134
				Total Scope 1	6,766	11,798	6,766	8,903
	GHG-Ind-Abs		Indirect	Total landlord-obtained	34,231	71,880	34,231	41,443
				Total Scope 2	8,448	17,688	8,448	10,229
			Indirect	Total tenant-obtained	46,603	91,128	46,603	55,452
				Total Scope 3	31,406	50,172		n.a.
	Total		Scope 1 + Scope 2	15,214	29,487	15,214	19,132	
			Scope 1 + Scope 2+ Scope 3	93,223	170,786	61,817	74,585	
WATER	Water-Abs	m ³	Water	Total landlord-obtained water (Tenant sub-metered)	5,116,728	5,718,452	5,116,728	5,102,748
WASTE	Water-Abs	m ³	Waste	Total landlord-managed waste (Incl. Tenants)	1,555,476	1,564,838	1,555,476	1,564,838
		%		% Recycled	37%	37%	37%	37%
CERTIFIED ASSETS	Cert-Tot	%	Mandatory (Energy Performance Certificates)	% of portfolio certified by floor area	98.50%	98.50%	98.50%	98.50%
				% of portfolio certified by number of properties	97.28%	97.28%	97.28%	97.28%

EPRA SBPR ENVIRONMENTAL PERFORMANCE MEASURES: INTENSITIES

IMPACT CATEGORY	EPRA SUSTAINABILITY PERFORMANCE MEASURES				Total portfolio	
					Like-for-Like (Lfl)	
Environmental impacts	EPRA code	Measurement unit	Indicator	Boundaries	2020	2021
ENERGY	Energy-Int	kWh / m ² / year	Energy Intensity	Energy Intensity	128.56	152.52
GREENHOUSE GAS EMISSIONS	GHG-int	kg CO ₂ e / m ² / year	GHG Intensity	(Scope 1+ Scope 2) / m ²	7.56	9.51
				(Scope 1+ Scope 2+ Scope 3) / m ²	28.84	34.79
WATER	Water-Int	m ³ / m ² / year	Water Intensity	Water Intensity	3.42	

EPRA SBPR ENVIRONMENTAL PERFORMANCE MEASURES: COVERAGE AND ESTIMATION

ABSOLUTE AND LIKE-FOR-LIKE

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES		Total portfolio		Total portfolio	
			Absolute measures (Abs)		Like-for-like (Lfl)	
EPRA code	Disclosure		2020	2021	2020/2021	
ELEC-ABS	№ of applicable properties	Electricity disclosure coverage	3,189	4,728	3,189	
	m ² of applicable properties		2,143,638	3,425,770	2,143,638	
	%	Proportion of electricity estimated	92%	91.6%	0%	0%
FUEL-ABS	№ of applicable properties	Fuel disclosure coverage	1,742	2,561	1,742	
	m ² of applicable properties		913,792	1,391,922	913,792	
	%	Proportion of fuel estimated	0%	22.6%	0%	
DH&C-ABS	№ of applicable properties	Heating & cooling disclosure coverage	1,228	2,579	1,228	
	m ² of applicable properties		1,097,632	2,028,696	1,097,632	
	%	Proportion of heating & cooling estimated	0%	35.2%	0%	
GHG EMISSIONS	m ² of applicable properties	GHG emissions disclosure coverage	2,011,425	3,420,618	2,011,425	
WATER-ABS	№ of applicable properties	Water disclosure coverage	1,981	2,469	1,981	
	m ² of applicable properties		1,496,485	1,751,269	1,496,485	
	%	Proportion of water estimated	0%	0%	0%	0%
WASTE-ABS	№ of applicable properties	Waste disclosure coverage	1,422	1,423	1,422	
	m ² of applicable properties		952,664	954,054	952,664	
	%	Proportion of waste estimated	0%	0%	0%	

EPRA SBPR ENVIRONMENTAL PERFORMANCE MEASURES: BUILDING CERTIFICATIONS

IMPACT CATEGORY	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			EPC RATING							
		Cert-Tot	Mandatory (EPC) energy certificates	% of portfolio certified by floor area	A/A+	B	C	D	E	F	G	H
CERTIFIED ASSETS	%				0.4	10	20.3	23.5	17.4	14.6	9.2	4.6

EPRA SBPR OWN-OFFICES

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)	
					2020	2021	2020	2021	2020	2021
ENERGY	kWh	Elec-Abs, Elec-LfL	Electricity (indirect)	Total Grand City Properties obtained	63,039.00	66,232.00	851,846.33	801,794.00	914,885.33	868,026.00
		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	207,091.14	287,225.65	1,898,064.46	2,009,027.21	2,105,155.60	2,296,252.86
No of applicable locations					3\3	3\3	9\9	9\9	12\12	12\12
applicable net rent area (m²)					2,413.63	2,413.63	18,593.00	18,593.00	21,006.63	21,006.63
GREENHOUSE GAS EMISSIONS	t CO ₂ e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1	41.66	57.79	381.87	404.20	423.54	461.98
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 2 (location-based)	24.07	24.36	325.23	294.90	349.30	319.26
			Indirect	Scope 2 (market-based)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
No of applicable locations					3\3	3\3	9\9	9\9	12\12	12\12
applicable net rent area (m²)					2,413.63	2,413.63	18,593.00	18,593.00	21,006.63	21,006.63
WATER	m²	Water-Abs, Water-LfL	Water	Total Grand City Properties obtained	1,882.06	1,058.76	5,394.24	3,946.19	7,276.30	5,004.95
No of applicable locations					3\3	3\3	9\9	9\9	12\12	12\12
applicable net rent area (m²)					2,413.63	2,413.63	18,593.00	18,593.00	21,006.63	21,310.63
WASTE (LANDLORD HANDELED)	liters	Waste-Abs, Waste LfL	Waste	Total waste	257,400	228,800	1,033,580	1,033,580	1,290,980	1,262,380
				% recycled	44%	50%	33%	33%	39%	41%
No of applicable locations					3\3	3\3	9\9	9\9	12\12	12\12
applicable net rent area (m²)					2,413.63	2,413.63	18,593.00	18,593.00	21,006.63	21,006.63
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					3\3	3\3	9\9	9\9	12\12	12\12
applicable net rent area (m²)					2,413.63	2,413.63	18,593.00	18,593.00	21,006.63	21,006.63

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES		2020	2021	% CHANGE
ENERGY	kWh/m2/year	Energy-Int	Building energy intensity	143.77	150.63	4.78%
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-int	Greenhouse gas Scope 1 and 2 intensity from building energy	36.79	37.19	1.09%
WATER	m ³ /m ² /year	Water-Int	Building water intensity	0.35	0.24	-31.22%
Net Lettable Area (m ²)				21,007	21,007	0%
Number of applicable units				12\12	12\12	0%

EPRA SBPR SOCIAL & GOVERNANCE PERFORMANCE MEASURES

EPRA CODE	UNIT OF MEASURE	COVERAGE	2020	2021 ⁽¹⁾
Diversity-Emp	% female (Board)	Corporate operations	33%	33%
	% female (Senior management) ⁽²⁾		34%	40%
	% female (all employees)		53%	52%
Diversity-Pay	Ratio of basic salary and remuneration of women to men (Board)	Corporate operations	0.34:1	0.86:1
	Ratio of basic salary and remuneration of women to men (Senior Management)		0.64:1	0.65:1
	Ratio of basic salary and remuneration of women to men (all employees)		0.83:1	0.84:1
Emp-Training	Average hours per employee	Corporate operations	7.3	6.88
Emp-Dev	% of total workforce with performance appraisals	Corporate operations	17%	20%
Emp-Turnover	Total number of new hires	Corporate operations	212	167
	Rate (%)		23%	19%
	Total number of leavers		126	147
	Rate (%) ⁽³⁾		10%	13%
H&S-Emp	Injury rate	Corporate operations	1.11	0.0024
	Lost day rate		0.002	0.0004
	Absentee rate		5.4	6.6
	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	1 ⁽⁴⁾	4 ⁽⁵⁾
Gov-Board	Total number of Executive members	Corporate operations	1	1
	Total number of Independent members		2	2
	Average tenure		5.8	6.8
	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: https://grandcityproperties.com/en/corporate-governance.html	
Gov-Col	Description	Corporate operations	Please see the Board of Directors' Report (page 39) of our Consolidated Annual Report for the year ended December 31, 2021	

(1) In 2021, we increased the scope of our HR data to include all employees. Previously, HR data only included German-based employees, therefore 2021 and previous years' performance is not directly comparable

(2) In 2021, we revised our hierarchy structure to include Team Leaders in management. Therefore, our 2021 performance is not directly comparable to previous years as our definitions of 'management' and 'employees' has changed.

(3) Defined as employee-initiated departures who did not return in the same year

(4) Due to the challenges presented by COVID-19, which prohibited large gatherings and in-person contact, our physical community events were put on hold during 2020 to protect the health and safety of both our tenants and employees. In December 2020, GCP organized the first digital event for its tenants

(5) Due to continued challenges presented by COVID-19, which prohibited large gatherings and in-person contact, our physical community events were put on hold during 2021 to protect the health and safety of both our tenants and employees. As an alternative, we organized four digital events as in our Local Communities Sustainability Insight. We are likely to continue with a hybrid approach in the future.