

GPT'S CORPORATE COMMUNITY INVESTMENT

**Reporting protocol
2021**

1.0 Background and Reporting Categories

GPT is committed to being a trusted and positive contributor to the communities and networks in which we operate.

GPT's Corporate Community Investment is a measure of the Group's annual social sustainability (including philanthropic) contributions to the people, places and communities where we operate and where our business has impact.

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.

As outlined in our Community Engagement Policy, GPT takes a long term approach to investments, and our assets are significant investments in the communities where they are located.

We recognise that building stronger, more socially and economically resilient communities is mutually beneficial for GPT and the communities in which we operate. We also recognise that to achieve long-term value creation, we must build and continue to strengthen trusted relationship with our communities and our wider network of stakeholders, and be accountable for our commitment.

GPT contributes to the community through a range of activities, including long-term partnerships with non-profit organisations, 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 of GPT's Corporate Community Investment.

We acknowledge that most of our reporting is focused on inputs; we continue to work towards articulating, 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;

- For our logistics assets 'community' refers to the tenant and industry network affiliated with these assets; and
- From a corporate perspective, 'community' references our employee community, the broader property industry or extends 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 over which we have 100% management control, consistent with prior years. Refer to Appendix 2 for a list of these assets.

This boundary is transparently reported 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.

Cash contributions	<p>Sponsorships and donations</p> <p>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.</p>
	<p>GPT Foundation activities</p> <p>This includes investment in and donations to our Foundation partners, matching of workplace giving facilitated through GPT's Give for Change program, and support for GPT employees in personal fundraising and donation activities.</p>
	<p>Direct shared value community investment</p> <p>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> <p>We do 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 required for general or basic business operations. <p>The kinds of facilities and services <u>included</u> in this category are:</p> <ul style="list-style-type: none"> • Playgrounds and ongoing 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 (i.e. not considered essential) to be able to run one of our assets; • Investment into the redevelopment of publicly accessible common areas, including furniture; similar to the playground above, common areas at our assets can be used by anyone without any requirement to spend money. <p>We include a conservative estimate of the ongoing management costs as relevant to the above.</p> <p>In prior years we have also reported on End of Trip amenities and their related management costs. These are now recognised as inherent business requirements for Office assets and excluded from our Corporate Community Investment reporting from this reporting year.</p>
<p>Time</p>	<p>Time through volunteering</p> <p>The value of time spent on activities by GPT employees that most accurately reflects the true cost to GPT of our employees actively participating in a community event during paid working time.</p> <p>We include GPT permanent and fixed term employees volunteering their time in paid work hours with community organisations;</p> <p>Volunteering activities in work time include ongoing participation in community support positions for not-for-profits or industry organisations that contribute to improved community outcomes are excluded from reporting as they are not currently recorded in a central database, nor are they material to GPT’s overall community engagement investment figure.</p> <p>This is consistent with the approach from prior years. Due to COVID-19 health restrictions, volunteering has been limited in 2020 and 2021 and is reflected in the data reported.</p>
<p>Management Costs</p>	<p>Management Costs</p> <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 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 prior years), and • Corporate memberships that bring value to GPT and enhance our ability to make good corporate community investment decisions.
<p>In-kind – non cash resources</p>	<p>In kind provision of space at our properties and other resources</p> <p>Contributions of non-cash resources to the community. For GPT this will generally be commercial space within an asset (e.g. NLA), including free casual / discounted leasing and space available for community facilities / operations. It may also include other corporate resources such as IT equipment, used furniture, access to meeting rooms etc.</p> <p>We 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 take a conservative approach to valuing other items that have been given to charity throughout the year.</p>
<p>Leverage</p>	<p>Facilitated third party contributions</p> <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 themes that form our social sustainability framework, which shape our activities to ensure these have meaningful impact . These are:

- **Local:** we take a local lens to our activities, tailoring our approach to the stakeholders involved and impacted, particularly at our assets and we recognise our assets are unique communities

- **Connected:** our way of doing business and our assets foster social connection and business productivity.
- **Well:** our way of doing business and our assets are safe environments that support physical, mental and economic wellbeing.
- **Inclusive:** our way of doing business and our assets are accessible, culturally safe and socially inclusive.

The GPT Foundation also adopts these principles with its activities, focusing on Australian charities and its primary partners support Youth at Risk. Our Reconciliation Action Plan and broader commitment to inclusive leadership practices in our business operations and beyond further reinforce these objectives.

4.0 Data capture and systems

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

5.0 Reporting Protocols – Cash contributions

5.1 Sponsorships and donations

This includes 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 activities such as advertising of charity programs, cause related marketing, sponsorship of cultural events, Social Sponsorship, community sports sponsorship, support for research, charity fundraiser activities.

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

The GPT Foundation provides a dedicated function and network within GPT to support philanthropic activities including donations to Australian registered charities and employee engagement with non-profits through campaigns like volunteering, fundraising and donations. The Foundation is governed by an employee committee and enables GPT to make continued contributions to our communities.

GPT reports the funds provided to community partners in a year as part of the annual contribution. This includes:

- Donations to our formal non-profit 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 campaigns and activities with our partners and non-profit partners, and
- 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 general amenities. This includes items such as playgrounds, no obligation and free or subsidised community events and entertainment, free mobility equipment, community notice boards, infrastructure set up for community outcomes (e.g. food recovery cool room) and community rooms.

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 as part of the Foundation's campaigns for that year.

Employees will donate time to the community through Community Day and other GPT supported and approved volunteering activities. 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:

$$\frac{\text{The number of GPT employees attending a Community Day Activity}}{\text{Number of permanent GPT employees less those ineligible to participate**}}$$

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

This methodology is a true reflection of the percentage of staff that have volunteered; it only takes account of eligible staff (e.g. excluding those on long term leave, parental leave) 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. For example, 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.

Example inclusions: consultancy, planning, research and development costs, Community Engagement Managers, dedicated Diversity and Inclusion People team members and working groups (e.g. Reconciliation Action Plan and GLAD – GPT's LGBTIQ+ working group) learning and development activities undertaken within diversity and 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 and similar.

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 1/7 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 1/7 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. We also recognise there is a minimum value at which most casual leasing managers would not progress with 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, 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 makes 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 and our annual Sustainability Report.

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. For example, 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 Shopping Centre
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	32 Smith Street
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
Logistics	Rosehill Business Park, Camellia
Logistics	10 Interchange Drive, Eastern Creek
Logistics	54 Eastern Creek Drive, Eastern Creek
Logistics	50 Old Wallgrove Road, Eastern Creek
Logistics	16-34 Templar Road, Erskine Park
Logistics	36-52 Templar Road, Erskine Park
Logistics	54-70 Templar Road, Erskine Park
Logistics	67-75 Templar Road, Erskine Park
Logistics	29-55 Lockwood Road, Erskine Park
Logistics	57 & 89 Lockwood Road, Erskine Park
Logistics	128 Andrews Road, Penrith
Logistics	42 Cox Place, Glendenning
Logistics	4 Holker Street, Newington

Portfolio	Asset
Logistics	83 Derby Street, Silverwater
Logistics	3 Figtree Drive, Sydney Olympic Park
Logistics	6 Herb Elliott Avenue, Sydney Olympic Park
Logistics	Quad 1, Sydney Olympic Park
Logistics	Quad 4, Sydney Olympic Park
Logistics	372-374 Victoria Street, Wetherill Park
Logistics	38 Pine Road, Yennora
Logistics	38A Pine Road, Yennora
Logistics	18-24 Abbott Road, Seven Hills
Logistics	1A Huntingwood Drive, Huntingwood
Logistics	1B Huntingwood Drive, Huntingwood
Logistics	104 Vanessa Street, Kingsgrove
Logistics	64 Biloela Street, Villawood
Logistics	30-32 Bessemer Street, Blacktown
Logistics	Citiport Business Park, Port Melbourne
Logistics	21-23 Wirraway Drive, Port Melbourne
Logistics	Citiwest Industrial Estate, Altona North
Logistics	Sunshine Business Estate, Sunshine
Logistics	396 Mount Derrimut Road, Derrimut
Logistics	21 Shiny Drive, Truganina
Logistics	2 Prosperity Street, Truganina
Logistics	25 Niton Drive, Truganina
Logistics	1 Botero Place, Truganina
Logistics	Foundation Estate, Truganina
Logistics	399 Boundary Road, Truganina
Logistics	235-239 Boundary Road, Laverton North
Logistics	59 Forest Way, Karawatha
Logistics	55 Whitelaw Place, Wacol
Logistics	2 Ironbark Close, Berrinba
Logistics	30 Ironbark Close, Berrinba
Logistics	1 Wattlebird Court, Berrinba