

EPRA SUSTAINABILITY

Best Practices Recommendations

2024



EPRA Sustainability Best Practices Recommendations

Introduction

Our sustainability reporting consists of two main publications: our Non-Financial Report and our accompanying Sustainability Insights which can be downloaded from the sustainability section of our website: <https://www.grandcityproperties.com/sustainability/>.

As members of the European Public Real Estate Association (EPRA), 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.

Overarching Recommendations

Organisational Boundaries

The information and data in this report covers the operations of Grand City Properties (GCP) spanning our direct employees and residential portfolio. As of 31 December 2022, the Company portfolio held €9.5 billion of investment property.

Landlord and Tenant Boundaries

We have followed the methodology established in last year's report for allocating energy consumption between landlord-controlled areas and tenant-controlled areas. In our 2019 baseline, we use 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. Thus, the whole building consumption is attributed to landlord or tenant control in proportion to the ratio of shared spaces to tenant areas expected for the property. Correspondingly, emissions from this heating are attributed to Scope 1 and 2 or to Scope 3 in the same proportion. For electricity, the consumption for tenant-con-

trolled areas is estimated based on industry standard energy benchmarks, namely those of CIBSE.

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 an accurate representation of the entire building, we have classified indirect emissions by area apportioned between landlord and tenant spaces, as described in the methods above.

Coverage

Absolute and like-for-like portfolio data relates to the assets outlined in our Organisational Boundaries. The like-for-like subset contains all the properties which we have operated continuously for the full two-year period from 1st Jan 2021 to 31st December 2022.

Actual environmental performance data is only reported on assets for which we have operational control and for which we can collect utilities data. On an absolute basis, this included a net lettable area of 3,653,672 m² out of a total portfolio covering a net lettable area of 4,069k m² (excluding assets held for sale and properties under development) at the end of 31 December 2022. During 2022, we continued to increase the scope and quality of our environmental data collection, and are now able to report like-for like data from 89% of the net lettable area for which data is reported.

Further information relating to maximum coverage on an absolute and like-for-like basis per utility type is provided within our EPRA tables.

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.

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

Utility bills for the reporting year were not fully available in time for publication. In instances where the available heating data is not representative, estimations were calculated based on known consumption from other periods, following the ratio-based heating-degree-days normalization method. In the case of electricity, the consumption was extrapolated based on the weighted arithmetic mean of other known periods. 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.

1. 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, we have disclosed the proportion of overall consumption that our estimation of tenant consumption represents, according to our methodology described in the section 'Landlord and Tenant Boundaries'.

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

- Electricity: 100 % of landlord-obtained consumption is based on available utility consumption data, with 0 % estimated.
- Heating: 86.7% of landlord-obtained consumption is based on available utility consumption data, with the remaining 13.3% 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.

Our own office utilities consumption is estimated based on the proportion of the total rental floor area occupied by Grand City Properties as we do not occupy the whole building and no sub-meters exist.

Units of Measurement & Normalization

Utilities data are reported based on absolute consumption measured in kWh (energy), t CO₂e (GHG emissions), m³ (water) and m³ and tons (waste).

GHG emissions are reported using location-based conversion factors published by the German Environmental Protection Association.

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 GCP's total direct employees at year end.

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

Segmental Analysis (by Property Type, Geography)

Segmental analysis by geography is not relevant for our portfolio. Our assets are located within Germany and London, and therefore in the same climatic zone. Segmental analysis is instead provided by asset type and is consistent with our financial reporting.

Disclosure on Own Offices

Our own occupied office consumption is excluded from our portfolio data as we are a tenant in the building.

Restatements of Information

2021 figures for our Lost Day Rate have been restated due to a technical error in last year's reporting, where an internal metric using total number of working days as the denominator was reported in place of the Lost Day Rate as prescribed by the EPRA sBPR guidelines, which uses total number of working hours as the denominator. 2021 figures for the absolute waste have been restated due to a technical error where data had not been converted to cubic meters from litres, all 2021 waste data is now reported in cubic meters.

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-DirAbs; 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 Annual Report](#) for the Year Ended December 31, 2022 for further information on our Board composition and selection process.

Assurance

This Non-Financial Report and the data included within it 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 63. The scope of the assurance includes the following EPRA Performance Measures in this report:

- Energy-Int (portfolio)
- GHG-Dir-Abs (portfolio), GHG-Indir-Abs (portfolio)
- GHG-Int (portfolio)
- Emp-Training
- Emp-Turnover

Sustainability Best Practice Performance Measures

EPRA 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	2021	2022	2021	2022
ENERGY	Elec-Abs Elec-Lfl	kWh	Electricity	for landlord shared services	12,442,873	13,925,039	13,189,796	12,264,324
				Total landlord-obtained electricity	12,442,873	13,925,039	13,189,796	12,264,324
				Total tenant-obtained electricity	136,411,707	155,876,902	139,165,315	139,165,315
				Total electricity	148,854,580	169,801,942	152,355,111	151,429,639
				% from renewable sources (landlord shared services)	100	100		
	Fuel-Abs Fuel-Lfl	kWh	Fuel	for landlord shared services	56,980,974	52,339,825	50,177,118	46,096,296
				tenant allocated	178,364,129	165,375,643	158,103,590	145,075,075
				Total landlord-obtained fuel	235,345,103	217,715,468	208,280,708	191,171,371
				Total fuel	235,345,103	217,715,468	208,280,708	191,171,371
				% from renewable sources	0	0	0	
	DH&C-Abs DH&C-Lfl	kWh	District heating & cooling	for landlord shared services	62,221,593	63,160,262	61,973,343	55,029,469
				tenant allocated	190,647,326	200,095,968	197,701,544	175,482,386
				Total landlord-obtained heating & cooling	252,868,919	263,256,230	259,674,888	230,511,855
				Total heating & cooling	252,868,919	263,256,230	259,674,888	230,511,855
				% from renewable sources	0	0	0	
GHG EMISSIONS	GHG-Dir-Abs GHG-Dir-Lfl	t CO ₂ e	Direct	Total landlord-obtained	48,735	44,875	43,107	39,534
				Total Scope 1	11,798	10,787	10,383	9,531
	GHG-Ind-Abs GHG-Ind-Lfl		Indirect	Total landlord-obtained	71,880	79,787	78,583	69,949
				Total Scope 2	17,688	23,039	22,453	20,137
			Indirect	Total tenant-obtained	91,128	90,836	56,130	49,812
				Total tenant-obtained	50,172	57,332	51,185	51,185
				Total Scope 3	141,300	148,167	107,315	100,997
	Total		Scope 1 + Scope 2	29,487	33,826	32,836	29,668	
			Scope 1 + Scope 2+ Scope 3	170,786	181,994	140,151	130,665	
WATER	Water-Abs Water-Lfl	m ³	Water	Total landlord-obtained water (Tenant sub-metered)	5,718,452	2,694,813	1,499,871	1,480,683
WASTE	Waste-Abs Waste-Lfl	m ³	Waste	Total landlord-managed waste (Incl. Tenants)	1,565 ⁽¹⁾	81,450	75,529	76,953
		%		% Recycled	37.05	33.90	35.39	34.74
		tonnes		Total landlord-managed waste (Incl. Tenants)	175	8,575	10,425	8,127
		%		% Recycled	23.15	37.22	29.78	38.20
CERTIFIED ASSETS	Cert-Tot	%	Mandatory (Energy Performance Certificates)	% of portfolio certified by floor area	98.50	95.93	90.93	
				% of portfolio certified by number of properties	97.28	97.09	96.72	

(1) 2021 figures for the absolute waste have been restated due to a technical error where data had not been converted to cubic meters from litres, all 2021 waste data is now reported in cubic meters

EPRA ENVIRONMENTAL PERFORMANCE MEASURES: INTENSITIES

IMPACT CATEGORY	EPRA SUSTAINABILITY PERFORMANCE MEASURES				Total portfolio		Total portfolio	
					Absolute measures (Abs)		Like-for-like (Lfl)	
Environmental impacts	EPRA code	Measurement unit	Indicator	Boundaries	2021	2022	2021	2022
ENERGY	Energy-Int	kWh / m ² / year	Heating Energy Intensity		142.73	131.64	144.63	130.33
		kWh / m ² / year	Total Energy Intensity (partly estimated)		186.18	178.11	191.72	177.13
GREENHOUSE GAS EMISSIONS	GHG-int	kg CO ₂ e / m ² / year	GHG Intensity	(Scope 1+ Scope 2) / m ²	8.62	9.26	10.15	9.17
				(Scope 1+ Scope 2+ Scope 3) / m ²	49.93	49.81	43.32	40.38
WATER	Water-Int	m ³ / m ² / year	Water Intensity		3.27	2.11	1.81	1.79

EPRA ENVIRONMENTAL PERFORMANCE MEASURES: COVERAGE AND ESTIMATION

IMPACT CATEGORY	EPRA code	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES		Total portfolio		Total portfolio	
				Absolute measures (Abs)		Like-for-like (Lfl)	
Environmental impacts	EPRA code	Indicator		2021	2022	2021/2022	
ENERGY	Elec-Abs Elec-Lfl	m ² of applicable properties	Electricity disclosure coverage	3,425,770	3,653,672	3,235,538	
		%	Proportion of electricity estimated	90.63	91.21	91.34	91.90
	Fuel-Abs Fuel-Lfl	m ² of applicable properties	Fuel disclosure coverage	1,391,922	1,431,792	1,256,527	
		%	Proportion of fuel estimated	24.20	8.15	5.60	
	DH&C-Abs DH&C-Lfl	m ² of applicable properties	Heating & cooling disclosure coverage	2,028,696	2,221,880	1,979,011	
		%	Proportion of heating & cooling estimated	35.20	17.51	18.28	
GHG EMISSIONS	GHG-Dir-Abs GHG-Ind-Abs GHG-Dir-Lfl GHG-Ind-Lfl	m ² of applicable properties	GHG Emissions Disclosure Coverage	3,420,618	3,653,672	3,235,538	
WATER	Water-Abs	m ² of applicable properties	Water disclosure coverage	1,751,269	1,277,110	829,201	
WASTE	Waste-Lfl	m ² of applicable properties	Waste disclosure coverage	954,054	1,099,517	954,054	

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	%				0,1	0,4	9,1	27,4	24,4	19,7	9,8	5,7	3,3

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)	
					2022	2021	2022	2021	2022	2021
ENERGY	kWh	Elec-LfL	Electricity (indirect)	Total Grand City Properties obtained	49.919,00	66.232.00	652.583.64	801.794.00	702.502,64	868,026.00
		DH&C-LfL	Heat (indirect)	Total Grand City Properties obtained	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Fuels-LfL	Fuels (direct)	Total Grand City Properties obtained	219.314,00	287.225.65	2.151.322.23	2.009.027.21	2.370.636.23	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)					2,063.82	2,413.63	18,897.31	18,593.00	20,961.13	21,006.63
GREENHOUSE GAS EMISSIONS	t CO ₂ e	GHG-Dir-LfL	Direct	Scope 1	44.12	57.79	432.82	404.20	476.94	461.98
		GHG-Indir-LfL	Indirect	Scope 2 (location-based)	18.36	24.36	240.02	294.90	258.38	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)					2,063.82	2,413.63	18,897.31	18,593.00	20,961.13	21,006.63
WATER	m³	Water-LfL	Water	Total Grand City Properties obtained	2,840.00	1,058.76	3,768	3,946.19	6,608	5,004.95
No of applicable locations					3\3	3\3	9\9	9\9	12\12	12\12
applicable net rent area (m²)					2,063.82	2,413.63	18,897.31	18,593.00	20,961.13	21,310.63
WASTE (LANDLORD HANDELED)	m³	Waste LfL	Waste	Total waste	472.80	228.80	1,033.58	1,033.58	1,290.98	1,262.38
				% recycled	47	50	33	33	39	41
	tonnes			Total waste	59	59	129	129	188	188
				% recycled	57.08	57.08	57.08	57.08	57.08	57.08
No of applicable locations					3\3	3\3	9\9	9\9	12\12	12\12
applicable net rent area (m²)					2,063.82	2,413.63	18,897.31	18,593.00	20,961.13	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)					2,063.82	2,413.63	18,897.31	18,593.00	20,961.13	21,006.63

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES		2022	2021	% CHANGE
ENERGY	kWh/m ² /year	Energy-Int	Building energy intensity	146,61	150,63	-2,67
GREENHOUSE GAS EMISSIONS	kg CO ₂ /m ²	GHG-int	Greenhouse gas Scope 1 and 2 intensity from building energy	35,08	37,19	-5,67

EPRA SBPR SOCIAL & GOVERNANCE PERFORMANCE MEASURES

EPRA CODE	UNIT OF MEASURE	2021	2022
Diversity-Emp	% female (Board)	33	33
	% female (Management)	40	40
	% female (all employees)	52	52
Diversity-Pay	Ratio of basic salary and remuneration of women to men (Board)	n/a	n/a
	Ratio of basic salary and remuneration of women to men (Management)	0.65:1	0.77:1
	Ratio of basic salary and remuneration of women to men (Non-management)	0.84:1	0.92:1
Emp-Training	Average hours of training per year per employee	6.88	15.98
Emp-Dev	% of total workforce with performance appraisals	20.38	16.53
Emp-Turnover	Total number of new hires	167	222
	Rate (%)	19	25
	Total number of leavers	232	214
	Rate (%)	20.30	19.33
H&S-Emp	Injury Rate	0.0024	0.0087
	Lost day rate	0.00005 ⁽²⁾	0.00005
	Absentee rate	6.6	9.3
	Fatalities (Total Number)	0	0
H&S-Asset	% of assets undergoing health & safety assessments	100	100
H&S-Comp	Total number of incidents of non-compliance from health & safety assessments	0	0
Comty-Eng	% of assets with community engagement initiatives		
Gov-Board	Total number of executive members	1	1
	Total number of Independent members	2	2
	Average Tenure	6.8	7.8
	Total number with competencies relating to environmental and social topics	2	2
Gov-Select	Description	Please see the Corporate Governance section of our website: https://grandcity-properties.com/en/corporate-governance.html	
Gov-Col	Description	Please see the Board of Directors' Report page 36 of our Consolidated Annual Report for the year ended 31 December 2022.	

(2) 2021 figures have been restated due to a technical error in last year's reporting, where an internal metric using total number of working days as the denominator was reported in place of the Lost Day Rate as prescribed by the EPRA sBPR guidelines, which uses total number of working hours as the denominator.