

# Sustainability Basis of Preparation & Glossary

GPT's reporting of environmental and social sustainability data is in accordance with our Basis of Preparation (this document) and aligned to the relevant Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and other standards noted, such as the Greenhouse Gas Protocol. We maintain robust data coverage, collection, cleansing and communication methods through our Environmental Data Guideline and Community Investment Reporting Protocol.

Our data is assured annually in accordance with relevant assurance standards for non-financial reporting. Assurance statements for the current year can be found on our [website](#). Where data is not in the scope of assurance, this is footnoted inline or outlined in this document.

GPT employs an ISO-based approach to managing ESG risks and opportunities, including through our ISO14001 certified Environmental Management System (EMS). This includes:

- determining our material impacts and understanding stakeholders' expectations;
- setting policies and objectives to address these;
- establishing comprehensive and systematic methods for delivering on objectives;
- ensuring rigorous data management; and,
- implementing a system of continuous improvement.

To support this GPT maintains mature data capture, management, storage and review methods. We utilise a number of platforms, such as envizi, to improve the reliability and integrity of data management and use these platforms to derive insight, inform decision-making and track accountability for delivery of both sustainability and commercial objectives. We apply the principles of simplicity, accountability, integrity and transparency in these systems and increasingly seek to automate and verify data capture and integrity as the data sources increases in materiality to the total data set.

Our approach, including controls and incentives for delivery, the platforms and accountabilities we use and other procedures has been recognised as world-leading for over a decade through investor benchmarks such as the S&P Global Corporate Sustainability Assessment and Global Real Estate Sustainability Benchmark (GRESB).

## General

<b>Reporting Scope: Operational control and managed activities and services only</b>	GPT applies the concept of operational control to guide the scope of our ESG data and disclosure. Further scope is detailed in the social and environmental BoP and glossary that follows. In example: <ul style="list-style-type: none"> <li>• Environmental data is reported where GPT has operational control over the activity, such as at an asset where GPT has an ownership interest that is under the operational control of the building owner or a building manager engaged by the building owner. Data is not reported where GPT does not have operational control, such as where a tenant principally manages and controls an asset.</li> <li>• Social data is reported where GPT has control and management of the activity or asset. This excludes assets managed by external property managers and includes the community-related investments up to the date of an asset divestment.</li> </ul>
<b>Reporting Scope: Building Certification</b>	GPT reports current building certifications and ratings (such as Green Star, NABERS or Climate Active) current as at: <ul style="list-style-type: none"> <li>• For historical years: as at 31 Dec for that year; and,</li> <li>• For the current reporting period: as at 31 Dec of the previous year or 30 Jun of the current year, whichever is most recent.</li> </ul>

## Environment

<b>Reporting Scope: Base building</b>	Environmental performance data is reported for base building uses for assets within the Reporting Scope. Where environmental performance data for assets under the operational control of tenants and/or non-base building uses cannot be separated from that of base building use data (eg. not metered and/or measured with integrity), these amounts are included in the Reporting Scope.
<b>Reporting Scope: Ownership interest</b>	Assets in which GPT (and associated funds) has an ownership interest in are reported on a 100% equivalent basis, despite our ownership interest, unless otherwise noted. This includes assets managed by GPT as well as those managed by other property managers (eg. JLL, DEXUS).
<b>Reporting Scope: Core assets only</b>	Environmental performance data is not reported for assets intended for sale or under development, or deemed peripheral/non-core. Peripheral sites are identified as those with: <ul style="list-style-type: none"> <li>• immaterial impact on the portfolio's environmental impact through minimal base building consumption (&lt;1% portfolio total energy, water, emissions or materials recovery); or</li> <li>• limited financial materiality to the portfolio (&lt;1%).</li> </ul> <p>A list of all assets and their inclusion is in the <a href="#">Environmental Data Dashboard</a>.</p>
<b>Reporting Scope: Operational for the full year</b>	Environmental performance data is reported for assets that have been operational (eg. not under development) and in which GPT (and associated funds) has had an ownership interest for the full 12 months of the reporting period in order to enable longitudinal trend analysis and minimise distortions in the portfolio and asset-level reporting. For example, assets that commenced operations following development or investment part-way through the year are excluded.
<b>Reporting Scope: Prior period errors &amp; missing data</b>	Any minor data reporting errors identified or missing data due to delay in invoice receipt will be corrected in the next possible reporting release.
<b>Reporting Scope: NGER variations</b>	Energy and greenhouse gas emissions reporting will vary to our submission under the National Greenhouse and Energy Reporting (NGER) Scheme due to: <ul style="list-style-type: none"> <li>• Differing timeframes: NGERs results are for the year to June and GPT results are for the year to December.</li> <li>• Differing definitions of operational control within buildings and in treatment of jointly owned properties, eg. reported results include assets in which GPT has an ownership stake but does not have operational control according to NGER interpretation.</li> </ul>
<b>Energy and emissions: overview</b>	Our energy and greenhouse gas footprint is calculated in accordance with the principles contained within the Greenhouse Gas Protocol (GHG Protocol) Corporate Accounting and Reporting Standard developed by the World Business Council for Sustainable Development and World Resources Institute, including GHG Protocol Scope 2 and Scope 2 Guidance Amendments.

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## Environment (continued)

### Energy and emissions: energy

Energy is reported according to:

- its renewable status - renewable vs non-renewable, where renewable is zero emissions energy; then,
- generation location relevant to where it is consumed - onsite vs offsite (for electricity only); then,
- energy type at point of consumption - electricity, natural gas, diesel; then,
- classification by procurement, scheme or requirements, eg. electricity mandatory grid renewable vs voluntary renewable purchases.

For example:

- renewable electricity generated on-site by GPT or a GPT-controlled business is classified as onsite renewables;
- renewable electricity procured as a requirement of the Australian Renewable Energy Target is classified as offsite mandatory renewables;
- electricity from tri- or co-generation systems is classified non-renewable onsite electricity, as the building uses it as such.

### Energy and emissions: greenhouse gas emissions

Greenhouse gas emissions are reported in tonnes of CO<sub>2</sub>-equivalent, with the National Greenhouse Accounts Factors (NGAs) or IPCC (for refrigerants) used to derive the Scope 1, 2 & 3 greenhouse gas emissions. Where a Scope 3 emissions factor is not available in the NGAs, these are calculated utilising the factors published in the NABERS verification pathway of Climate Active for Buildings (eg. water & wastewater factors). When reporting emissions:

- Scope 1 emissions include all natural gas and diesel consumption onsite (including for co- or tri-generation systems), as well as fugitive emissions from refrigerant loss;
- Scope 2 emissions, reported as both location-based and market-based (see below), include grid-supplied electricity, with zero emissions for mandatory grid renewables, offsite and onsite renewables where Large-scale Generation Certificates (LGCs) or GreenPower are retired, and onsite renewables where LGCs are not generated. Where LGCs are generated and either sold or held and not retired as at the end of the period, this electricity is treated as non-renewable electricity with equivalent emissions factors as grid electricity.

Scope 3 emissions include those emissions in scope for the NABERS verification pathway in accordance with the Australian Government's Climate Active Carbon Neutral Standard for Buildings. All Scope 3 emissions outside of those required under the Australian Government's Climate Active for Buildings certification are excluded for our assets, as these are outside our operational control, such as the emissions from tenant-controlled activities. See notes below regarding Total Net Emissions, Emissions Intensity and similar conclusive emissions statements and the reporting of Scope 3 emissions. Where services are shared between assets, such as waste services for 550 Bourke Street being reported under 181 William Street, the scope 3 emissions associated with these shared services may be reported under one asset or apportioned according to the NABERS rules and Climate Active Carbon Neutral Standard for Buildings.

### Energy and emissions: Scope 2 emissions - market based method

Renewable energy, or zero emissions energy/electricity is recognised where:

- purchased LGCs have been retired into the Australian Renewable Energy Target scheme as part of mandatory grid renewables requirements;
- purchased LGCs from other offsite voluntary grid renewable projects (eg. GreenPower) have been voluntarily retired; or,
- electricity is generated onsite from renewable sources that is subsequently consumed onsite and the generated LGCs have been voluntarily retired or where LGCs were not generated.

All other electricity that is consumed is treated as contributing to carbon emissions. The emissions are calculated using a Residual Mix Factor (RMF). The RMF is applied to electricity that is:

- purchased from the grid with no associated LGCs; and,
- consumed from on-site generation where LGCs are generated and sold rather than voluntarily retired.

Residual Mix Factors are calculated in accordance with Climate Active's Electricity Accounting Guidance - April 2021, which is aligned with the Property Council of Australia's interpretation of the GHG Protocol's Scope 2 emissions guidance. The RMF is calculated by taking the average NGAs for electricity and adjusting them proportionally upwards (using the Clean Energy Regulator's published national renewable power percentage) to reflect what the emissions factor would be for the non-renewable component of grid electricity.

Prior to 2016, emissions declarations were not separated into both a market-based method and location-based method. Emissions using the pre-2016 method are provided for transition and comparison. The major difference to the current method relates to the emissions accounting of the renewable energy mix of the grid. The updated method now more accurately and fully recognises voluntary purchase, generation and/or sale of LGCs onsite and offsite.

### Energy and emissions: Scope 2 emissions - location-based method

Reflects the emissions intensity of the electricity grid(s) each asset within the Reporting Scope relies on to operate.

This method relies on State emission factors included in NGER and NGA workbooks to convert relevant electricity consumption into greenhouse gas emissions equivalent.

### Energy and emissions: cogeneration & trigeneration accounting

Sites with on-site generation of electricity have the energy recorded at the point of consumption from 2015. Before 2015, energy was recorded at the point of production. For cogen and trigen systems, this update results in the electricity consumption being reported, not the gas used to produce the electricity. The CO<sub>2</sub>-e continues to be recorded from gas consumed to produce the electricity.

### Energy and emissions: Energy Intensity

Energy intensity (MJ/m<sup>2</sup>) refers to net energy consumed within the Reporting Scope over the reporting period per square metre of Lettable Area of Managed Space.

The final number is calculated as follows:  
Energy intensity = Net energy consumed / Lettable Area

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## Environment (continued)

### Energy and emissions: Total Net Emissions (Scope 1 & 2) and Emissions Intensity

GPT calculates total net emissions, emissions intensity and similar conclusive emissions statements as the sum of Scope 1 emissions and Scope 2 market-based emissions, less any carbon offsets relevant to Scope 1 & 2.

As carbon offsets are not purchased with a specific application to an emissions scope and minor variances in basis of preparation between GRI and other reporting standards like NABERS and Climate Active for Buildings can occur at asset-level, GPT calculates Scope 1 & 3 emissions and applies offsets to these scopes in our accounts. Where over-purchase of offsets occurs for a specific scope, these are reported over and above, causing a net positive impact.

Additionally, where renewable procurement might have exceeded base building consumption (eg. where an embedded network is present), the additional LGCs are not treated as an offset (as per the GHG Protocol scope 2 guidance), and are not included in asset-level, fund-level or group-level calculations. A small over-purchase can exist for individual assets. This is not reported in portfolio accounts when communicating energy or emissions performance.

### Energy and emissions: carbon offsets and carbon removal investments

Carbon offsets are deducted from base building emissions, including:

- 1) offsets relevant to Scope 1 & 2 emissions procured by building tenants relating to their share of base building emissions;
- 2) GPT's stapled offset units (2 tonnes for every 1 tonne required) relevant to Scope 1 & 3 emissions procured by GPT, comprising
  - a) a certified offset accepted by Climate Active for Buildings, and
  - b) a carbon removal offset from local reforestation and biodiversity efforts calculated based on a deeming method not currently recognised by a certification scheme with a public register for retirements but with assurance over their processes. These offsets support GPT's net positive and biodiversity objectives, as outlined in our paper "".

Where a building delivers carbon neutral operations there is potential for the carbon offsets to take the building's impact beyond carbon neutrality, due to:

- a) GPT's stapled offsets (noted above);
- b) tenants' continued purchase of offsets for base building emissions impact, despite Climate Active for Buildings certification; or,
- c) an overlap of tenant-purchased offsets for Climate Active for Organisations certification compared to the building's Climate Active for Buildings Rating Period. This may occur in the year certification is first delivered.

For consistency, to reduce the chance of double-counting and reduce reporting burden, following Climate Active for Buildings certification tenant-purchased carbon offsets are no longer reported. Buildings with Climate Active for Buildings certification have delivered carbon neutral operations and tenants have been told certification to use in their own reporting and activities.

### Water consumption (kL)

The volume of non-potable and potable water used within the Reporting Scope and not returned to the environment or third party as potable water.

### Water intensity

Water intensity (L/m<sup>2</sup>) refers to net water usage within the Reporting Scope over the reporting period per square metre of Lettable Area of Managed Space.

The final number is calculated as follows:

Water intensity = Net Water Usage / Lettable Area

### Energy and emissions: carbon neutral commitment as the basis for estimates between certifications

Where a building has a commitment to maintain carbon neutral certification but may not have purchased and retired the required LGCs or offsets for the time period after the Climate Active for Buildings certified Rating Period until the end of the current Calendar Year:

- a) an estimated LGC retirement top-up is entered to cover the gap of non-contract renewable power; and,
- b) an estimated top-up for carbon offsets is entered to cover the gap within the scope of Climate Active for Buildings requirements.

The next top-up purchases will be made at the point of certification, at the latest, for the relevant building in accordance with Climate Active requirements. The estimate figures will be replaced with an actual figure at this point.

### Materials Recovery and Waste: Total Material

The total weight of materials collected for recovery or landfill disposal (in tonnes) within the Reporting Scope over the reporting period. Where actual weights are not available from collections, site-based weigh-offs for individual service streams are utilised with secondary data checks, in line with industry guidance such as the NABERS Waste Rules and Better Buildings Partnership (BBP) Waste Guidelines and Data Integrity Protocol.

### Materials Recovery and Waste: Outcomes-based Reporting and Outcomes Grades

Graded recovery figures (A-Grade or closed loop, B-Grade and C-Grade) reflect the aggregated total weight (in tonnes) of similar types of materials (eg. glass, fibre, organics, hard plastics) as categorised by the quality of the recycling outcome undertaken by the processing facility.

- A Grade (closed loop) meet closed loop objectives, are able to be used over and over again, are constantly returned to the same production cycle and can be recovered without any consequent hazardous material build-up in the environment.
- B Grade outcomes are downcycled to a lower value product, having a limited number of recovery cycles and producing valueless by-products after several cycles.
- C Grade outcomes are recovery into a product which is a waste diversion process but only available for a single additional application.

GPT's Waste Management and Outcomes-based Reporting Methods are more fully detailed in our paper [Taking the Rubbish Out of Recycling Data](#). They have been used as the basis for industry best practice standards such as the BBP's Guidelines, the NABERS Waste tool and Materials Recovery Score. Our methods enable reporting of material flows in line with circular economy principles and significantly improve data integrity, in contrast to standard practice where recycling figures represent only landfill diversion and are based on non-specific density estimation of the number of bin pickups with no information of how full or what happens to the materials in the bin. When rolled out in 2015, a perceived drop in diversion and recycling rates was visible in disclosures due to increases in data integrity from site- and service-specific density conversions, real weight data, facility processing information, contamination netting and other normalisations.

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## Environment (continued)

**Biodiversity** Biodiversity metrics are based on the sites under GPT operational control using desktop analysis of site area. Important Biodiversity is defined as those sites containing globally or nationally important biodiversity and includes World Heritage, IUCN I-IV protected status or similar significance.

**Performance measures: Sites that undergo further development** Extensions or redevelopment within existing assets will include performance data throughout the development period. This can cause cross-time performance fluctuation for the asset due to operational changes during the works and operational changes (size, hours) or services changes (equipment efficiency) following works.

**Performance measures: Baseline year** GPT sets baselines for environmental performance data as a starting point for future comparison after consistent measurement systems have been established. This enables tracking action over time toward our objectives, like our carbon neutral commitments and other targets. It also enables comparison to our peers and others that track their environmental performance.

- 2005 baseline: for energy, water and waste;
- 2008 baseline: for diesel; and,
- 2015 baseline: for materials recovery outcomes (A-, B-, C-grade)

Where a portfolio or building entered the Reporting Scope following baseline, the baseline is the first full year within the reporting period.

**Performance measures: Managed space used for intensity factors** In calculating space intensity measures (eg. L/m<sup>2</sup>) the intent is to use the total amount of space receiving building services as the denominator. We define this as Lettable Area of Managed Space:

- Lettable Area (office NLA + associated retail GLA) is used for Office
- GLA is used for Retail
- NLA is used for Logistics

GLA and NLA are measured using Property Council of Australia Method of Measurement. Applicable site areas are shown as relevant.

**Performance measures: Avoided use and cost from baseline estimates** Avoided use from baseline is calculated by multiplying the intensity in the baseline year by the Lettable Area of Managed Space for the year in question. This estimated consumption from baseline intensity is then subtracted from the year in question's consumption to calculate an avoided use figure. Avoided cost is calculated by taking this avoided consumption figure and multiplying it by an average estimated unit cost for the utility.

Unit utility cost estimates are based on a selection of invoices for the most recent year reflecting a range of pricing factors eg. location and tariffs. The selection of invoices comes from a simple average of a sample group of GPT managed assets without material impacts from tenants or data anomalies.

## Social

**Average FTE** Average FTE (full-time equivalent) represents the average number of FTE employees for the calendar year, excluding temporary employees and Directors. This figure is arrived at by averaging historical FTE headcount reports from GPT's employee management platform for each month of the calendar year.

**Volunteering Participation** The number of GPT employees who volunteered for community and charitable purposes at least 1 full or 1 half business working day over the reporting year expressed as a percentage of the Average FTE.

**Employees involved in the GPT Foundation** The number of GPT employees who participated in a campaign led by the GPT Foundation such as volunteering, workplace giving or fundraising over the reporting year; expressed as a percentage of the Average FTE.

**Absenteeism** The total number of sick leave days taken during the period by employees entitled to sick leave, including both fixed and permanent employees.

**Total training hours and training hours per Average FTE** Training hours are defined as measured hours of training undertaken by GPT permanent and fixed term employees in the reporting period, excluding Directors. This includes both professional development and mandatory training.

Mandatory training undertaken by employees in the reporting period includes: GPT's Code of Conduct, Workplace Health & Safety, Anti-Bribery, Fraud and Corruption, Cyber Security, Preventing Workplace Bullying and Privacy.

Professional development includes all role-related skills training, leadership and talent programs, wellbeing, diversity and inclusion initiatives, and safety training.

Training hours per average FTE is calculated by taking the total training hours and dividing by the Average FTE figure for the year.

**Percentage of females in the top quartile** Percentage of roles in the top quartile filled by women as at 31 December. Top quartile is defined as the roles that make up the top 25% highest earnings using annualised TPV (base + super), excluding CEO & Directors. Annualised TPV is also referred to as fixed remuneration.

**Gender Pay Gap** Separate percentages of weighted average annualised TPV (fixed remuneration) and total compensation (annualised TPV + incentives) of males and females for employees of the Group, as at 31 December. The data refers to permanent and fixed-term employees including full-time and part-time, job sharing or on extended leave. It excludes the CEO, Directors, contractors, casual employees, seconded employees and employees who have not responded with a defined gender.

**Gender Balance** The total number of employees by gender and by 'Management Level' being similar functions, role scope and responsibilities, over total headcount in that Management Level. The data refers to permanent and fixed-term employees including full-time and part-time, job sharing or on extended leave. It excludes the CEO, Directors, contractors, casual employees, seconded employees and employees who have not responded with a defined gender.

**First Nations representation and LGBTQ+ inclusion** The proportion of employees who identify as of First Nations heritage or Lesbian, Gay, Bisexual, Transgender, Queer or other (LGBTQ+) by nominating one or more of these options in the Group's voluntary annual engagement survey, as a percentage of total survey respondents.

**Code of conduct / workplace behaviour breaches** The number of reported Code of Conduct and workplace behaviour breaches that resulted in a disciplinary action, as managed by the People Team.

**Community investment** 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. GPT's community investment reporting is focused on inputs and actual spend during the reporting period, and is reported in AUD.

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## Social (continued)

### Community Investment: Cash contributions

Total amount in AUD provided in support of:

- Sponsorship and donations: This includes direct monetary contributions to community initiatives or organisations that facilitate community outcomes such as cause-related marketing, sponsorship of specific events and initiatives including fundraising activities.
- GPT Foundation activities: This includes donations to our GPT Foundation partners (registered Australian charities), matching of workplace giving, costs associated with community events in collaboration with our GPT Foundation partners, support provided to GPT employees for eligible fundraising campaigns, and GPT Community Day costs (direct expenses incurred for volunteering projects).
- Direct shared value community investment: This is expenditure on the delivery of community initiatives that can be attended at no cost by community members. It includes facilities and services that deliver both a business and community value as well as a conservative estimate of ongoing management costs, excluding facilities that are required for general or basic business operations. It also includes free, publicly accessible events that foster community and social inclusion, excluding any costs or portion of costs associated with company branding or activities with a primary focus on increasing sales revenue.

### Community Investment: Time through volunteering

Total amount in AUD provided in support of time through volunteering: the value of time spent by GPT employees actively participating in a community event during paid working time. This includes only permanent and fixed term employees, and is calculated using an average hourly salary rate, excluding the Board and Leadership Team to reduce potential data skew. Note this is a change from previous calculation methodology.

### Community Investment: In-kind non-cash resources

Contributions of in-kind provision of space at our properties and other resource donations (such as IT equipment, furniture donations) to community organisations. A conservative value of the direct costs of these items is reported to GPT, and not the value of this product to the beneficiary organisation. Casual leasing costs are calculated using an average and discounted rate, with the average cost per asset calculated excluding high or low values that would skew the data reported. Forgone income is the value of providing commercially viable space on a medium to long term basis to a community organisation or non-profit and is calculated based on the commercial value of that space to GPT.

### Community Investment: Leverage

This is the value of any additional resources contributed to a community group, measured in AUD, from sources other than GPT as a direct result of GPT-led campaigns or initiatives, such as GPT employees giving through a dedicated internally led fundraising campaign for a community organisation. This does not include the fundraising amounts by GPT employees for fundraising campaigns that are public or hosted by non-profit organisations or charities externally.

### Community Investment: Management costs

Total amount in AUD capturing the costs incurred in making corporate community investment contributions, including the costs of overall program management; roles or part roles that have designated community engagement and inclusion objectives; research, training and professional advice costs with the objective of improving community outcomes; employees contributing to GPT's diversity, inclusion and equity activities and related learning and development costs that have an external social benefit; and corporate memberships that enhance GPT's community investment decision-making. Costs relating to benchmark reporting are not included.

The value in AUD is calculated per hour, using the average hourly salary rate, excluding the Board and Leadership Team to reduce potential data skew. Note this is a change from previous calculation methodology.