

GPT'S CORPORATE COMMUNITY INVESTMENT

**Reporting protocol
2020**

1.0 Background and Reporting Categories

Companies regularly engage in activities that can have a positive impact on society; they create wealth and jobs, pay taxes and deliver goods and services. All of these activities are important but are not Corporate Community Investment.

Over and above these activities, GPT has chosen to contribute to community organisations and engage in activities to address a range of issues and causes relevant to the communities where we do business. This voluntary engagement with different types of organisations is what is meant by Corporate Community Investment.

GPT's Community Engagement Policy commits GPT to "creating and managing assets that reflect local communities by incorporating local culture, the environment and community priorities in both their design and operation".

Our approach is guided by GPT's vision and purpose:

- ***Vision: "To be the most respected property company in Australia in the eyes of our Investors, People, Customers and Communities".***
- ***Purpose: "We create value by delivering superior returns to Investors, and by providing environments that enable our People to excel and Customers and Communities to prosper".***

GPT contributes to the community through a wide range of mechanisms, including long-term partnerships, one-off donations and leveraging the skills of our people. These protocols provide a consistent and transparent definition for measuring and reporting the inputs (contributions), and where possible the outputs (what happens) and outcomes (what changes) of GPT's Corporate Community Investment.

We acknowledge that most of our reporting is focused on inputs; we continue to work towards better understanding, measuring and reporting on outputs and outcomes.

1.1 Defining 'community'

When considering the term 'community' in the reporting context, it is important to consider the breadth of the meaning:

- In the broadest sense it means members of society as a whole;
- In relation to our office assets 'community' refers to the tenant and occupant community and their visitors – the group of people that come together in the building each day and may also include other people within the precinct of the building and immediate surrounds;
- For our retail assets it means the community of tenants, tenant workers, shoppers and people living in the surrounding precinct; and

- From a corporate perspective, community may reference our employee community, the broader property industry or extend through to the global community.

Community is therefore a broad term that covers a number of different stakeholder groups when applied to GPT.

1.2 Assets included in Community Investment Reporting

GPT reports on the community investments associated with assets that we have 100% management control over. This is consistent with prior years. Refer to Appendix 2 for a complete list of these assets.

This boundary is reported in a transparent manner so that external stakeholders understand what has and has not been included in GPT's Corporate Community Investment reporting.

2.0 Corporate Community Investment categories

Note: all figures are reported excluding GST.

How we contribute		
Cash contributions	Sponsorships and donations	These are direct payments or donations in support of community organisations or projects to a registered charitable / not-for-profit organisations / foundations. Costs associated with delivering corporate outcomes are excluded such as corporate branding or function costs. Line items greater than \$100 only are included.
	GPT Foundation activities	This includes investment in and donations to our seven Foundation community partners, matching of workplace giving facilitated through GPT's Give for Change program, and support for GPT employees in personal fundraising activities.
	Direct shared value community investment	This is expenditure on the delivery of community initiatives that can be attended without commitment of cost by community members. This also includes facilities and services that are outside what could be considered minimum business requirements and that deliver both a business and community outcome. A useful guide is to consider the types of facilities and services that local councils would provide such as playground and free family entertainment with no obligation to spend. Line items greater than \$100 only are included.

		<p>We will not include:</p> <ul style="list-style-type: none"> • Costs or portion of costs associated with company branding or retail activities with a primary focus of increasing sales revenue; and • Facilities that are require for the business basic (e.g. toilets) <p>As per 2018 and 2019, the following previously included expenses will be <u>excluded</u>:</p> <ul style="list-style-type: none"> • Free WIFI installation and on-going costs will be excluded as these are considered to be business basic. • CCTV and on-going management costs will be excluded as while they play a key role in keeping the community embers in our assets safe and secure, they are considered to be business basics. <p>The kinds of facilities and services that will be <u>included</u> in this category are:</p> <ul style="list-style-type: none"> • Playgrounds and on-going management costs: playgrounds located at our assets can be used by anyone, without any requirement to spend money at the asset. The inclusion of a playground is not necessary (e.g. considered business basics) to be able to run one of our assets; • End of trip facilities and on-going management costs; these facilities are attractive from a business perspective but are not required for the asset to operate and are available to the entire tenant community; • Investment into the redevelopment of and furniture for publicly accessible common areas; similar to the playground above, common areas at our assets can be used by anyone without any requirement to spend money like lobby's. <p>We will include a conservative estimate of the on-going management costs as relevant to the above.</p>
Time	Time through volunteering	The value of time spent on activities by GPT employees that most accurately reflects the

		<p>true cost to GPT of our employees actively participating in a community event during paid working time.</p> <p>We will include:</p> <ul style="list-style-type: none"> • GPT permanent and fixed term employees volunteering their time in paid work hours with community organisations; and • Volunteering activities in work time including on-going participation in community support positions for not for profits or industry organisations (such as the Property Industry Foundation) that contribute to improved community outcomes are not currently recorded in a central data base, nor are they material to GPT's overall community engagement investment figure, and so are excluded. <p>This is consistent with the approach from prior year.</p>
Management Costs	Management Costs	<p>This captures the costs incurred in making corporate community investment contributions. This includes the costs of overall program management, not time spent on specific community projects.</p> <p>We will include:</p> <ul style="list-style-type: none"> • Roles or part roles that have defined community engagement and outcome targets; • Research, training and professional advice costs with the objective of improving community outcomes; • Employees contributing to GPT's Diversity and Inclusion Committees and Working Groups, and their related activities; • Reconciliation Action Plan learning and development costs and the hours employees participate in these formal learning activities (consistent with 2019); • Corporate memberships that bring value to GPT and enhance our ability to make good corporate community investment decisions.
In-kind – non cash resources	In kind provision of space at our properties and other resources	Contributions of non-cash resources to the community. For GPT this will generally be space (e.g. NLA), including free casual / discounted leasing and space available for community

		<p>facilities / operations. It may also include other corporate resources such as IT equipment, used furniture, access to meeting rooms etc.</p> <p>We will:</p> <p>Report a conservative value of what it costs the company in direct costs to make the space available; this will include using our protocol for valuing space contributions (see below).</p> <p>We will take a conservative approach to valuing other items that have been giving to charity throughout the year.</p>
Leverage	Facilitated third party contributions e.g. employees giving through payroll	<p>The contributions paid by GPT employees through the Give for Change program will be included in the Corporate Community Investment figure.</p> <p>This is consistent with the approach from the prior year.</p>

3.0 Corporate Community Investment focus

GPT has identified the following material issues of focus relevant for the business, that we believe we can influence through our operations and activities. These are:

- Healthy Communities;
- Inclusive Communities;
 - o Particularly through our Reconciliation Action Plan
 - o Diversity and Inclusion Working Group
- Connected Communities;
 - o Particularly with a local lens to our operations.

Aligned to this is the GPT Foundation's focus on Youth at Risk, and the Group's asset management practice of working, thinking and operating with a 'local' mindset.

4.0 Data capture and systems

The data for all of the above detailed categories of investment is drawn from a number of different systems across the organisation, including People and Performance systems, SAP and Salesforce.

5.0 Reporting Protocols – Cash contributions

5.1 Sponsorships and donations

Monetary contributions to community initiatives and organisations, only the component that is aimed at community outcomes and exclusive of any branding or marketing elements that are not cause related. This will include advertising of charity programs, cause related marketing, sponsorship of cultural events, Social Sponsorship, community sports sponsorship, support for research, charity fundraiser activities etc.

Once the cost is identified as a sponsorship that contributes to community outcomes and any branding costs are excluded then it is valued as the cost of procurement (ex GST) with the SAP or credit card payment identified code used to verify payment. The payment date is used to qualify the investment period.

If the branding costs are not identified separately in the ledgers, the best estimate of the cost to install the branding is deducted from the sponsorship contribution as these are about servicing our needs as opposed to achieving community outcomes. If the direct cost of servicing our requirements are negligible (less than 5% of the sponsorship value) then it is acceptable to ignore these costs given that there are often unreported management contributions that will be equivalent to these amounts.

5.2 GPT Foundation activities

GPT is contributing to the community through the GPT Foundation. The GPT Foundation has been established to create the most value that we can in the community by providing exciting and different ways for our employees to contribute. The Foundation, governed by an employee committee, enables GPT to make long term commitments and deliver real community value, aligned to our company vision and purpose.

GPT will report the funds released into the community in a year as part of the annual contribution. This will include:

- Donations to our seven community partners
- Matching of workplace giving contributions of GPT people
- Costs associated with asset-based community events and special projects, funded by the GPT Foundation
- Support for GPT employees in personal fundraising activities
- Other fundraising activities with our partners
- GPT Community Day costs (expenses incurred to purchase necessary materials to complete community day activities).

5.3 Direct shared value community investment

This category includes the types of community events, facilities and services that local councils would provide but excludes those that are considered business basics such as toilets. This includes item such as playgrounds, no obligation and free or subsidized community events and entertainment, free

mobility equipment, community notice boards, end of trip facilities, infrastructure set up for community outcomes (e.g. food recovery cool room) etc.

Once the cost is identified as a Direct Community Investment, it is valued as the cost of procurement / development (ex GST). As with sponsorship and donations, any branding costs are excluded. The payment date is used to qualify the investment period.

6.0 Reporting protocols - Time

6.1 Volunteering time value

The dollar value contributed by GPT through employees donating a day of time e.g. number of employees involved in community day x average daily salary of all employees on that day.

The number of volunteers as a percentage of eligible employees is also reported, as too all employees involved in the GPT Foundation through giving time, donations or fundraising.

Employees will donate time to the community through Community Day, other GPT supported and approved volunteering activities, and by volunteering with community organisations aligned to personal passions. These activities would usually be associated with not for profit organisations (e.g. registered charities) and foundations.

When identifying the appropriate value of time, GPT balances the realistic costs for volunteering contributions with protecting individual employee's private remuneration information.

Consequently, an average hourly salary rate is calculated (removing the top 20 salaries across the organisation given that these salaries will skew the average figure).

When calculating the percentage of employees participating in volunteering activities, the following calculation is undertaken:

The number of GPT employees attending a Community Day Activity

Number of permanent GPT employees less those ineligible to participate**

** Excludes employees on exam leave, extended leave, annual leave, parental leave, or on unpaid leave.

This methodology is a true reflection of the % of staff that have volunteered; it only takes account of eligible staff (e.g. excluding those on long term leave, parental leave etc) and will not be skewed by potentially material changes that can occur in headcount in the months after Community Day is undertaken, if the year-end figure were to be used. E.g. Community Day occurs in October but if there were a significant redundancy in November / December and the 31 December headcount figure was then used as the divisible, this would show an inappropriately high level of company volunteering.

7.0 Reporting protocol – Management Costs

This includes GPT roles or part of roles that are dedicated to community development and engagement; membership fees to professional organisations involved in community management, research and consultancy costs; the hours GPT employees contribute to leading and driving GPT's Diversity and Inclusion initiatives and their attached activities.

For example, the following would be included: Consultancy, planning, research and development costs, Community Engagement Managers, dedicated Diversity and Inclusion working groups e.g. Reconciliation Action Plan, Diversity and Inclusion, learning and development activities undertaken within Diversity & Inclusion initiatives that support social change (as opposed to professional development that enhances individual career progression), GPT Foundation Committee and activities related to these working groups.

Once a cost is identified as a management contribution to community outcomes then it is valued as the cost of procurement (ex GST) with the SAP or credit card payment identified code used to verify payment. The payment date is used to qualify the investment period.

The valuation of employee time is the same for volunteering time with the key difference being that the work is considered core to a role. The time included in reporting is the time spent on activities with community outcomes, not customer service, sales campaigns or branding.

8.0 Reporting protocol – non cash resources

This includes free casual leasing, community rooms and centres, subsidised rents. Donations of old laptops, furniture etc.

So that in-kind contributions are assessed on the same basis as cash and time contributions, all in-kind contributions are valued at what it has cost GPT to make, not what the beneficiary organisation would otherwise have had to pay.

8.1 Free or subsidised casual leasing for community groups

Day rates for standard sites are based on 1/7th of the standard weekly rate of a standard grade site for that asset and discounted by 25%, to reflect the cost of making the space available:

- Calculating values on 1/7th of the weekly rates rather than day rates is conservative and recognises that most community bookings are days, not weeks;
- The application of a 25% discount on the value of a site is to recognise that the community booking is not a commercial exchange driven by a goal to maximising income. But there is a minimum value at which most casual leasing managers would walk away from a deal as it is not seen as a commercially viable proposition. This minimum value varies from centre to centre but as a general rule, it would be very rare for a discount to exceed 25%. In the interest of taking a conservative and simple approach a 25% discounted rate will be applied to values at all centres.

8.2 Foregone income

This part of the protocol has been developed for those situations where a medium to long term agreement has been entered into, in which GPT provides space to a community organisation with demonstrable foregone income e.g. a commercial opportunity has been turned down in favour of supporting the community.

To calculate the reported community investment in terms of foregone income, it needs to be established whether or not a space could otherwise reasonably be expected to be leased. If the answer is yes, foregone income will be calculated.

If a conscious decision has been made to forego a commercial opportunity to make a profit, then the difference between the income being received and the income that could have been received will be reported as an output.

8.3 Other resources

From time to time GPT is able to make available other resources for the benefit of the community e.g. old laptops. Where this occurs, a conservative estimate of the value of those assets will be attributed, the value being estimated by a relevant internal expert.

9.0 Reporting protocol - Leverage

This is the measure of any additional resources contributed to a community group that come from sources other than the company. Although they are an additional input to the supported organisation, they are reported as an output given that they result from GPT's contribution, encouragement or support. For GPT this will include workplace giving donations by GPT people.

10.0 Other reporting

In addition to the quantitative Corporate Community Investment reporting detailed above, GPT shares other qualitative information on the impact of our corporate community investment activities. See www.gpt.com.au for more information.

Appendix 1: Management costs of direct community investment

Non-periodic costs

If there are large ad-hoc costs such as materials and repairs that occur at unpredictable intervals, then these will be reported when they occur and separately to operational costs. These will generally be captured as **'Direct Shared Value Community investment' costs**. SAP or credit card payment identification should be referenced for procurement costs.

Evaluating operational costs

For evaluation of regular operational costs, we will choose a period that best reflects the management and usage cycles. These costs will all contribute to the operational costs. E.g. for a facility or service that has a cleaning, security and maintenance regime, we will evaluate these costs and interpolate for the reporting period (e.g. a space that has programmed maintenance and detailed cleaning every week).

These costs will only be taken into account when incurred as part of a national contract such as maintenance, security or cleaning, with reference to the appropriate contract costs. We will take this approach based on a cost:benefit analysis of reporting every cost associated with providing a facility or service which would require engagement with every asset's operations and technical managers for every relevant asset. The overall intention of GPT's reporting is to provide a materially relevant figure for our stakeholders.

Operational costs to be considered include:

- Cleaning;
- Security; and
- Ad hoc maintenance.

A conservative estimate of running costs has been advised to be applied to each relevant community facility or service.

Appendix 2: GPT assets included in community reporting

Portfolio	Asset
Retail	Casuarina Square
Retail	Charlestown Square
Retail	Highpoint Shopping Centre
Retail	Melbourne Central
Retail	Rouse Hill Town Centre
Retail	Chirnside Park
Retail	Parkmore Shopping Centre
Retail	Wollongong Central
Office	60 Station Street, Parramatta
Office	4 Murray Rose Avenue, Sydney Olympic Park
Office	Melbourne Central Tower, Melbourne
Office	181 William and 550 Bourke Streets, Melbourne
Office	One One One Eagle Street, Brisbane
Office	580 George Street, Sydney
Office	workplace ⁶ , Sydney
Office	87-91 George Street, Parramatta
Office	32 Flinders Street, Melbourne
Office	Queen & Collins, Melbourne
Office	150 Collins Street, Melbourne
Office	530 Collins Street, Melbourne
Office	655 Collins Street, Melbourne
Office	750 Collins Street, Melbourne
Office	800/808 Bourke Street, Melbourne
Office	Riverside Centre, Brisbane
Office	8 Exhibition Street, Melbourne
Logistics	Citiwest Industrial Estate, Altona North
Logistics	Citiport Business Park, Port Melbourne
Logistics	38 Pine Road, Yennora
Logistics	38A Pine Road, Yennora