

*GRAND CITY
PROPERTIES'
EPRA sBPR
REPORT*

— June 2018



Overarching recommendations & narrative on performance

Introduction

About us

Grand City Properties is a specialist real estate company focused on investing in and managing value-add opportunities in the German real estate market. The world we operate in has changed and at GCP we understand that we not only have a responsibility to generate revenue and profit, we also have a responsibility for the environment, society and our team. Therefore we have started to monitor closely and regularly our environmental, social and governance data.

We are now doing this systematically across our portfolio (total number of units 86,780 units as of 31 December 2017), which primarily consists of residential units with some commercial units within mixed-use residential schemes. This is the second year of our EPRA sBPR reporting and we are reporting on 26,305 units in our environmental report (please refer to Coverage in the EPRA table on page 8).

As EPRA members, we have chosen to report our environmental data in accordance with the EPRA Sustainability Best Practice Recommendations (sBPR).

1. Overarching recommendations

2. Sustainability performance measures

Data verification and assurance

All data generated is reviewed for consistency and coherence before released into the company reporting database. The environmental data that is reported in 2017 has been assured to AA1000 standard.

1. Overarching recommendations

Organisational boundaries

We only report on assets for which we have operational control. This includes 86,780 units as of 31 December 2017.

Coverage

After extensive growth of our portfolio in 2015-16, we have collected 2 years' worth of environmental data across as much of our portfolio as possible (26,305 units in 2017). Coverage for all performance measures is 100% of these units (out of a total portfolio of 86,780 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.

Estimation of landlord-obtained utility consumption

All data for 100% of the assets which we report on is 92% based on bills received for 2016 and 2017. For the other 8% we have estimated the following percentages:

- Electricity: 3%
- Waste: 15%
- Heating / Gas : 4%
- Water : 10%

Estimations were carried out only where:

1. The last utility bill of the year was not available in time for our report. In these instances, the estimations were calculated based on the previous year's consumption during the same period. Assets where an entire year's worth of data was missing were excluded and are therefore not included in the portfolio data.

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.

Boundaries – reporting on landlord and tenant consumption

The consumption reported includes only energy which we purchase as landlords. Tenant obtained data (i.e. from bills which the tenant receives directly) is excluded.

Analysis - Normalisation

Over 90% of our assets are residential units and all assets are located in Germany. We have calculated intensity indicators using floor area (m²) 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).

Health and safety performance measures are calculated using the following formulae:

- Injury rate = Number of reportable injuries/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 Report, p. 20) which defines our investment portfolio as residential properties comprising 86,780 units. Additional segmental analysis by geography is not relevant for our portfolio as our assets are all located within Germany, and therefore in the same climatic zone.

Disclosure on own offices

Our own occupied offices are reported separately to our portfolio. Please see EPRA GCP Table "EPRA Performance measures" on page 10.

Narrative on performance

Environmental performance

— Energy & emissions

In 2017, electricity consumption increased marginally by 0.93% across our portfolio, while district heating increased by 6.52%. We did however see a small 0.41% reduction in fuels consumption over the same period. As a result, the total energy intensity of our portfolio increased by 3.61%. Despite this, the GHG emissions intensity of our portfolio decreased by 2.82% due to the growing proportion of electricity and fuels from renewable sources (see Our utility suppliers below).

The majority of our units' energy use and associated GHG emissions are due to tenant activities. GCP has only limited influence on tenants' consumption behavior, but we nonetheless utilise a variety of strategies to enhance energy efficiency in our units and help tenants reduce their carbon footprint.

— Our utility suppliers

For the supply of energy we largely work with companies/frame partners who provide electricity and gas on a national level with the exception of assets where we have inherited the current contract from the previous owner. Water supply and waste disposal contracts tend to be implemented on a municipal level due to the localised supplier economy in these sectors. Whenever possible, we use wholesale suppliers that are not limited to single geographies.



— Improving heating efficiency

To improve the efficiency of heat delivery over centralized heating plants we are also working with a large energy company as a partner in a joint venture. Together we are auditing and analysing our portfolio and are replacing inefficient heating plants with more efficient models operated by climate-neutral gas, and we are improving the efficiency of existing heating plants by technical measures. The

modernisation 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 output by some 10%.

— Carbon neutral heating as a focus

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. We plan 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.

— Electricity from renewable resources

To date, GCP has switched around 70% of its buildings and all of its offices to electricity from renewable sources. As a result we were able to achieve a reduction in CO₂ emissions of 12,083 tons in 2017. This switchover will continue to be implemented for the remaining assets as and when existing contracts expire as well as for new acquisitions.

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2017.

— Water

In 2017, water consumption across our portfolio reduced marginally by 0.13% compared with 2016. While GCP is not directly responsible for the majority of water consumption related to its portfolio, we can however influence tenant consumption indirectly via technical and information means. We are enhancing the collection of meter data throughout our portfolio and installing warm and cold water meters which will play a crucial role in monitoring and improving consumption patterns. Informational measures tailored to its tenants' needs are another major instrument GCP uses to heighten awareness for water conservation.

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2017.

— Waste Management

In 2017, total waste across our portfolio increased by 3.17% compared with 2016. Recyclable waste data across our portfolio is partly estimated as GCP is only able to collect accurate recyclable waste data for approximately 8,579 units as there are no fees applied to recycled waste in Germany so invoices are not always available. This data is extrapolated to provide a total portfolio amount covering all 26,305 units. The proportion of waste recycled is based on the national average for household waste published by the German environmental protection association which represents the highest authority in the country.

The German Waste Management Act governs the entire value chain regarding the disposal and handling of waste at a national level. It includes a five-level hierarchy that lays down fundamental series of steps comprising waste prevention, reuse, recycling, and other elements besides, including energy recovery and waste disposal.

Where there are opportunities to exceed national standards the company is committed to doing so. For example, Grand City Properties regularly encourages tenants to minimize waste and separate types of waste according to the municipal waste disposal procedures (e.g. where waste is incinerated in certain municipalities – and residents are obliged to use this facility – there tends to be less waste separation).

Grand City Properties has also introduced programmes specifically targeting the reduction of residual waste (i.e. waste that is not fit for recycling): Particularly in large assets there are tenant specific volumetric billing systems in place for residual waste, i.e. tenants have a pay-as-you-go system whereby a chip system monitors the volume of residual waste disposed of by tenants (measured by individual rental unit). The billing of actual usage is transparently displayed on the service charge statements so every tenants can see the effects of economizing on residual waste. Therefore the reduction of waste and increase of use of recyclable material is encouraged.

Another aspect of waste handling optimization over and above already refined German statutory requirements is the centralization of waste collection/ storage points. Some apartment buildings were originally built with vertical waste disposal shafts. Hereby tenants

were able to dispose of waste on each specific floor in the building making it very simple to dispose of larger volumes of waste. This system had three negative implications: the minimization of waste was not encouraged as disposal was made very easy, the separation of types of waste was impossible, and, the state of hygiene in the building (due to waste being transported in those shafts by means of gravity) was not conducive to the overall well-being of tenants. Where we had those facilities in the portfolios those shafts were closed and easily accessible central waste collection points catering for all types of waste were created, outside the buildings. Hence all three negative implications have been successfully remedied.

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2017.

— Building certifications

By the end of 2017, 95% of the units in our portfolio had an energy performance certificate. The remaining 5% are not covered as being historic buildings energy performance certificates are not mandatory. The proportion of certificates achieved by type is not applicable as different values are awarded depending on whether the energy performance certificate is based on actual energy performance or potential performance (due to building design and fabric).

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2017.

Social performance

— Diversity

By the end of 2017, women occupied 43% of senior management position across Grand City Properties. This rose to 53% taking into account all employees across the company.

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.

The gender pay gap at Board-level is explained by the fact that the Board includes two independent directors (one male and one female member), and the company CFO. Taking only the pay of the independent directors into account, the pay ratio is 1:1.

For more information on our approach and performance, see section 3 of our Corporate Responsibility Report 2017.

—Training and development

During 2017 we delivered an average of 4.81 hours of training per employee. The reduction from 2016 (7.29 hours) 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.

We commit to the professional development of our staff at all levels and throughout all units of the organization. On average, 112.66 (2016: 168.0) hours of training were invested in upcoming leaders (non-leaders: 4.81; 2016: 7.29).

Yearly performance reviews have also been implemented and as of 2017 they covered nearly the entire workforce (98%, compared with 90% in 2016)

For more information on our approach and performance, see section 3 of our Corporate Responsibility Report 2017.

—Turnover

Our new hire rate of 22% in 2017 (building on 56% in 2016) reflects our strong growth in 2016 and 2017, and was only partially offset by a turnover rate of 11%. The majority of new positions created were in mainly operational departments including Property Management, Tenant Accounting, Operational Cost, and Service Centre. In addition our apprenticeship program employs 18 apprentices.

—Health and safety

In 2017 we saw an improvement across our key health and safety indicators. The injury rate among employees reduced from 1.8% in 2016 to 1.24% in 2017. Likewise, our absentee rate also decreased from 5.66% in 2016 to 5.06% in 2017. These reductions can be attributed in part to the introduction of an in-house work safety training and awareness programme for employees.

We aim to reduce sick days further 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 by HR with a particular focus on occupational integration management.

For more information on our approach and performance, see section 3 of our Corporate Responsibility Report 2017.

During 2017, health and safety assessments were conducted across 100% of GCP units as part of our extensive due diligence activities. GCP takes its responsibility to continually enhance the quality of its residential units and their surroundings very seriously. All assets are subject to regular health and safety assessments. These include regular monitoring by the property managers as well as technical assessments as required by national legislation covering fire protection systems, general technical assessments (i.e. water quality, elevators), other organisational measures (i.e. assigning fire protection officers, provision of a fire protection order, internal and external fire protection audits).

For more information on our approach and performance, see section 2 of our Corporate Responsibility Report 2017.

—Community engagement

We do not currently report the total proportion of assets with a community engagement initiative. Instead, we have reported the absolute number of community engagement initiatives in place. Given these typically cover multiple units across a number of assets, the absolute number is more meaningful given i) we report on a unit-by-unit basis, and ii) the number of units in our portfolio.

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 orient the activities implemented towards tenants' and communities 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 are used to later tailor investments to the community affected.

For more information on our approach and performance, see section 2 of our Corporate Responsibility Report 2017.

— Governance

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 executive 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 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.

GCP has implemented a comprehensive set of policies and guidelines outlining our commitment to transparency and ethical business. The GCP 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.

For more information on our approach and performance, see section 1 of our Corporate Responsibility Report 2017.

Location of EPRA sustainability performance measures

EPRA sustainability performance measures for our portfolio and own offices can be found in the tables on pages 9 and 10 of this report.



Berlin

Sustainability Best Practice Performance Measures

2. Sustainability performance measures

EPRA ENVIRONMENTAL PERFORMANCE MEASURES (OVERVIEW)

IMPACT AREA	EPRA SUSTAINABILITY PERFORMANCE MEASURES		INTENSITY INDICATOR	2016	2017	% change
	RESIDENTIAL / MIXED USE					
ENERGY	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	129,41	134,08	3,61%
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	28,42	27,62	-2,82%
WATER	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / m ² / year	1,18	1,18	-0,13%
Net Lettable Area (m ²)				1.600.689	1.600.689	0,00%
Number of applicable units				26.305 / 86.780	26.305 / 86.780	-----

IMPACT AREA	EPRA SUSTAINABILITY PERFORMANCE MEASURES		INTENSITY INDICATOR	2016	2017	% change
	HEADQUARTERS: BERLIN, DÜSSELDORF					
ENERGY	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	38,13	42,95	12,65%
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	21,85	9,54	-56,34%
WATER	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / m ² / year	0,35	0,37	6,74%
Applicable Net Lettable Area (m ²)				13.479,79	16.183,44	-----

Absolute and like-for-like performance data

There were no changes to the portfolio we are reporting on (26.305 units) between 2016 and 2017, meaning our absolute and like-for-like portfolio performance data are the same.

District heating & cooling

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.

Waste

The total volume of waste is partially estimated based on: The total volume of non-recyclable waste data obtained from 85% of applicable bills, with the remaining 15% estimated (due to invoices from waste suppliers not being available at the time of reporting); and the total volume of recyclable waste data obtained from 8,579 units (approximately 30% of applicable units) which was then extrapolated to cover all 26,305 units (as there are no invoices for recycled waste as its collection is free of charge). The total proportion of recycled waste is based on household averages published by the German environmental protection association which represents the highest authority in the country.

Conversion factors GHG emissions

Grand City Properties' conversion factors for GHG emissions and for all relevant energy media are in line with the requirements of the German environmental protection association which represents the highest authority in the country.

EPRA ENVIRONMENTAL PERFORMANCE MEASURES (PORTFOLIO)

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			RESIDENTIAL / MIXED USE		
					2016	2017	% change
ENERGY	kWh	Elec-Abs, Elec-LfL	Electricity (indirect)	Total landlord-obtained electricity	8.047.882	8.122.470	0,93%
				% from renewable sources	45,00%	57,00%	26,67%
				No. of applicable units (coverage)	26.305	26.305	0,00%
		DH&C-Abs, DH&C-LfL	Heat (indirect)	Total landlord-obtained heat	118.696.307	126.429.921	6,52%
				% from renewable sources	13,20%	12,90%	-2,27%
				No. of applicable units (coverage)	16.775	16.775	0,00%
		Fuels-Abs, Fuels-LfL	Fuels (direct)	Total landlord-obtained fuels	80.394.000	80.064.713	-0,41%
				% from renewable sources	35,00%	38,00%	8,57%
				No. of applicable units (coverage)	9.530	9.530	0,00%
		Total no. of applicable units total (coverage)				26.305 / 86.780	26.305 / 86.780
Applicable net lettable area (m ²) total				1.600.689	1.600.689	0,00%	
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1	11.411,93	8.601,98	-24,62%
				Scope 2 (location-based)	35.102,27	37.152,32	5,84%
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 2 (market-based)	34.080,06	35.606,05	4,48%
				Total no. of applicable units total (coverage)			
Applicable net lettable area (m ²) total				1.600.689	1.600.689	0,00%	
WATER	m ³	Water-Abs, Water-LfL	Water	Total landlord-obtained water	1.891.292	1.888.756	-0,13%
				Total	1.891.292	1.888.756	-0,13%
Total no. of applicable units total (coverage)				26.305 / 86.780	26.305 / 86.780	-----	
Applicable net lettable area (m ²) total				1.600.689	1.600.689	0,00%	
WASTE (LANDLORD-HANDLED)	litres	Waste-Abs, Waste-LfL	Waste	Total waste	153.048.160,09	157.900.590,96	3,17%
				% recycled	40,00%	40,00%	-----
Total no. of applicable units total (coverage)				26.305 / 86.780	26.305 / 86.780	-----	
Applicable net lettable area (m ²) total				1.600.689	1.600.689	0,00%	
CERTIFIED ASSETS	%	Cert-Tot	Mandatory (EPC): energy certificates	% of portfolio certified by building	95,00%	95,00%	0,00%
				Total no. of applicable units total (coverage)			
Applicable net lettable area (m ²) total				1.600.689	1.600.689	0,00%	

Absolute and like-for-like performance data

There were no changes to the portfolio we are reporting on (26.305 units) between 2016 and 2017, meaning our absolute and like-for-like portfolio performance data are the same.

District heating & cooling

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.

Waste

The total volume of waste is partially estimated based on: The total volume of non-recyclable waste data obtained from 85% of applicable bills, with the remaining 15% estimated (due to invoices from waste suppliers not being available at the time of reporting); and the total volume of recyclable waste data obtained from 8,579 units (approximately 30% of applicable units) which was then extrapolated to cover all 26,305 units (as there are no invoices for recycled waste as its collection is free of charge). The total proportion of recycled waste is based on household averages published by the German environmental protection association which represents the highest authority in the country.

GHG Emissions conversion factors

Conversion factors for GHG emissions and for all relevant energy media are in line with the requirements of 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			OFFICE DÜSSELDORF			HEADQUARTERS BERLIN			HEADQUARTERS + OFFICE DÜSSELDORF		
					Absolute/Like-for-Like			Absolute			Absolute		
					2016	2017	Change %	2016	2017	Change %	2016	2017	Change %
ENERGY	kWh	Elec-Abs, Elec-LfL	Electricity (indirect)	Total Grand City Properties obtained	26.935,00	23.093,25	-14,26%	231.538,67	327.982,17	41,65%	258.473,67	351.075,43	35,83%
		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	23.938,90	16.052,59	-32,94%	231.538,67	327.982,17	41,65%	255.477,57	344.034,76	34,66%
Applicable net lettable area (m ²) total					1.982,44	1.982,44	0,00%	11.497,35	14.201,00	23,52%	13.479,79	16.183,44	20,06%
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1	144,58	78,98	-45,37%	149,91	75,38	-49,72%	294,49	154,36	-47,59%
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 2 (location-based)	14,19	12,17	-14,26%	122,02	172,85	41,65%	136,22	185,02	35,83%
			Indirect	Scope 2 (market-based)	14,19	0,00	-100,00%	0,00	0,00	0,00%	0,00	0,00	-----
Applicable net lettable area (m ²) total					1.982,44	1.982,44	0,00%	11.497,35	14.201,00	23,52%	13.479,79	16.183,44	20,06%
WATER	m ²	Water-Abs, Water-LfL	Water	Total Grand City Properties obtained	141,90	116,28	-18,05%	4.520,71	5.858,83	29,60%	4.662,61	5.975,11	28,15%
Applicable net lettable area (m ²) total					1.982,44	1.982,44	0,00%	11.497,35	14.201,00	23,52%	13.479,79	16.183,44	20,06%
WASTE (LAND-LORD HANDLED)	liters	Waste-Abs, Waste LfL	Waste	Total waste	N/A	N/A	-----	N/A	N/A	-----	N/A	N/A	-----
				% recycled	N/A	N/A	-----	N/A	N/A	-----	N/A	N/A	-----
Applicable net lettable area (m ²) total					1.982,44	1.982,44	0,00%	11.497,35	14.201,00	23,52%	13.479,79	16.183,44	20,06%
CERTIFIED ASSETS	%	Cert-Tot	Mandatory (EPC): energy certificates	% of floor area certified	100,00	100,00	0,00%	100,00	100,00	0,00%	100,00	100,00	0,00%
Applicable net lettable area (m ²) total					1.982,44	1.982,44	0,00%	11.497,35	14.201,00	23,52%	13.479,79	16.183,44	20,06%

Segmental analysis

We report on our two largest office locations where 80% of our employees are based.

Estimations of utility consumption data:

Utilities consumption is estimated based on whole building data for the building occupied by Grand City Properties. GCP's proportion has been calculated based on the floor area occupied by GCP.

Waste

Waste data is not available as it is not plausible to estimate Grand City Properties' share of waste based on the floor area occupied by Grand City Properties.

EPRA SOCIAL AND GOVERNANCE PERFORMANCE MEASURES (PORTFOLIO AND CORPORATE)

INDICATOR	EPRA CODE	UNIT OF MEASURE	COVERAGE	2016	2017
EMPLOYEE DIVERSITY	Diversity-Emp	% male/female (Board)	Corporate operations	67% male, 33% female	67% male, 33% female
		% male/female (Senior management)		57% male, 43% female	60% male, 40% female
		% male/female (all employees)		42% male, 58% female	47% male, 53% female
	Diversity-Pay	Ratio of basic salary and remuneration of women to men (Board)	Corporate operations	0.73:1	0.29:1
		Ratio of basic salary and remuneration of women to men (Senior Management)		0.69:1	0.69:1
		Ratio of basic salary and remuneration of women to men (all employees)		0.77:1	0.88:1
EMPLOYEE TRAINING AND DEVELOPMENT	Emp-Training	Average hours per employee	Corporate operations	7,29	4,81
	Emp-Dev	% of total workforce with performance appraisals	Corporate operations	90%	98%
	Emp-Turnover	Total number of new hires	Corporate operations	431	191
		Rate (%)		56%	22%
		Total number of leavers		108	92
		Rate (%)		14%	11%
HEALTH AND SAFETY	H&S-Emp	Injury rate	Corporate operations	1,80%	1,24%
		Lost day rate		0,01%	0,01%
		Absentee rate		5,66%	5,06%
		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	N/A	N/A
COMMUNITIES	Comty-Eng	% of assets with community engagement initiatives	Portfolio	124	201
GOVERNANCE	Gov-Board	Total number of Executive members	Corporate operations	1	1
		Total number of Independent members		2	2
		Average tenure		4,3	5,3
		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 40) of our Consolidated Financial Statements for the year ended December 31, 2017	

Assurance Statement

Third Party Assurance



Third Party Independent Report Document to Grand City Properties S.A.

In accordance with our mandate, GUTcert GmbH (GUTcert) accomplished an independent third party validation to obtain a limited assurance (within the meaning of the Assurance Standard AA1000) of the disclosures in the EPRA Sustainability Reporting 2017 by Grand City Properties S.A. (GCP) for the financial years 01.01.2015 to 31.12.2016. The check includes also the method of collection of consumption data and the special requirements in Germany.

Organisational boundaries, Coverage

The current portfolio of Grand City Properties S.A. includes 81 000 residential (and commercial) Units with 5.066.550 square meters. For EPRA Sustainability Performance Measures GCP collect data of 705.432 square meters. The boundaries covers 13,9 percent of GCP whole portfolio (without nursing homes). Within the chosen organizational boundaries all assets includes all Sustainability Performance Measures of the EPRA Reporting. GUTcert activity consists of the validation of the acquisition data process adopted by GCP and of the control of the data set and KPIs about consumption of electricity, gas, district heating, oil, water and waste as well as CO₂ Emissions for the years 2015 and 2016.

Methodology

GUTcert undertook the following assurance activities:

- 1) Organization of a meeting with the referee of GCP to receive the official procedures of the Company for the acquisition and the processing of the data. This method is in accordance to the Best Practices Recommendations on Sustainability Reporting, developed by EPRA.
- 2) Providing a review in a random sample survey, concerning:
 - the consumption data reported in the bills of each energy supplier or contractor,
 - the summary data list collection reported within a dedicated model for each property,
 - a final table of general recording of consumption data that includes the comparison of all the collected values with the whole data.
- 3) Discussion of results of the above analysis with the referee of GCP to close open issues and point recommendations.

Verdict

GUTcert verified consumption data of Grand City Properties S.A. for all EPRA sBPR Performance Measures and the methodology of data collection and their treatment. The data set were ordered in a coherent and comprehensive way, contractors' bills are complete (as far as possible) and traceable. If contractors' bills are not available, the figures are based on an extrapolation of actual data from previous period. As a result of our validation process about the figures from a random sample survey we confirm the correctness of the calculated values. The examination and comparison of data do not put in evidence any incorrect situation or any non-conformity.

On the basis of our assessment to obtain a limited level of security, we have not been aware of any issues that may lead us to believe that the EPRA Report of Grand City Properties S.A. is not materially in accordance with the EPRA sBPR Performance Measures.

Recommendations

Without limiting the above mentioned results, we would like to make the following recommendations for the further development of data management and reporting:

- Internal standards should be defined for all EPRA relevant data collecting,
- Use some software tool for data collection.

Independence of Assurance

- GUTcert is a certification body and has a number of accreditations through DAkkS e.g. ISO 9001, ISO 14001, BS OHSAS 18001, ISO 50001, ISO 14064 as well approved body for Validation of European Emissions Trading.

Berlin, 30th June 2017

GUT Zertifizierungsgesellschaft für
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