Climate Disclosure Statement 2021

The GPT Group

Prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Introduction

This Climate Disclosure Statement outlines the steps that GPT is taking to identify, assess and manage climate-related risks and opportunities. The Statement has been prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This Climate Disclosure Statement is applicable to the whole of The GPT Group including GPT Funds Management Limited in its capacity as responsible entity for the GPT Wholesale Office Fund (GWOF) and the GPT Wholesale Shopping Centre Fund (GWSCF). The metrics and targets outlined also apply to the operation of the funds.

Our Climate Disclosure Statement is approved by the Board and prepared in consultation with our cross-functional Sustainability Reference Group, which contributes to the identification of foreseeable climate risks and opportunities and assists in formulating and implementing our ongoing response to climate change.

Contents

Memberships and commitments

WORLD GREEN BUILDING COUNCIL

Climate Active NETWORK MEMBER

CLIMATE GROUP EP100

Sustainability reporting

This Climate Disclosure Statement is part of the GPT corporate reporting suite for 2021. It should be read in conjunction with other reports, statements and resources including:

- **Annual Report** An integrated report summarising the value created by GPT's business activities that includes the annual financial statements for the Group.
- **Environment Data Dashboard** Detailed environmental performance reporting guided by the Global Reporting Initiative (GRI) and assured annually.
- **Sustainability Report** A report guided by the GRI that details our performance, priorities and progress in addressing material sustainability matters. (To be released in April 2022.)
- **Sustainable Debt Framework** A framework outlining how we intend to issue and manage sustainable debt instruments across GPT and its managed funds.
- **GPT Website** Contains information about our enterprise policies, processes, and sustainability initiatives

In addition to the reporting suite, GPT participates in environmental, social and governance (ESG) indices and benchmarks to measure our sustainability performance and provide transparency for our stakeholders.

A message from our
CEO and Managing Director

"GPT's actions to address climate change align with our overarching commitment to sustainability which we believe delivers positive outcomes for our investors, our people, the environment, and the communities in which we operate."

BOB JOHNSTON
CEO AND MANAGING DIRECTOR

The need for urgent global action to address climate change was never clearer or more widely accepted than during 2021, with rising momentum culminating in the COP26 United Nations Climate Change Conference.

The outcome of COP26 highlights the importance of action in this decade to halve emissions by 2030 and have the best chance of keeping global temperature increases below 1.5 degrees Celsius.

The building sector is globally responsible for 35% of energy consumption and 38% of energy-related carbon emissions, and the sector's total footprint is expected to double by 2060.[1]

As the owner and manager of a $26.9 billion portfolio of office, logistics and retail properties across Australia, GPT recognises the importance of identifying, monitoring and transparently reporting the climate change risks and opportunities that could have a material impact on our assets and on the communities in which we operate.

This is GPT's third Climate Disclosure Statement prepared in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It outlines the steps we are taking to identify, assess and manage climate-related risks and opportunities.

We understand the importance of our leading contribution to global climate change mitigation efforts. As such, GPT is leading in its decarbonisation efforts with our emissions reduction targets tracking well ahead of Australia's commitments to the Paris Agreement.

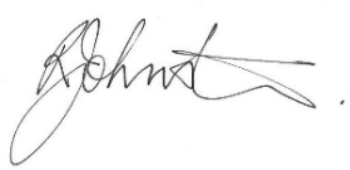
GPT's actions to address climate change align with our overarching commitment to sustainability which we believe delivers positive outcomes for our investors, our people, the environment, and the communities in which we operate.

Our approach has been effective by eliminating emissions through efficiencies and the use of renewables and only purchasing offsets for the residual emissions that can't currently be eliminated. Having achieved the world-leading Carbon Neutral Certification of the GPT Wholesale Office Fund portfolio in 2020, our efforts to certify the broader portfolio continue.

We are on track to achieve our target of Climate Active Carbon Neutral for Buildings Certifications for all GPT owned and managed assets by the end of 2024. This is in addition to our carbon neutral organisation certification, which we have held for more than a decade.

Climate risk considerations inform key decision-making across the Group, both to minimise our emissions and to ensure the resilience of our assets to the changing environment. These range from resilience planning for a fast transition to a low carbon energy supply through to scenario modelling and adaptation planning for future physical impacts during asset acquisitions, major development projects and major lifecycle upgrades.

The contribution of our employees to achieving these goals cannot be overstated and I commend their commitment and ongoing efforts.



BOB JOHNSTON
CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

1. Net Zero Carbon Buildings Commitment, Introduction: Businesses & Organisations, Sept 2021. page 6.

2021 Highlights

82%
emissions intensity reduction since 2005

55%
energy intensity reduction since 2005

210,044tCO2e
emissions avoided in 2021

$42.7m
energy and water costs savings in 2021

Issued $250 million inaugural Green Bond
for the GPT Wholesale Office Fund (GWOF)

Achieved ISO Certification
of the GPT Environmental Management System

Retained Carbon Neutral Certification
for the GWOF portfolio

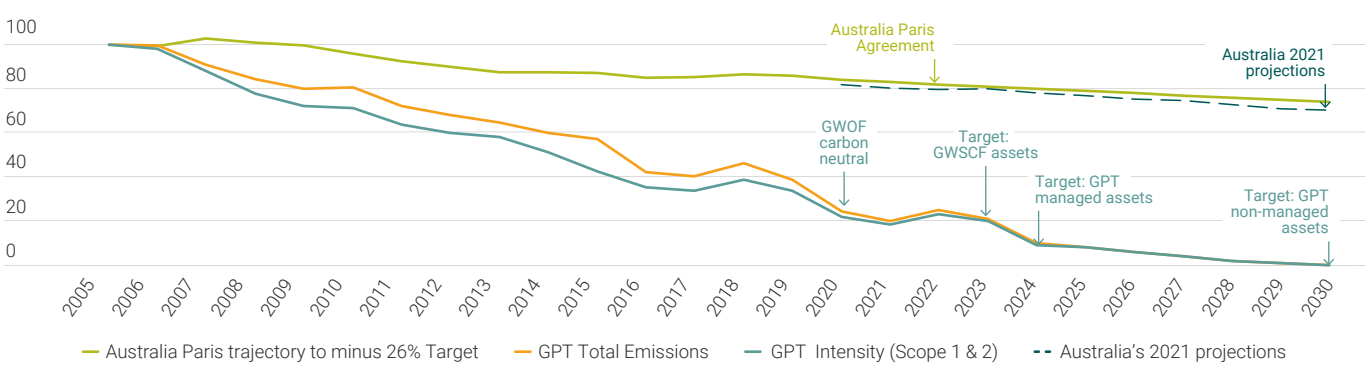
Developed our
Embodied Carbon Strategy

"In 2020 the GPT Wholesale Office Fund set the bar high by delivering the first Carbon Neutral Certified prime property portfolio in the world. Green Building Council of Australia applauds this accomplishment as a stand-out example of what can be achieved as a signatory of the Net Zero Buildings Commitment and we thank GPT for their ongoing leadership in this space."

DAVINA ROONEY
CEO, GREEN BUILDING COUNCIL OF AUSTRALIA

CHART 1: GPT EMISSIONS REDUCTIONS VS AUSTRALIA PARIS AGREEMENT

GPT's emissions reduction pathway tracks significantly ahead of Australia's commitments to the Paris Agreement, ensuring that we contribute to attempts to keep global warming below 2 degrees Celsius and reduce the risk of dangerous climate change. This also reduces GPT's exposure to transition risks and opens up opportunities to benefit from a low carbon future.



Our Carbon Neutral Journey

2005
- GPT starts tracking environmental performance (baseline year)

2007
- GPT begins using GreenPower

2011
- GPT corporate operations receive Carbon Neutral Certification

2017-2018
- Moved forward the Group carbon neutral target from 2050 to 2030
- Moved forward the GWOF carbon neutral target from 2030 to the end of 2020

2019
- GWOF becomes a signatory to the World Green Building Council (WGBC) Net Zero Carbon Buildings Commitment, and joined the EP100 global energy efficiency initiative
- Energy Master Plan is finalised to deliver carbon neutral targets
- First Carbon Neutral Buildings Certifications piloted in Victoria and New South Wales

2020
- First TCFD-aligned Climate Disclosure Statement published
- First GPT building in Queensland certified as carbon neutral
- All operating GWOF assets are certified carbon neutral, becoming the first signatory to deliver their WBGC Net Zero Carbon Buildings Commitment
- Completed demand side flexibility pilot to assist with low carbon energy transition

2021
- GWOF issues inaugural Green Bond
- First Group owned buildings certified carbon neutral
- Developed Embodied Carbon Strategy
- Began implementing portfolio-wide demand side flexibility program

Looking ahead

2023
- Target for all GPT Wholesale Shopping Centre Fund (GWSCF) wholly owned assets to be certified carbon neutral by December 2023

2024
- Target for all GPT managed assets to be certified carbon neutral by December 2024

2025-2030
- Work with joint owners to certify non-managed assets as carbon neutral

CARBON NEUTRAL OR NET ZERO?

Can you compare an organisation that is 'net zero' with one that is 'carbon neutral'? These terms, plus many others, are often used interchangeably to describe an organisation's emissions reduction endeavours.

GPT uses the term 'carbon neutral' to describe our emissions reduction targets and achievements. This aligns with the language of the Australian Government Climate Active Carbon Neutral program, which certifies buildings as operating on a carbon neutral basis. GPT's carbon neutral achievements have all been certified by Climate Active.

The independent certification of our carbon neutral performance by Climate Active is an important aspect of GPT's approach, assuring our stakeholders that our achievements are transparent, credible and to a high standard.

'Net zero' is a more open-ended term that is usually used to describe targets that balance the amount of greenhouse gas produced and the amount removed from the atmosphere on a net annual basis. To understand how 'net zero' is being achieved, it is important to review the reporting boundaries which describe how the carbon emissions and removal are calculated.

Governance

GPT's approach to managing and reporting climate change risks and opportunities is guided by our overarching commitment to sustainability.

The GPT Climate Change and Energy Policy outlines our commitment to carbon neutrality and resilience to climate impacts. We are responding to the transition to a low carbon economy and associated risks and opportunities by managing emissions and energy consumption, and supporting and encouraging our stakeholders in their aligned endeavours to address climate change.

To achieve these policy objectives, we consistently monitor and assess the climate change risks and opportunities likely to impact our assets and incorporate these considerations into capital allocation and operational decision-making, which are described in the Role of Management section on page 5. All submissions to the Investment Committee are required, for example, to address climate risk.

The Group takes a long-term, holistic approach to managing our assets. We regularly and publicly report our sustainability performance and progress with independent verification. We work in partnership with our customers and supply partners to manage our sustainability performance in a way that enables our stakeholders to hold us to account.

Embedding these processes into our management systems enables GPT to play a leading role in the transition to the low carbon economy while also ensuring resilience to potential physical impacts related to climate change.

Climate-related business risks are considered and addressed through the GPT Risk Management Framework, applying the same governance approach to controls and decision-making pathways as other key business risks. The Framework is aligned to ISO 31000:2018.

Our approach to managing environmental impacts from emissions and energy are addressed through an ISO 14001:2015 certified Environmental Management System, and guided by science and a first principles approach.

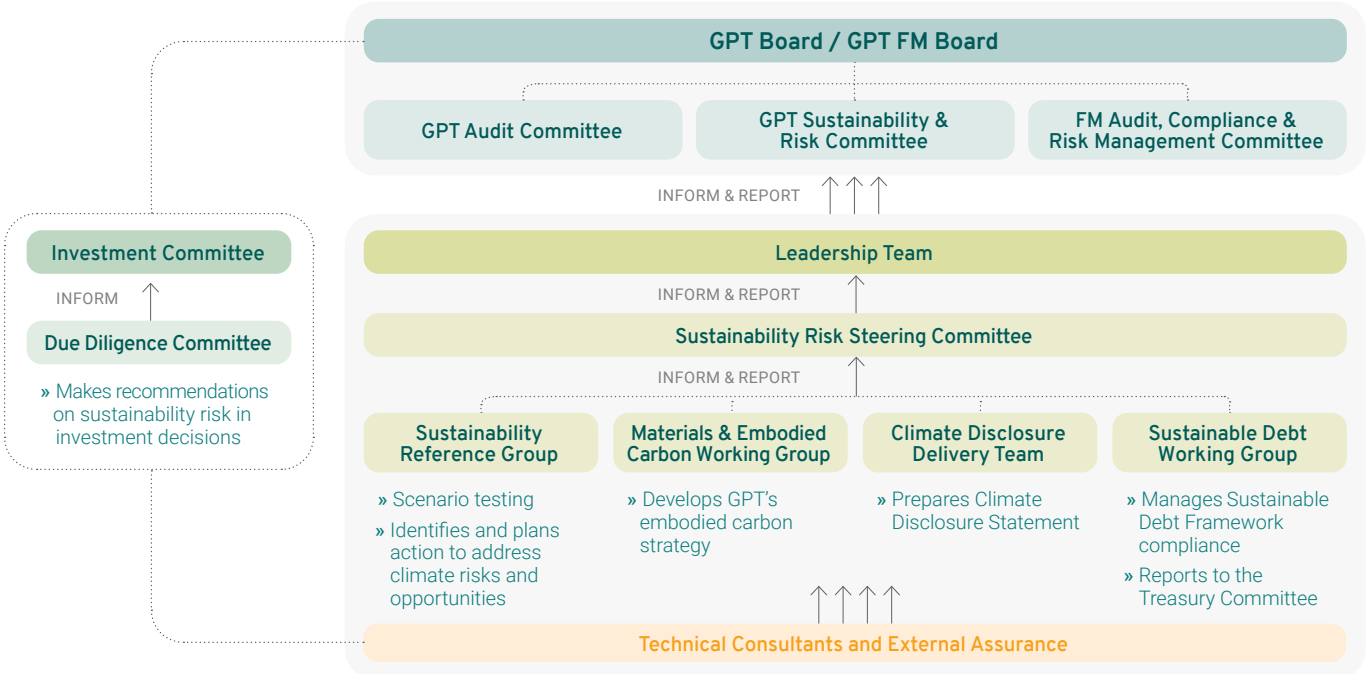
In 2021, GPT established a Sustainable Debt Framework to utilise our leading climate response as an opportunity to access sustainable finance for the Group and our wholesale funds. The Sustainable Debt Framework is available on the GPT website: www.gpt.com.au/sustainable-finance.

The Group's Climate Governance Framework (Chart 2, below) facilitates the systematic management of climate change risks and opportunities across GPT to mitigate potential negative impacts and maximise potential opportunities.

FIND OUT MORE IN THE STRATEGY SECTION.

Find out more about GPT's approach to corporate governance and risk management in The GPT Group Annual Report, Corporate Governance Statement, and on our website.

CHART 2: CLIMATE GOVERNANCE FRAMEWORK




Space&Co, 580 George Street, Sydney

Board Oversight

The key functions of the GPT Board of Directors ('Board') are set out in the Board Charter, which is available on our website: www.gpt.com.au.

The Board has ultimate responsibility for overseeing the application and management of the Risk Management Framework and the Group's Environmental Management System (EMS) to ensure that climate-related financial and environmental risks and impacts are appropriately identified and assessed.

Climate-related risks are considered in the performance of the Board's duties, including in relation to business strategy, major investments and strategic commitments, risk management, and performance metrics and associated remuneration. The Board also consider material climate-related risks in the context of its continuous disclosure obligations.

The Board has a mix of skills and experience to enable it to discharge its responsibilities, including in funds management, property investment and development, taxation, accounting and law, which provide insight into the potential business impacts of climate change. The skills and experience of the Board are reported in the GPT Annual Report. Directors have participated in climate risk training incorporating the TCFD framework. The Board reviews and approves GPT's annual Climate Disclosure Statement.

The GPT Board meets a minimum of six times each year and comprises six independent Non-Executive Directors and one Executive Director. The number of meetings held is reported in the GPT Annual Report, which is available on our website: www.gpt.com.au.

The Board and the Board Committees review GPT's governance to ensure it remains appropriate and takes into account any relevant regulatory changes.

The Board performs the oversight functions described above on behalf of all entities in the GPT Group, including GPT Funds Management Limited (GPTFM). The GPTFM Board, through its Audit, Compliance and Risk Management Committee, receives reports twice annually from GPT's Head of Sustainability and Energy. These reports provide detailed updates on all aspects of GPT's sustainability management, including climate change risk.

Find out more about the GPT Board and corporate governance in the GPT Annual Report and Corporate Governance Statement, and on our website.

Sustainability and Risk Committee (SRC)

The SRC, a sub-committee of the Board, plays a critical role in relation to climate change risk, including:

- Overseeing GPT's approach to sustainability, including environmental and social sustainability and climate change
- Reviewing reports on GPT's Environmental Management System, including related assurance activity
- Monitoring GPT's progress in meeting sustainability targets set by management, and
- Reviewing and recommending to the Board for approval the Group's Climate Disclosure Statement and Sustainability Report.

The SRC receives quarterly reports from management on the identified climate-related risks disclosed in the Climate Disclosure Statement and progress against stated metrics and targets, as well as key projects such as carbon neutral certifications, key asset-level physical risk assessments, solar PV installations and climate adaptation planning.

Climate-related risk disclosures are reviewed by the SRC and the Board on an annual basis during the preparation of the GPT Climate Disclosure Statement.

The SRC meets quarterly with additional meetings scheduled as necessary. The proceedings, deliberations and recommendations from SRC meetings are reported to the Board by the Committee Chairman.

The Audit, Compliance and Risk Management Committee fulfills a similar function for GPT Funds Management.

FIND OUT MORE IN THE METRICS AND TARGETS SECTION.

Audit Committee

The Audit Committee is a sub-committee of the Board that oversees the Group's corporate reporting, treasury, taxation, internal audit and external audit practices. The Audit Committee supports the SRC and the Board on climate-related matters by considering material risks in GPT's financial reporting. The Committee also oversees matters relating to the sustainable debt issued by GPT, together with the SRC. The Committee meets quarterly.

The Audit, Compliance and Risk Management Committee fulfills a similar function for GPT Funds Management.

Role of Management

GPT's Chief Executive Officer and Managing Director (CEO) is accountable for ensuring that the Group is identifying, assessing and managing material risks including climate change and other sustainability risks in accordance with our Risk Management Framework.

The Chief Risk Officer (CRO) is responsible for ensuring GPT's management teams are identifying, assessing and managing climate change risks and opportunities effectively and in accordance with the Risk Management Framework and Environmental Management System.

The Head of Sustainability and Energy reports to the CRO, which ensures a connection and coordination between the EMS and the Risk Management Framework. The Sustainability and Energy Team is responsible for formulating and driving implementation of GPT's environmental sustainability initiatives across the business. This includes initiatives that respond to climate-related matters. In 2021 the team was strengthened with the addition of a Sustainability Risk Analyst, adding specialist climate science skills with a focus on climate risk identification and adaptation responses for GPT's assets.

Governance CONTINUED

GPT recognises the requirement for effective risk management as a core capability and consequently all employees are expected to be managers of risk, including climate risk. On a six monthly basis, all business unit managers review and update their key risk dashboard with members of the Risk team.

The CEO and Leadership Team are informed of and consider climate-related risks and opportunities through quarterly updates provided by the Head of Sustainability and Energy. These updates are in addition to the consideration of climate-related risks and due diligence discussions in the investment and capital allocation decision-making processes (outlined below).

Climate-related management process

GPT has an established Sustainability Risk Steering Committee to oversee our climate disclosures. The Steering Committee reports to the Leadership Team. The Steering Committee's remit was expanded in 2021 beyond its previous climate focus to consider current and emerging environmental risks and opportunities. The Steering Committee consists of the Chief Operating Officer (COO), Chief Financial Officer (CFO), and CRO and meets three times a year. The Steering Committee is chaired by the CRO, who sponsors the Group's response to climate-related risks and opportunities as a member of the GPT Leadership Team.

The Steering Committee is supported by the Sustainability Reference Group (formerly the TCFD Reference Group) and the Climate Disclosure Delivery Team.

The Sustainability Reference Group is responsible for identifying the foreseeable climate-related risks and opportunities and embedding ongoing climate change risk identification and management processes across our business activities. Reference Group members are also responsible for ensuring that climate change planning and mitigation processes are implemented in their business areas to promote longer term business resilience. Each business area within the Reference Group undertakes planning sessions to enhance their relevant risk assessment and mitigation processes.

The Reference Group includes representatives from our Office, Retail, Logistics, Asset Management, Operations, Development, Investment Management, Funds Management, Sustainability, Procurement, Risk and Finance teams. The key roles of the Reference Group have been formalised in the Sustainability Reference Group Charter in May 2021, which was endorsed by the Steering Committee. The Reference Group meets twice a year to discuss existing and new climate-related risks and opportunities, our progress in delivering our committed actions, and for training.

The Climate Disclosure Delivery Team consists of representatives from Sustainability, Finance, and Corporate Affairs, with contributions from other areas as required. The Delivery Team coordinates preparation of the Climate Disclosure Statement and considers developing concepts and best practice reporting on climate matters.

Considering climate factors in major investment decisions

All capital expenditure, acquisitions, divestments and developments with a value of over $5 million are approved by the GPT Investment Committee prior to either CEO or Board consideration and approval.

The Committee meets every two weeks, or more frequently if required. It is chaired by the COO and includes the CEO, the CFO, the General Counsel, the CRO, the Head of Office, the Head of Logistics, and the Head of Retail.

All proposals submitted to the Investment Committee consider sustainability matters. Key risks of each proposal, together with mitigating strategies, are identified as part of this process, which may include climate-related risks.

Where appropriate (for example, in the case of acquisitions), decisions of the Investment Committee are subject to sign off by the Due Diligence Committee, a sub-committee of the Investment Committee. The Due Diligence Committee is chaired by the CRO and is responsible for the review and approval of all due diligence in respect of a proposal approved by the Investment Committee. Members of the cross-functional Due Diligence Committee include representatives from Capital Transactions, Legal, Financial Analysis & Planning, Research, Treasury, Tax, Risk, and Sustainability. A key input to the deliberations of the Due Diligence Committee is the reports of expert consultants, including with regard to sustainability and climate-risk matters which the Head of Sustainability and Energy approves as being aligned with GPT's climate risk appetite.

Sustainable debt finance

GPT's Sustainable Debt Framework outlines how the Group and our managed funds intend to issue and manage sustainable debt instruments, including governance and management processes. The Sustainable Debt Working Group was established in 2021 to ensure our compliance with the Framework, and includes representatives of the Treasury and Sustainability teams, and reports to the Treasury Committee.

Find out more in the GPT 2021 Annual Report and the GPT Sustainable Debt Framework, available on our website.

Accountability for climate targets

Accountability for the Group's sustainability and climate-related targets and outcomes is reinforced through Key Performance Indicators (KPIs) in the performance targets of the CEO, the COO, the CRO, all members of the Sustainability Team and key operational-level team members. In the case of the CEO, COO, CRO and the Head of Sustainability and Energy, these KPIs are directly linked to remuneration outcomes. These climate-related performance indicators are reported to the Sustainability and Risk Committee on a quarterly basis.

Find out more in the Remuneration Report within The GPT Group Annual Report 2021.

Find out more about GPT's external assurance and process in the Environment Data Pack, available on our website.

Highpoint Shopping Centre, Vic

INVESTING IN A FUTURE-PROOF ROOF FOR HIGHPOINT SHOPPING CENTRE

To ensure that our assets are resilient to future climate change impacts, GPT completes and considers climate-related risk reviews when making major asset capital expenditure decisions. This includes lifecycle upgrades to plant and equipment at our assets, such as roof replacements.

At our Highpoint Shopping Centre in north-west Melbourne, the Rosamond Road and Aquatic Drive Level 3 roof had reached the end of its useful life. Its replacement was included in a major refurbishment of the centre that commenced in 2019. With a base scope of works that included the replacement of the roof sheeting, guttering and insulation, a climate risk review was undertaken to ensure that the roof selected would have an expected 50 year lifespan.

GPT engaged XDI (Cross Dependency Initiative) to review the physical climate-related risks at Highpoint that might impact the roof replacement under our high emissions scenario (aligned to RCP 8.5) over the medium to long term. Climate modelling was carried out for the probability of business operation impacts and future damage or impairment to the building due to climate hazards including extreme weather events (including floods and severe convective storms), tidal inundation, bushfire, heatwaves, rising average temperatures, and extreme wind.

The assessment identified two physical climate risks that could be addressed through the roof replacement project: intense rainfall and rising average temperatures.

With the increased likelihood of more frequent intense rainfall in the area, the roof structure and pitch were reviewed and identified as sufficient to weather 1 in 100 year rainfall events out to 2070. However, the capacity of the proposed box gutters would be challenged by these events and could lead to water ingress damage to the building and tenancies. Consequently, engineers designed the guttering and overflows to increase their capacity during extreme rainfall for an estimated additional cost of $100,000.

The climate risk assessment of the roof project also identified a role for the new roof in mitigating the impact of rising average temperatures on the centre. Maintaining comfort conditions and avoiding increases in costs for electricity and equipment for air-conditioning will be challenged by increasing average and highest temperatures. Climate modelling indicated the possibility of an increased number of days exceeding 30 degrees Celsius from under 30 per year to nearly 60 per year in the area by 2070. Selecting suitable roof insulation for these future events as part of the roof replacement will help to mitigate these impacts in the future. The centre's future air conditioning plant will also be designed with these considerations in mind.

The roof structure is also being upgraded to hold a large scale solar photovoltaic (PV) array, as part of the roof replacement project. The solar PV array will contribute to Highpoint's carbon neutral plans and lower its ongoing energy costs.

The findings from the climate risks assessment informed the proposed roof and hydraulics design scope to ensure the asset's resilience for the longer term whilst also reducing the immediate operational cost of heating and air conditioning.

Strategy

The proactive identification and management of key risks and opportunities, including those related to climate change, supports the achievement of our business strategy.

GPT's overarching business strategy is outlined in the Group's 2021 Annual Report. In 2021, our strategy was refined to include sustainability (or ESG) leadership as a strategic priority that will drive our ability to create value into the future.

Our business strategy of owning, managing and developing a diversified, high quality portfolio of property assets located in Australian capital cities and established regional centres positions the Group to manage stresses and shocks, including those from climate change.

This strategy also supports a long-term approach to investment in initiatives to help achieve our sustainability goals, including tools to inform building design and operations, and climate scenario modelling. This benefits our tenants and our broader stakeholders, and improves the resilience of our assets to the impacts of physical climate risks.

We are also taking a leadership role in transitioning our own activities to low carbon operations as well as implementing plans to best manage the broader risks and opportunities of the transition to the low carbon economy. Leading in these fields has been identified as an important differentiator for investors and increasingly for our customers.

Climate-related risk considerations in strategy

Our detailed risk management process to identify and address climate-related risks and opportunities is described in the Risk Management section of this Statement.

Through these processes, together with natural catastrophe modelling and valuations undertaken by our insurers, no specific climate-related risks have been identified which we believe could have a material impact on our current business model or strategy. This is supported by our experience in successfully adapting our approach and activities in response to climate considerations in a way that has reduced operational costs while continuing to manage and develop high quality assets that satisfy market and investor expectations.

Climate scenarios to model future impacts

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on our business and the resilience of our strategy. The two scenarios we have adopted align with the Representative Concentration Pathways (RCP) recommended by the Intergovernmental Panel on Climate Change (IPCC), which describe different climate futures with varied volumes of greenhouse gas emissions and provide guidance regarding the likelihood of physical and transitional risks being realised. We have adopted a low emissions scenario aligned with RCP 2.6 and a high emissions scenario aligned with RCP 8.5.

FIND OUT MORE IN APPENDIX A: EMISSIONS SCENARIOS.

These scenarios are used to test the resilience of the Group's strategy and to develop strategies that address climate-related risks and opportunities. Through a series of Sustainability Reference Group workshops, we have determined the risks, opportunities and strategy impacts of climate change by considering the potential physical and transitional impacts under both the low and high emissions scenarios. Potential physical impacts could affect GPT's assets or the regions they are located in and could damage or limit the asset's capacity to operate. Potential transitional impacts could result from policy, regulatory, or technological change and shifts in market and stakeholder expectations.

FIND OUT MORE IN APPENDIX B: RISK ANALYSIS AND MITIGATIONS.

Timeframes

GPT considered our strategy and response to climate change impacts over the following timeframes when completing the scenario analysis:

Short term
Covers the current business strategy and within which most leases will expire in GPT buildings.

Medium term
Period within which most buildings will require lifecycle works on major capital equipment.

Long term
Coincides with potential major redevelopments for most assets.

Very long term
While business considerations generally don't extend to 2100, for long-term business decisions such as major developments, GPT includes analysis of the most cost effective pathways to maintain resilience in a high emissions scenario.

"GPT's climate strategies ensure that we achieve a positive outcome for the environment through our carbon neutral certification pathway while ensuring that our business is resilient to any risks that may arise from climate change."

JACQUI O'DEA
CHIEF RISK OFFICER

The timeframes are defined with reference to the typical lifecycle of commercial buildings, providing the flexibility to make decisions asset by asset, rather than taking a portfolio-level approach to evaluating risks and opportunities.

For example, an established building that is approaching a major redevelopment, or a new development, will undertake a detailed physical climate risk assessment and develop design and construction responses to improve its resilience to foreseeable physical risks over the next 50 years.

In contrast, an asset built 10 years ago will be approaching a major mechanical plant upgrade. Its scenario-based climate risk assessment will focus on the foreseeable risks to that plant's operation over the short to medium term, to 2040.

The physical risk assessment for a recently developed asset will focus principally on administrative and management control to address current physical risks and maximise opportunities that arise from the transition to a low carbon economy.

Considering potential climate impacts in independent asset valuations

GPT follows property industry practice and processes to obtain regular independent valuations of our real estate assets. Independent valuations consider future operational and capital expenditure, and any income or impairment, which necessarily takes into account the impact of foreseeable climate change risks and our response. Asset valuations are disclosed each year in the Group Annual Report.

Our review processes and mature response to climate-related risks ensures that climate-related financial impacts to our assets are embedded in forward looking capital and operational savings and costs, as forecast future cash flows are used to determine investment property valuations. With climate considerations already included in the results in the current financial report, care must be taken to ensure that this is understood by those using this information, to ensure this impact is not double-counted. The costs and savings associated with the case studies and climate response activities outlined in this Statement are embedded within GPT's financial statements, and should not be considered additional financial disclosure.

Strategy CONTINUED

Mitigation and adaptation strategies

ESG leadership is a strategic priority for GPT and our comprehensive climate response is a key differentiator that demonstrates our leadership. Our commitment to managing our emissions is primarily guided by the scientific imperative of mitigating dangerous climate change by limiting global warming to well below 2 degrees Celsius, aspiring to below 1.5 degrees Celsius. Our experience has also shown us that climate action also has multiple business benefits including lowering operational costs, attracting talent, accessing sustainable finance, and meeting tenant and investor expectations.

Our climate response also considers how we manage the impacts on our business of future scenarios of either fast decarbonisation or continued high emissions. Our own fast decarbonisation journey positions us well to adapt should there be a similarly rapid international response, but we are also investing to adapt our business to climate-related risks and opportunities from a continued high emissions international outcome. Our key mitigation and adaptation strategies are outlined below.

Preference for assets in major cities and urban areas

The majority of assets in our portfolio are located in cities and urban areas, places identified as having a high capacity to adapt to climate change from a socio-economic perspective. Assets located in these areas are more likely to be resilient against the transitional risk impacts of stranded capital or stranded values, which may lead to potential of loss of revenues and devaluation.

Measuring and reducing embodied carbon

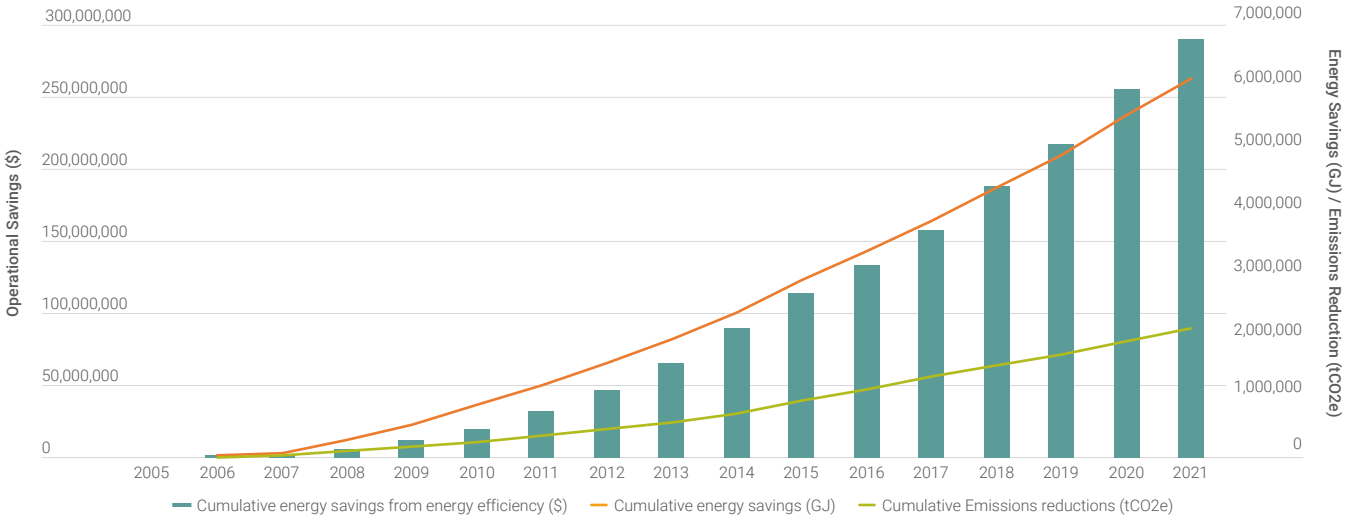
In 2021, GPT established a Materials and Embodied Carbon Working Group to understand, manage and disclose our embodied carbon risks and opportunities. Reducing the carbon embodied in the construction materials of our buildings is the next phase of our emissions reduction program. The Working Group is comprised of the business unit managers from our Retail, Office and Logistics development teams.

GPT has established a three-step strategy to manage embodied carbon which principally stems from development projects:

1. Conducting embodied carbon inventories – these assessments of the material emissions in each development's construction supply chain and materials will provide a foundation for monitoring and improving our decisions regarding the material sources of emissions in developments.
2. Reducing embodied carbon – using the inventory as a basis, we will collaborate with design and construction partners to identify opportunities to reduce embodied carbon in each development. We will also collaborate with suppliers and industry peers to demonstrate our shared appetite for lower embodied carbon development, as these markets develop.
3. Offsetting embodied carbon – while embodied carbon is still a part of the development process, we will use sensitivity analysis for the costs of offsetting emissions that can't be eliminated through the above steps.

As the processes mature, we envisage that these strategies will also be embedded into smaller projects such as tenancy design and life cycle capital works projects.

CHART 3: GPT'S CUMULATIVE EMISSIONS REDUCTION AND ENERGY SAVINGS[1]



1. All savings and reductions are against a 2005 baseline.

Operating efficient carbon neutral buildings as our transition plan

As part of our mitigation strategy, for over a decade, we have improved the energy efficiency of our buildings and reduced their emissions. To date, GPT has cumulatively avoided $281 million in energy costs and 2 million tonnes of carbon dioxide equivalent (CO_2-e) compared to our 2005 baseline.[2]

This is part of GPT's robust plan to transition away from reliance of fossil fuels, focusing on:

- Investing in efficiency
- Increasing on-site solar power
- Buying renewable electricity, and
- Improving demand-side flexibility as we move to a non-dispatchable and renewable energy grid.

Only residual emissions are offset (see below).

Savings are derived from low cost improvements, optimal management practices, lifecycle equipment replacement programs and specific energy efficiency upgrade projects that usually deliver a return on investment within five years. These investments and returns are embedded in the valuations of our assets.

Setting and achieving carbon neutral targets

Our carbon neutral targets are a key driver of our climate strategy, with many of our actions guided by the GPT Energy Master Plan because of the significant inherent emissions from energy. GPT has led the property industry in operating carbon neutral buildings and brought together an independent certification pathway to ensure alignment of NABERS and Climate Active with the Greenhouse Gas Protocol. With processes for carbon neutral operations now embedded, GPT's carbon strategy is increasingly focusing on reducing embodied carbon and supporting our supply chain and tenants on their carbon journeys.

We are also broadening our review of sustainability risks across our business and applying the lessons from our climate risk and opportunity processes to other sustainability risks.

As a result of our strategy and our actions, GPT remains on track to deliver emissions reductions well ahead of Australia's Paris Agreement target. We believe that this strategy will be resilient not only against future physical climate related risk, but also towards an orderly transition to a low carbon economy.

Refer to Chart 1 on page 2 to see GPT's emissions reduction pathway compared to Australia's Paris targets.

UTILISING HIGH QUALITY OFFSETS

GPT only offsets residual emissions that it is not currently feasible to eliminate, primarily due to technology, infrastructure and cost. These emissions are generated mostly from gas for heating, refrigerants and waste to landfill.

The offset program will account for 11% of GPT's inherent operational emissions once all current managed assets are certified carbon neutral. This will reduce over time as we eliminate further emissions by electrifying assets, improving recycling and reducing emissions from refrigerants by transitioning to low and no greenhouse warming potential refrigerants.

We support Greenfleet reforestation projects as they are protected on title for 100 years with a focus on biodiversity and co-benefits of ecosystem services to improve waterways.

STAPLED OFFSETS

1 tonnes emissions
GPT's residual emissions for gas and waste

Emissions elimination offset
1 tonne energy emissions elimination (verified by Gold Standard)

Emissions absorption offset
1 tonne nature-based offset invested in Australian reforestation projects (verified by EY)

INDEPENDENT CARBON NEUTRAL CERTIFICATION

GPT seeks independent certification of the carbon neutral performance of our buildings through the Climate Active Carbon Neutral Certification program. Our assets utilise either the NABERS pathway or GBCA Green Star – Performance pathway to achieve the Climate Active Carbon Neutral Standard for Buildings certification. Both methods utilise established external ratings as part of the certification process and require demonstrated carbon neutral operations before the certification is issued.

Find out more about our sustainability performance in the GPT Sustainability Report and Environment Data Pack, which are available on our website.

2. As at 31 December 2021.

Strategy CONTINUED

51 Flinders Lane, Melbourne
(artist's impression)

DEVELOPING OUR EMBODIED CARBON STRATEGY

The production and manufacture of common building materials, such as steel and concrete, produces high levels of carbon emissions, which are known as embodied carbon. The World Green Building Council predicts that more than half of total carbon emissions from new construction between 2020 and 2050 will be due to these upfront emissions. [1]

As frequent users of these building materials, GPT and the property and construction sector have the opportunity to reduce embodied carbon by adapting our approach to building design and development, and supporting emerging technologies.

GPT has identified a number of transition risks and opportunities related to embodied carbon:

- **Policy and regulatory change:** A price on carbon or regulatory changes for carbon intensive construction materials could increase the cost of development. Embodied carbon requirements could become part of future planning regulations.
- **Market expectations and economic changes:** As more operating assets become carbon neutral, stakeholder expectations will grow for action on the embodied carbon within the building structure. Lowering embodied carbon in development has also been earmarked by the Green Building Council of Australia as a consideration in future high Green Star rated buildings, which are part of GPT's development approach.
- **Technology:** The emergence and availability of new sustainable, low carbon building products, such as green concrete, green steel, and green mix, can reduce embodied carbon, including during new building construction.

In response to these risks and opportunities, GPT committed in 2020 to enabling all development approvals to consider embodied carbon and opportunities to reduce this impact. We also committed to establishing embodied carbon metrics and targets for developments. Lowering the embodied carbon in developments will align with proposed future enhancements to the Green Building Council of Australia (GBCA) Green Star building ratings program, which forms part of GPT's approach to development.

Embodied Carbon Strategy

GPT has established a three-point strategy to manage and disclose embodied carbon risks and opportunities. The strategy initially applies to all future development construction projects:

1. Conducting embodied carbon inventories
2. Reducing embodied carbon
3. Offsetting embodied carbon

As the processes mature, we envisage that this approach will also apply to smaller construction projects such as tenancy design and lifecycle capital works projects.

See page 10 for more information.

The development of the Metroplex Place logistics facility in Wacol, in south-west Brisbane, is putting our embodied carbon plan into action. Metroplex Place is targeting a 5 Star Green Star Design and As-built rating from the GBCA and is being designed for efficient, low carbon operations with the inclusion of LED lighting, translucent roof sheeting to increase natural light, and on-site solar.

Utilising Earth Friendly Concrete (EFC®) in the construction of Metroplex Place will also reduce the complex's embodied carbon. EFC® will be used in the building's footings, which will reduce their embodied carbon by two-thirds when compared to conventional concrete. We anticipate this will save approximately 34,500 kg of embodied CO2 from the project – equivalent to planting 570 trees and growing them for 10 years.

GPT is utilising our experience in achieving carbon neutral operations to guide our approach to embodied carbon reduction. Collaborative partnerships with suppliers, architects, engineers and technical consultants, as well as with our property industry peers, will inform our future strategies and our future embodied carbon reduction targets as supply chain options evolve.

1. World Green Building Council (World GBC) Sep 2019 report "Advancing Net Zero Whole Life Carbon", page 5

Ensuring long-term business resilience

GPT's climate adaptation planning process is integrally linked to our business and asset life-cycles to ensure that we make the right investments at the right time. Key decision-making points include:

- Review of climate risks and opportunities during acquisition due diligence to ensure that our investments are within our long term risk appetite
- Development planning incorporates long term climate modelling to ensure the asset's resilience to foreseeable climate impacts
- Major capital works and life-cycle upgrades consider the potential change in conditions and transition risks that need to be managed over the full life cycle of that particular element of the asset. For example, major air-conditioning plant will be designed for foreseeable needs over the coming 30 years after which it will be replaced, rather than planning for the next 50 years or two mechanical plant life-cycles ahead
- Short to medium term strategic planning and contracting focuses on strong climate action to meet and exceed stakeholder expectations as well as managing transition risks and opportunities to a low carbon economy.

Adaptation strategies for key transitional and physical risks are outlined in detail in Appendix B.

FIND OUT MORE IN THE GOVERNANCE SECTION.

GPT strategy alignment with government resilience strategy

The governments of several Australian states in which we operate have declared net zero targets and identified a range of measures to transition to the low carbon economy and reduce the exposure of cities and states to future climate shocks and stresses. They include advocating for the revision of engineering and building standards and codes to address climate change (City of Sydney), electrifying the economy and switching to clean fuels (City of Melbourne), rapid improvements in low-emissions technology (VIC), establishing clean energy accelerator to help grow clean energy and businesses and issuing Green Bonds (QLD), and the launch of The Clean Energy Fund to support implementation of innovative clean energy projects in the state (WA).

In order to tackle physical risk, the strategies include flood management strategy – Port Phillip and Westernport (Melbourne), working with energy companies to assess the trigger points and extent of potential vulnerability of the city's power supply (Sydney), developing urban forest strategy (VIC, NSW and WA). GPT is keeping informed of the many government initiatives in this space and ensuring that we align our strategy as they continue to evolve.

Carbon price considerations

GPT's core business is not highly trade exposed to international markets and our climate action leadership position has resulted in a low emissions profile for our business. As a result, there is currently only limited cost exposure to a price on carbon through trading schemes such as the European Union which is already hovering in the order of AU$100 per tonne of carbon emissions (tCO2).

While the cost premium for renewable energy in Australia has also risen recently, GPT's renewable energy contracts extend to 2030 and have largely shielded us from this price rise. Carbon offset prices in Australian have also risen dramatically during 2021 and are forecast to continue rising.

The Certified Carbon Neutral operations of our buildings largely eliminates the risk of a price on carbon to our Funds From Operations. For major projects and developments, we remain exposed to a price on carbon through the cost of materials and potential voluntary action such as carbon offsetting to deliver embodied carbon neutral developments. It is difficult to forecast what this price is. Consequently, we undertake a sensitivity analysis of the impact of a price on carbon with a range of AU$20 to AU$150 per tCO2. This aligns with the foreseeable cost range of carbon trading schemes or offset programs although this has been evolving rapidly since COP26.

A key deliverable of our development projects is to drive down embodied carbon emissions. Modelling of a price on carbon also informs us as to the potential cost of delivering net zero embodied carbon developments as well as the potential cost increase of a development if such a price on carbon were introduced. It also gives us a baseline to compare any costs of reduced embodied carbon construction products and techniques to understand the value proposition.

Risk Management

Effective risk management is fundamental to GPT's ability to achieve our strategic and operational objectives.

By understanding and effectively managing risk, GPT can create and protect enterprise value and provide greater certainty and confidence for investors, employees, partners, and the communities in which we operate.

Applying our enterprise-wide Risk Management Framework, GPT's Risk Team monitors the operation of risk management processes and assists in the identification, assessment, treatment and monitoring of identified risks. The Risk Team supports the Leadership Team, the GPT Board, the GPT Funds Management Board, and their respective committees in ensuring that we manage risk appropriately.

Integrated approach to climate change risk management

Climate change risk is included on GPT's Key Risk Dashboard, which is reviewed every six months by the SRC and quarterly by the Leadership Team. As detailed in the Governance section of this Statement, the SRC receives quarterly updates on the status of the actions and commitments disclosed in the metrics and targets section of this Statement.

GPT considers both transitional and physical risks as part of our integrated approach, including in relation to asset acquisitions and divestments, existing asset lifecycle upgrades, and new developments. Transitional risks may directly or indirectly impact GPT's business resilience and tend to manifest in the short to medium term, while physical risks may extend into the long and very long term.

GPT's cross-functional Sustainability Reference Group meets twice a year to identify and assess the existing climate-related risks and opportunities for each of the climate scenarios adopted by GPT, and to discuss and capture any new risks and opportunities.

Climate related risks and their potential impacts are assessed using GPT's Risk Consequence and Likelihood Matrix, which considers strategic, financial, operational, compliance and environmental impacts, among others.

Mitigation plans are developed and residual risk ratings are established. A register has been established of material risks and is reviewed at each Steering Committee meeting.

In 2021, we developed a climate risk metric for inclusion in our Risk Appetite Statement for asset acquisitions, which requires identification of potential physical climate hazards in the long to very long term as part of the due diligence process. This enables us to apply a risk minimisation lens by considering potential scenarios based on the high emissions scenario (RCP 8.5) and ensures that we are informed of potential physical threats that an asset may encounter in the future.

In accordance with Australian Accounting Standard Board Practice Statement 2, GPT considers and discloses information on climate-related risks that are judged to potentially have a material impact as well as risks that could reasonably be expected to have a material impact.

FIND OUT MORE IN APPENDIX B: RISK ANALYSIS AND MITIGATIONS.

FIND OUT MORE IN THE STRATEGY SECTION.

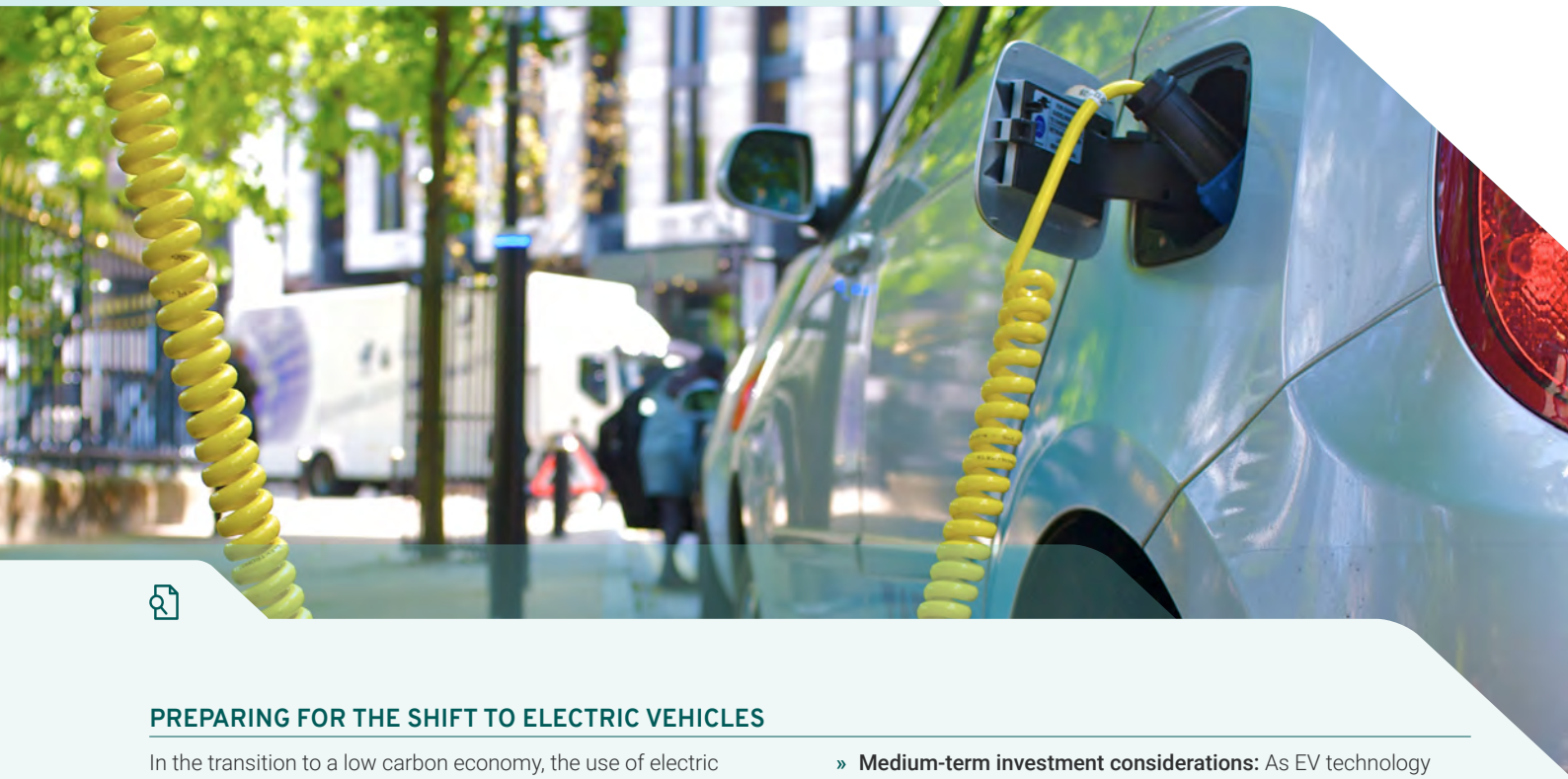
Find out more about GPT's approach to materiality and key risks in the GPT Group Annual Report and Sustainability Report, available on our website.

Transition risks

- Policy and regulatory change
- Changes to market expectations, economic disruption and impacts to reputation
- Technology

Physical risks

- Heatwaves and rising average temperatures
- Intense rainfall and flooding, cyclones and storms
- Tidal inundation from rising sea levels
- Bushfire
- Drought and water scarcity



PREPARING FOR THE SHIFT TO ELECTRIC VEHICLES

In the transition to a low carbon economy, the use of electric vehicles (EVs) is expected to increase significantly. Research predicts that two of every three cars sold globally in 2030 will be EVs or hybrids, and their popularity is already increasing in Australia. The increasing use of EVs is also important for Australia to reduce our national carbon emissions.

Accompanying the increasing popularity of EVs is an increased need for EV charging infrastructure. EV users may seek to 'plug in' and charge their vehicle while away from their homes, such as while working, dining, or shopping. The popularity of EVs and their enabling technologies is also still developing.

These factors present a number of transition risks and opportunities for building owners to consider as they incorporate EV facilities into their assets without compromising the building's operational efficiency:

- **Market expectations and economic changes:** Enquiries are increasing regarding the availability of EV charging systems at our assets and we anticipate this expectation will grow as EV use increases. Business models are also beginning to emerge for delivering EV charging.
- **Health and safety:** EVs are powered by lithium-ion technology which has an inherent risk of fire. Unmanaged, such a risk has significant repercussions beyond human safety and property damage, such as community and reputational damage, legal and compliance issues and related financial impacts.
- **Technology:** EV charging stations necessarily draw electricity from the building into the charging vehicle. Should EVs become the dominant vehicle type, large banks of EV chargers within an asset could use a significant amount of electricity. If charging was unlimited in these circumstances, the EV chargers could affect our other in-building energy activities, such as initiatives for flexible energy demand to reduce the buildings' overall impact on the grid and to minimise electricity costs. Additionally, the installation of EV charging units may necessitate electrical switchboard upgrades to ensure adequate capacity, which would be a major investment.
- **Medium-term investment considerations:** As EV technology and business models continue to emerge, landlords should ensure that charging infrastructure installed today can adapt as it continues to develop over the medium term. While EV charging providers are eager to secure real estate in advance of growing demand, there is no clear technology of choice to deliver for the medium term.

The Strategy

GPT has partnered with Shell Energy to implement key elements of the Group's Energy Master Plan, which has been particularly beneficial regarding new and emerging technologies. We have jointly developed a risk assessment template that appraises the broad range of risks associated with EVs. The risk assessment provides a mix of targeted control measures from Australian and international standards to support GPT's asset management capabilities and practices to mitigate the related risks.

We have also started modelling the impact of EV charging on our assets' energy infrastructure and electricity peak demand costs. We are focused on safety and ensuring that our assets continue to operate on a carbon neutral basis in a resilient manner while installing and operating EV charging stations that use additional energy.

GPT currently has EV charging systems at our Queen & Collins, 32 Smith and Workplace6 office buildings.

With the recently completed Queen & Collins office redevelopment serving as a pilot, GPT will gather insights from these charging stations regarding operational risk, user-experience and commercial outcomes. Through periodic reviews, the project team will log performance metrics and observations to inform the use of these technologies across GPT assets into the future.

Metrics and Targets

GPT is committed to reducing our environmental impact. We aspire to be an overall positive contributor to environmental sustainability by taking a leadership role in reducing carbon emissions across our operations.

We are progressing towards our goal of certified carbon neutral operations for GPT managed assets by the end of 2024.

Beyond acting on matters within our direct control, we encourage our stakeholders to respond to climate change, reduce waste, manage water sustainably, and protect and enhance biodiversity.

Measuring our buildings' emissions

GPT monitors our direct climate change impacts and reports on emissions, energy, water, and waste for each property annually. Our Environment Data Pack includes a portfolio-level summary for all key metrics – electricity, water, fuels, materials, recycling and emissions – since 2005.

GPT obtains external assurance over sustainability performance data including the following climate metrics:

- Energy consumption and energy production in base building and tenancies (gigajoules)
- Scope 1 greenhouse gas (GHG) emissions in tonnes of carbon dioxide equivalent (tCO2-e)
- Scope 2 greenhouse gas (GHG) emissions in tonnes of carbon dioxide equivalent (tCO2-e) disclosing both a location-based and market-based result
- Water consumption (kilolitres)
- Waste inputs: total waste generated (tonnes) and materials recycled (tonnes) using an outcomes-based measurement method by monitoring and reporting recycling by grade (A grade, B grade, C grade)

The greenhouse gas emission calculations are aligned with and assured against the Greenhouse Gas Protocols with the disclosures for both location-based and market-based methods reported in GPT's Environmental Data Pack.

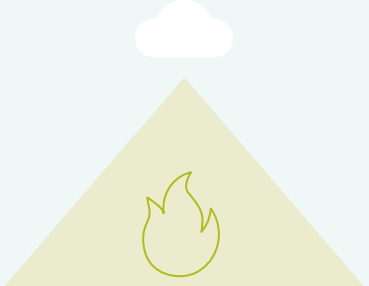
GPT also focuses on Scope 3 emissions, which are those material impacts within our operational control, in accordance with the Australian Government Climate Active approach. This includes emissions from waste, water and energy transmission losses. GPT's material Scope 3 emissions are derived from waste, gas, and water metrics, with transmission losses from electricity eliminated by procuring 100% renewable electricity.

In areas outside of our control, GPT aims to influence outcomes with a particular focus on supporting our tenants to reduce their emissions. As outlined in our Climate Change and Energy Policy, GPT is committed to actively engaging with our stakeholders to reduce greenhouse gas emissions and energy use. We seek to work with tenants to provide them with pathways to minimise their emissions through initiatives such as lighting efficiency upgrades and the installation of solar arrays.

Measuring our organisation's emissions

GPT's corporate activities and business premises, including our travel and consumables, have been certified as carbon neutral by Climate Active since 2011. This certification covers material Scope 1, 2 and 3 emissions. GPT aims to reduce emissions through initiatives such as energy efficiency improvements at our offices and using technology to reduce the frequency of business-related flights. Emissions that can't be avoided in these areas are offset to ensure GPT's net emissions from our operations are zero.

DEFINING EMISSIONS



Scope 1 emissions are greenhouse gas emissions released to the atmosphere as a direct result of an activity, or series of activities, at a facility level. They are sometimes referred to as direct emissions.

Scope 2 emissions are released to the atmosphere from the indirect consumption of an energy commodity. For example, 'indirect emissions' come from the use of electricity produced by the burning of coal in another facility.

Scope 3 emissions are indirect emissions, other than Scope 2 emissions, that are generated in the wider economy.

Metrics and targets for our climate impacts

The metrics below gauge GPT's principal sources of Scope 1, 2 and 3 emissions and address climate-related risks.

TABLE 1: PERFORMANCE METRICS

	2005	2019	2020	2021
Emissions				
Emissions intensity (kg C02e/m2)	136	46	30	25
Scope 1 emissions (t CO2e)	7,578	10,133	6,904	7,799
Scope 2 emissions (t CO2e)	231,172	90,646	59,469	48,907
Scope 3 emissions (t CO2e)	–	35,427	23,656	23,218
GPT-purchased base building offsets (t CO2e)	–	(10,746)	(13,141)	(16,817)
Tenant-purchased base building offsets (t CO2e)	–	(2,788)	(302)	(550)
Energy Intensity				
Energy intensity (MJ/m2)	571	314	261	257
Total energy use (GJ)	999,560	635,266	506,472	483,668
Water Intensity				
Water intensity (L/m2)	1,561	860	589	562
Total water (kL)	2,733,739	1,742,256	1,145,337	1,059,784
Materials Recovery				
All recycling (%), outcomes-based recovery grades only available from 2015	29	–	–	–
A-grade recovery (%)	–	31	33	34
B-grade recovery (%)	–	4	3	3
C-grade recovery (%)	–	–	–	–
A-grade total (t)	–	8,901	6,216	6,142
B-grade total (t)	–	1,051	501	510
C-grade total (t)	–	21	7	17
Landfill total (t)	17,070	19,173	11,861	11,213

CHART 4: GPT'S ENERGY EFFICIENCY RESULTS

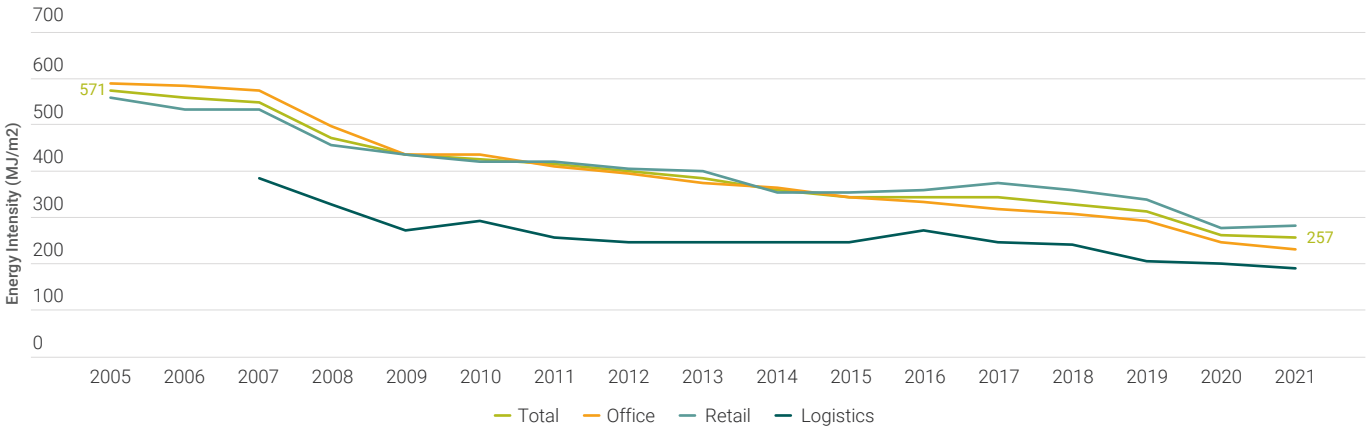
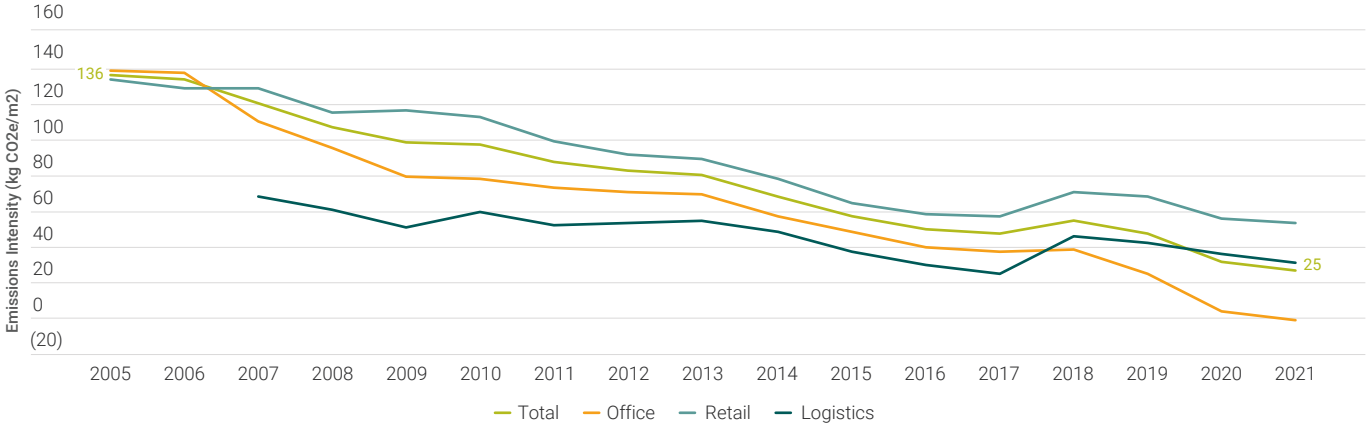


CHART 5: GPT'S EMISSIONS RESULTS



Metrics and Targets CONTINUED

Targets

In accordance with ISO:14001 Environmental Management Systems, our carbon neutral targets focus on areas within our control, being our own corporate operations and the buildings that we directly manage. Our approach first seeks to eliminate greenhouse gas emissions within our control through efficiencies and the use of renewable energy (including electrification). Offsets are only used for emissions that currently cannot be eliminated, which mostly arise from gas consumption and waste. We further enhance environmental outcomes by working in our areas of influence, such as supporting our supply chain and tenants to consider the benefits of carbon neutrality.

GPT sets annual asset-level operational targets for energy, water and waste, driven by optimisation programs and capital upgrades. Medium to long-term operational emissions targets are also set at a portfolio level to inform energy procurement and offsets.

Performance against these targets is monitored through our management reporting systems to assess our progress towards carbon neutral operations.

Environmental metrics, including energy intensity, water intensity, landfill tonnage and emissions intensity, are key performance indicators (KPIs) on the GPT Group Scorecard, which is outlined in the Remuneration Report within the GPT Annual Report, and linked to remuneration outcomes for senior managers. Asset-specific KPIs are incorporated into the performance targets of property general managers, centre managers and operations managers. Current performance results have been impacted by COVID and future targets are modelled based on minimal further COVID impacts.

TABLE 2A: KEY PERFORMANCE INDICATORS

Metric | Key Performance Indicator	Current performance [3]	2022-2024 Target	Targets beyond 2025
Base building carbon emissions intensity in kgCO2e/m2 (Scope 1 and 2)	25 kgCO2e/m² (Exceeded 2021 target of 32 kgCO2e/m2)	28 $kgCO_2e/m^2$	Carbon neutral – 0 $kgCO_2e/m^2$ by 2030 for jointly owned and non-managed assets
Base building energy intensity in MJ/m²	257 MJ/m² (Exceeded 2021 target of 300 MJ/m2)	294 MJ/m²	Targets set annually, based on portfolio size
Deliver carbon neutral buildings (Scope 1, 2, and 3 emissions)	23 of GPT's 35 managed operating buildings are certified carbon neutral	All GPT managed buildings certified carbon neutral by end of 2024	Maintain
Maintain organisational carbon neutral certification in line with investor and tenant expectations	Carbon Neutral Certified organisation since 2011, certified by Climate Active for our corporate operations	Maintain	Maintain
Reduction in waste sent to landfill through closed-loop recycling, measured as a recycling rate	34.3% closed-loop recycling achieved in 2021 (Just below 2021 target of 34.5%)	34.5% closed-loop recycling by end 2022	
Reduction in water consumption, measured as base building water intensity in L/m²	562 L/m^2 (Exceeded 2021 target of 842 L/m2)	810 L/m² at end 2022	Targets set annually, based on portfolio size
Embodied carbon	Implemented carbon inventory process	Disclose embodied carbon emissions from major developments Set an ambitious medium-term embodied carbon target in 2022	

3. Current performance is as at 31 December 2021 unless otherwise stated. Performance is disclosed in detail in GPT's Environmental Data Pack in alignment with GRI and GHG protocols, and assured by PwC.

TABLE 2B: TARGETS FOR OUR RESPONSE TO CLIMATE CHANGE RISKS AND OPPORTUNITIES

The following targets describe a number of areas of investment that GPT has identified as indicators of success for managing physical and transitional risks to our business. These climate-related commitments are reported to the SRC and Leadership Team quarterly.

FIND OUT MORE IN THE GOVERNANCE SECTION.

Metric | Key Performance Indicator	Current performance[4]	2022-2024 Target	Targets beyond 2025
Improve NABERS Star ratings (without Green Power) for office buildings	5.3 Stars average Office portfolio rating	Achieve portfolio rating of 5 stars or better by end 2022	Maintain
Install solar PV arrays on assets where feasible to mitigate risks of rising energy costs	5.4 MW of solar PV installed across the portfolio	Update solar business approach to deliver a medium to long term plan by end 2022	Install 10 MW of solar PV across the portfolio
Develop an option for logistics tenants to have access to a rooftop solar PV supply to reduce their energy costs and meet growing stakeholder expectations	A pilot rooftop array has been installed at one asset with business model for roll out approved	100% of logistics portfolio reviewed and a rooftop solar PV offer provided where feasible to tenants by end 2022	Maintain
Minimum 5 Star Green Star Design and As-Built ratings for office and retail developments as an indicator of broad building resilience	6 Star Green Star achieved in developments completed in 2020 to 2021	Achieve 6 Stars or above on all developments (office and retail)	Maintain
Climate adaptation planning developed to identify and manage asset-specific climate risks and opportunities across the portfolio	Completed climate hazard identification for all assets (Meeting target commitment) Incorporated climate adaptation planning into the design phase of major developments (Meeting target commitment)	Climate adaptation plans for key assets by end 2022	Maintain
Lifecycle assessments (LCA) to include consideration of climate-related impacts on plant and equipment	Lifecycle assessments with consideration of climate change risks have been undertaken across the portfolio	Include LCA findings in all asset climate adaptation plans by end 2022	Maintain
Due Diligence Review to include climate risk consideration in investment recommendations	Major development projects and acquisition include climate-related risk review.	All major investments (>$5M) formally consider climate risk in Due Diligence Reviews from 2021	Maintain
Debt associated with sustainable finance	Established Sustainable Debt Framework and issued $250 million GWOF green bond	Sustainable debt issued for GPT balance sheet financing purposes	Shift more than 25% of GPT's debt to sustainable finance arrangements

4. Current performance is as at 31 December 2021 unless otherwise stated.

Next Steps

In our 2020 Climate Disclosure Statement, GPT committed to a number of next steps for each thematic area of the TCFD recommendations. GPT has delivered on these next steps and where material and measurable, they are now incorporated into the Metrics and Targets section. Commentary about next steps will be included in the Metrics and Targets section of future Statements.

	Next Steps from 2020 Statement	Completed in 2021
Governance	Improve alignment of internal reporting on climate change risks and opportunities (including to the Sustainability and Risk Committee) with GPT's Climate Disclosure Statement.	The disclosed climate metrics and targets, as well as progress of carbon neutral delivery programs, are now standard agenda items for the Board Sustainability and Risk Committee. Consideration of climate risk is now required in all investment decision making.
Strategy	Develop internal capacity to ensure meaningful engagement with asset-level climate adaptation plans (see 'Metrics and Targets' for further detail of climate adaptation planning KPIs).	A new position of Sustainability Risk Analyst was created in late 2021 to improve internal climate risk assessment and engagement capacity. The heads of business units are also growing in experience at identifying climate risks and opportunities through the Reference Group activities and investment proposal requirements.
	All development proposals to consider strategies for embodied carbon reduction.	To improve consideration of embodied carbon, a 'Materials and Embodied Carbon Working Group' has been established with membership from the Retail, Office and Logistics Development Teams and the Head of Sustainability and Energy. Examples of embodied carbon strategies are included within the Statement.
	Further detailed analysis of climate scenarios and incorporate results into the Group's five year strategic plans.	Climate Adaptation Plans are being developed to identify climate risks, opportunities and responses for every asset. These Plans form part of strategic decision making by the Group, with material risks included in enterprise risk registers and if appropriate, in the Group's Key Risk Dashboard.
Risk Management	Enhance the approach to climate resilience by embedding climate change into business procedures including workplace health and safety, Investment Committee approvals and development briefs.	The CRO has accountability for safety, sustainability, audit and risk, and sits on the Investment Committee and is a member of the Leadership Team. This structure ensures that climate risk is considered in all critical decision making and has been embedded in core processes.
Metrics and Targets	Expand relevant metrics to monitor and measure progress in managing climate change risks and opportunities as industry expectations evolve. Establish embodied carbon metrics and targets for developments.	Additional metrics have been incorporated into the Metrics and Targets section of the report, including Sustainable Debt and Embodied Carbon. Embodied carbon metrics have been added to the development processes and will be disclosed for all major developments going forward. Once metrics are established, embodied carbon reduction targets will be set.

Appendix A: Emissions Scenarios

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on our business and the resilience of our strategy. These scenarios are aligned with the Representative Concentration Pathways (RCPs), which provide guidance on the likelihood of physical and transitional risks due to climate change, consistent with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report and the Climate Measurement Standards Initiative (CMSI).

LOW EMISSIONS SCENARIO

ALIGNED WITH RCP 2.6

Broadly aligned with Paris targets and COP26 to limit global temperature increases to below 2°C.

Very likely that global temperatures rise 1.2°C to 1.8°C by 2040, and between 1.3°C to 2.4°C between 2081–2100.

Most ambitious global emissions mitigation scenario.

In this scenario, transition impacts are the highest, with associated aggressive policy measures needed to reduce emissions quickly.

Transition risks

- Policy and regulatory change
- Technology
- Market expectations, reputation and economic change

Socio-economic impact

Potential future socio-economic impact is mostly aligned with the Shared Socioeconomic Pathways (SSPs) SSP1 Sustainability scenario, in which a gradual but pervasive shift towards sustainable development occurs that respects environmental boundaries. Consumption is orientated toward low material growth and lower resource and energy intensity.

HIGH EMISSIONS SCENARIO

ALIGNED WITH RCP 8.5

Very likely that global temperatures rise 1.3°C to 1.9°C by 2040, and between 3.3°C to 5.7°C between 2081–2100.

This scenario assumes there is no additional effort to constrain emissions, marked by significantly increased physical risks, resulting in dangerous climate change. Physical risks will be greatest and will accelerate in the medium, long and very long term.

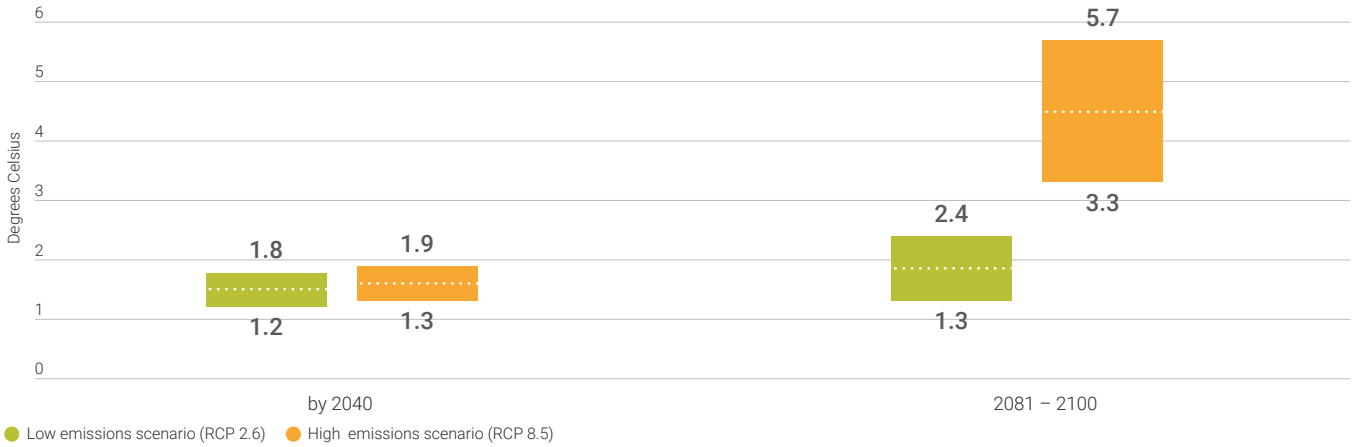
Physical risks

- Heatwaves and rising average temperatures
- Extreme weather events
- Tidal inundation
- Bushfire
- Drought and water scarcity

Socio-economic impact

Potential future socio-economic impact is closest to the SSP5 Fossil-Fueled Development scenario, in which the world emphasises competitive markets and technological progress which leads to rapid economic growth with energy intensive lifestyles and a strong reliance on fossil fuel energy powering this growth, at least initially.

CHART 6: POTENTIAL FUTURE TEMPERATURE INCREASES UNDER THESE SCENARIOS



Sources:

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Earth Systems and Climate Change Hub. 2020. Scenario analysis of climate-related physical risk for buildings and infrastructure: climate science guidance. ESCC Hub Report No.21.

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Appendix B: Risk Analysis and Mitigations

Transition Risks

GPT has identified several transition risks that may affect our business activities. These risks are particularly likely to emerge in the low emissions scenario and are expected to manifest in the short to medium term.

In the low emissions scenario, regulatory changes, technology and market expectations will drive the transition to a low carbon economy to avoid dangerous climate change. These changes could have a destabilising effect on the financial system, for example rising risk premiums and falling asset prices in the relatively short term.

Transformations in economic, social, technological and political decisions and actions remain necessary to mitigate transitional risks and adapt to sustainable development.

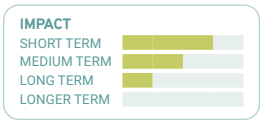
These changes are most relevant to GPT at the region or portfolio level, and when considering our Group strategy, rather than at the individual asset level.

In our risk analysis and planning, GPT considered a low emissions scenario aligned with RCP 2.6 which broadly aligns with the Paris Agreement commitments and COP26. RCP 2.6 pathway is often associated with SSP1 scenario (Sustainability-focused growth and equality) which features low challenges to mitigation and adaptation due to rapid technological development, relative global equality of income and focus on environmental sustainability. This includes increasing shares of renewables and other low carbon energy sources.

See Appendix A for details of the emission scenarios used by GPT.

TABLE 4: POLICY AND REGULATORY CHANGE

Significant regulatory and policy volatility has already occurred in Australia over the past decade regarding climate change.This trend is expected to continue as the momentum to transition to a low-carbon economy increases around the world.



Risk impacts	GPT's current response and strategy	Medium-term approach
Changes to energy tariff structures and potential supply constraints	» Regularly review the impacts of a transition to renewables and minimise our exposure to regulatory changes which are likely to focus on demand flexibility requirements or energy reliability. » Implement initiatives from our Energy Master Plan, such as on-site solar electricity production, demand-side flexibility and energy storage, to mitigate the impact of potential regulation regarding energy reliability.	As equipment lifecycle opportunities arise, electrify asset gas heating infrastructure to minimise dependency on fossil fuels. In 2020, we secured renewable electricity contracts for our forecast load until 2030 to ensure we can fulfil our carbon neutral commitments. We will continue to manage forward purchasing as 2030 approaches.
Increased energy prices result in higher operational expenditure and price volatility, causing expenditure uncertainty	» The GPT Energy Master Plan provides a roadmap to achieve net zero carbon emissions while reducing energy cost exposure. The plan includes continued efficiency and plant optimisation programs, on-site renewable electricity generation, strengthening energy market knowledge and procurement capabilities, and demand response programs to minimise electricity capacity charges. Efficiency will remain central to our energy strategy. » GPT avoided operational costs of $34 million in 2021, and has cumulatively avoided $281 million in energy costs when compared to 2005 operational efficiency. » Our progressive procurement process for electricity contracting spreads the risk of energy procurement over time.	Explore energy storage options to provide protection when the majority of Australia's energy supplies are intermittent renewables.

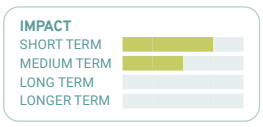
Risk impacts	GPT's current response and strategy	Medium-term approach
More restrictive land planning codes lead to lower supply of land for construction, resulting in higher capital expenditure	» Climate change impacts are considered by the Due Diligence Committee as part of the investment decision making process. » Use site-specific climate modelling to inform our understanding of potential physical risks that may drive land use and planning requirements.	Engage with industry groups and peers to understand emerging legislation and regulations regarding land uses and planning codes.
Regulatory changes regarding carbon intensive construction materials result in increased capital expenditure for construction and mandatory reporting for embodied carbon	» Collaborate with industry peers and the Green Building Council of Australia to develop a market for lower embodied carbon construction materials. » Explore reduced embodied carbon techniques with our construction partners where feasible for current developments. » Undertake embodied carbon inventory reviews in development planning, which will position us well in the event of future mandatory reporting requirement. » Use lower embodied carbon concrete in logistics developments.	As lower embodied carbon markets develop, firmer targets will be set for GPT developments and supply chains.
Potential cost impacts from a price on carbon	» Continuing to reduce and eliminate carbon emissions from our operations in order to minimise or avoid the impacts of a price on carbon where possible. Our carbon neutral strategy positions us to limit cost impacts and also maximise the opportunities of market shifts to lower carbon properties in their development and operation. » Inherently the majority of GPT's operational emissions are from energy and waste. Our carbon neutral plans minimise these emissions and therefore reduce the potential impact of any price on carbon. » As the majority of carbon emissions in development projects come from concrete and steel, we model the most material emissions, implement processes to minimise emissions and apply a sensitivity analysis to the impacts of a price on carbon or engaging in carbon neutral construction contracts. » Only a small portion of our tenants' cost base or product offering would be exposed to a price on carbon, given the diverse tenants in our portfolio and their location in capital cities and regional centres, which do not rely on carbon intensive industries.	Work with industry groups and peers to understand emerging regulation and policy developments and refine GPT's strategies where needed.

Appendix B: Risk Analysis and Mitigations CONTINUED

TABLE 5: CHANGES TO MARKET EXPECTATIONS, ECONOMIC DISRUPTION AND IMPACTS TO REPUTATION

Investor expectations and capital allocation decisions increasingly favour organisations that are taking meaningful action to address climate change and ensure their resilience to its effects. In addition, regulators are requiring increasing disclosure around climate risk identification and management.

Failure to set or to meet stated climate and sustainability goals is likely to have negative reputational impacts, including the potential risk of litigation from shareholders and other affected parties, and may also result in" reduced access to capital markets.

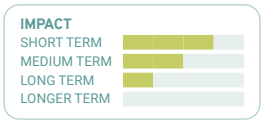


Risk impacts	GPT's current response and strategy	Medium-term approach
Increased expectations from investors and tenants for buildings and portfolios to reduce their carbon impact	» Engage with investors, tenants and other stakeholders to understand and respond to expectations » Attain and maintain independent carbon neutral certification for operating GWOF assets. » Progress towards our target of independent carbon neutral certification for our managed portfolio and GWSCF by the end of 2024. » Develop renewable electricity options for tenants by collaborating with energy partners.	GPT jointly owned and externally managed assets are targeting independent carbon neutral certification by 2030. Offer strategies and solutions to our tenants to assist them in lowering their carbon footprint.
Economic disruption, changes to consumer behaviour and structural changes in regional Australia associated with contraction in carbon-intensive economies and industries	» Continue to own a diversified property portfolio primarily located in Australian capital cities, with limited exposure to regional economies reliant on carbon intensive industries.	Collaborate with industry and government to ensure resilient cities are maintained through industry group membership and participation in industry consultation and policy development.
Opportunity to attract capital through our sustainability credentials, performance and achievements	» Maintain our reputation for setting and delivering sustainability goals and for good corporate governance. » GWOF issued a $250 million 10-year Green Bond in October 2021, which our investor base while improving debt financing arrangements.	Continue to develop these capital opportunities.

TABLE 6: TECHNOLOGY

Response to climate-change risk is accelerating change in technology, from carbon intensive to low carbon technologies. For many years, GPT has been a fast adopter of technologies that improve energy and resource efficiency and we continue to see future opportunities in this space.

The transition to new technologies which improve energy efficiency can mean increased regulatory compliance and other new risks, particularly around health and safety. These are considered closely.



Risk impacts	GPT's current response and strategy	Medium-term approach
Energy security is impacted during the transition from old to new technologies	» The transition from coal generation to renewables faces the twin reliability impacts of aging coal power stations and the non-dispatchable nature of most renewables. GPT is investing in increased demand-side flexibility, on-site generation and storage projects as a defensive strategy against the cost volatility that this transition can drive as well as contributing to grid stability.	GPT will continue to grow its on-site storage and develop Smart Energy Hubs in partnership with Shell Energy Australia that aim to better balance energy demand, on-site generation and storage and energy market requirements.
Customer use of EV negatively impacts asset energy demand profiles	» Electric vehicles are an essential part of the transition to the low carbon economy, however this introduces an energy demand burden that most assets were never designed for. Of particular risk are fast charging stations which can have a large impact on an asset's electrical infrastructure and peak demand profiles. GPT is taking a cautious approach to fast charging infrastructure to ensure our demand-side flexibility program succeeds. Slow charging and controlled loads are of less concern.	GPT is future proofing for the expansion of EVs so that when market expectations require availability of EV charging infrastructure, our assets can transition quickly with the most up-to-date and low risk technologies.
Opportunities arising from research and development (R&D) in new and alternative technologies	GPT is investing in new technology research and pilots to improve financial outcomes and better understand climate risk. Examples include: » Advances in battery technology and declining prices for solar systems increases appeal of renewable energy for investors and customers, and » Investment in the latest climate tool, such as XDI, to inform asset level climate adaptation.	Continued R&D investment

Appendix B: Risk Analysis and Mitigations CONTINUED

Physical Risks

Without additional global efforts to constrain emissions, a high emissions scenario will occur in the future. The high emissions scenario presents a greater magnitude and wider range of physical risks resulting from climate change. Through our carbon neutral efforts, GPT is contributing to the avoidance of a high emissions scenario eventuating. Nonetheless, our precautionary principle approach to risk management means that GPT is also preparing for the potential physical impacts of a high emissions scenario on our business and our assets.

In our risk analysis and planning, GPT considered a high emissions scenario aligned with RCP 8.5 which broadly anticipates potential global warming of between 3.3°C to 5.7°C this century. Whilst some of the impacts of a high emissions scenario are already manifesting, many will become more common and worsen in the long term. As asset life-cycles are of relatively long duration, adaptation opportunities must be addressed in resilience plans in the short to medium term, when upgrade opportunities arise.

RCP 8.5 is associated with SSP5 scenario (Fossil-fuelled development), a socio-economic scenario that features high challenges to climate change mitigation and low challenges to climate adaptation, due to its push for economic and social development coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. This scenario has heavy reliance on fossil fuels with an increasing contribution of coal to the energy mix.

See Appendix A for the emissions scenarios used by GPT.

Asset-level physical hazard identification

GPT conducted a physical hazard identification exercise for all assets in our portfolio during 2020, considering the potential impacts of heatwaves and higher than average temperatures, severe weather events, tidal inundation, drought, and bushfire.

These individual asset-level physical hazard reviews were guided by the high emissions (RCP 8.5) scenario with a view out to the long and very long term time period (out to 2100) to identify the potential emergence of physical hazards at each asset. To ensure that our assumptions align with an industry view, we have cross-referenced our assessment of risks to our industry with the September 2020 Climate Measurement Standards Initiative report, 'Scenario Analysis of Climate Related Physical Risk for Buildings and Infrastructure: Climate Science Guidelines'.

A summary of the key potential impacts of each physical risk in the high emissions scenario is provided in Tables 7 to 11.

The impacts of the physical hazards are grouped in the table below:

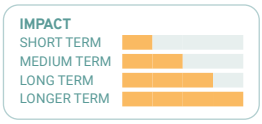
Physical hazard impacts	Direct impacts	Indirect impact
Definition	The impact of the hazards directly on GPT's physical assets or business operations.	The impact of the hazards on the surrounding community, infrastructure and local economy in which GPT's assets are located and upon which our success depends.
Attributes considered	» Duration or length of impact » Approximate size of the common areas impacted » Potential immediate health and safety impact » Approximate cost of damage to both operation and capital expenditure » Length of disruption to operations and tenants, and » Implication to new builds.	» Duration or length of impact » Immediate financial impact to the greater regional economy » Potential disruption or decrease of population, and » Long term community impact.

Unsurprisingly for the high emissions scenario, various climate-related physical hazards were identified at our assets and these potential hazards showed strong alignment with the previous company-wide risk review. The asset-level exercise has informed our priorities for deeper analysis to understand the potential risks that each hazard may cause for each asset. In turn, this information is being used for climate adaptation planning within each asset's lifecycle strategy.

Detailed reviews and adaptation planning have also been incorporated into major development projects as an input into governance processes and investment decisions regarding plant and equipment to optimise building performance and future resilience.

Physical Risks

TABLE 7: HEATWAVE, RISING AVERAGE TEMPERATURES



According to the IPCC Sixth Assessment report, Australia's land areas have warmed by around 1.4ºC between 1910 and 2020 and annual temperatures have changed beyond natural variability.[5] The trends of increased heat extremes, decreased cold extremes, are projected to continue.

Heatwaves are predicted to increase roughly in line with the change in higher than average temperatures for southern and central Australia, meaning an increase in the average number of days over 35ºC that cause notable impacts to infrastructure, health and ecosystems. Every additional 0.5ºC of global warming causes discernible increases in the intensity and frequency of hot extremes, including heatwaves and heavy precipitation.[6]

ADAPTATION:

GPT retail and office assets have significant air-conditioning infrastructure with lifecycle upgrades occurring approximately every 15 years. GPT uses XDI tool to consider physical climate hazard, including the increased number of days that exceed 30ºC in 2050 and 2070 at individual asset level during asset lifecycle upgrade.

While the economic viability of the communities where we operate is not expected to be undermined by heatwaves, GPT assets can provide refuge for community members during periods of extreme heat.

As a result, we focus on maintaining comfort conditions, avoiding increases in electricity and equipment costs, and considering critical equipment requirements to reliably provide heat refuges. These considerations are not expected to materially impact asset returns due to existing controls within the Energy Master Plan and lifecycle planning.

Logistics assets have varying mechanical and passive cooling qualities and are often located in the more intense heat impacted areas of cities such as Western Sydney. However, logistics buildings have short lifecycles and GPT is already increasing focus on developing and upgrading logistics assets with improved insulation, access to air-conditioning to meet heatwave operating conditions, landscaping designed to minimise heat island impacts and access to on-site solar PV to lower energy costs.

Risk impacts	GPT's current response and strategy	Medium-term approach	Long-term approach
Increased capital expenditure and operational expenditure for cooling upgrades or the potential of stranded assets that don't meet comfort condition expectations	» Increased business intensity and occupancy density in GPT buildings necessitates increased cooling capacity in our buildings. Our infrastructure upgrade program continues as a part of our capital works program, which includes planning to ensure that cooling infrastructure meets potential future extreme heat conditions. The high-quality cooling infrastructure in GPT's buildings generates comfort conditions during heatwaves that allows for both business-as-usual and may also be a contributor to 'community resilience'. In our retail assets, this may act as a drawcard for visitors seeking respite from the heat. » Efficiency programs and air-conditioning optimisation investments are reducing the energy costs to operate our buildings, combined with proactive energy cost management and demand management programs.	Increase emphasis on passive design elements and demand management capabilities to ensure that peak air-conditioning loads avoid overlapping directly with network peaks during heatwaves to minimize operational costs. On-site solar installations at logistics assets in anticipation of air-conditioning becoming part of future building requirements, to manage energy costs.	Continue to review climate modelling, technology advances, the detailed asset- level climate risk assessments and adaptation plans for further actions. Continue to deliver comfortable indoor conditions for those seeking respite from higher than average temperatures, and engage with local government to manage refuge risks and opportunities.
Potential damage to infrastructure resulting in utilities service interruptions and access issues for assets	» Business continuity plan in place for major acute events and natural disasters including the management of service interruptions and constrained access to assets.	As the probability of service failure increases in the medium term with the potential for increased peak temperatures during heatwaves, GPT will specify higher operating temperature ranges for major equipment or where possible, relocate equipment to sheltered positions.	Engage with all levels of government to understand the resilience of energy infrastructure and update our strategies accordingly.

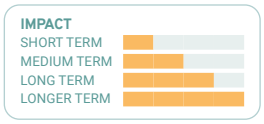
5. IPCC Sixth Assessment Report (2021).
6. IPCC Sixth Assessment Report (2021), page 20.

Appendix B: Risk Analysis and Mitigations CONTINUED

Physical Risks continued

TABLE 8: EXTREME WEATHER EVENTS INCLUDING FLOODS, SEVERE CONVECTION STORMS AND CYCLONES

The high emissions scenario predicts that extreme rainfall leading to small-scale flash flooding is very likely to increase. In northern Australia, increased annual mean and heavy rainfall, and decreased droughts and tropical cyclones are projected. While the frequency of Category 4 and 5 tropical cyclones is projected to decrease, there is a potential increase in the number of severe cyclones. Increased heavy rainfall and river flooding in most parts of Australia is also projected by 2050.



ADAPTATION:

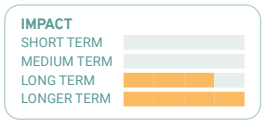
The majority of GPT assets are not exposed to flood risk. For assets with exposure to potential flooding, we have invested in infrastructure to build resilience to ensure operations viability. For example, after the 2011 Queensland floods, GPT completed flood mitigation and pump upgrades to build resilience against future riverine flooding for the Brisbane assets managed by GPT.

A small number of our assets are exposed to potential cyclones, for example logistics assets in north Queensland the Northern Territory. Further modelling will be required to investigate the risks of cyclones impacting our southern Queensland assets and their communities in the long term.

Risk impacts	GPT's current response and strategy	Medium-term approach	Long-term approach
Damage to buildings resulting in increased capital expenditure for repairs	» Work with our insurers to model potential catastrophic events and ensure that we understand these risks and have appropriate insurances. Where major capital investments are made, GPT future proofs its buildings for potential extreme events.	Where major capital investments are made, GPT future proofs its buildings for potential extreme events.	Detailed climate modelling is included in major developments to ensure building designs are resilient to extreme weather events.
Disruptions to operations resulting from extreme weather events	» GPT has detailed business continuity, maintenance and asset replacement plans that are updated on a regular basis. » The major capital cities where most of our assets are located also have strong resilience plans and infrastructure that can withstand extreme weather events. » Use available tools to model extreme precipitation when determining lifecycle upgrades to roofs including guttering systems, to limit operational impacts		

TABLE 9: TIDAL INUNDATION FROM RISING SEA LEVELS

Based on the rate of sea level rise, tidal inundation is very likely to increase and cause damage to buildings and infrastructure. It is projected that relative sea levels will rise at a rate higher than the global average in recent decades for some time, contributing to increased coastal flooding and shoreline retreat along sandy coasts throughout Australia.



Under this scenario, the historical centennial event (HCE, or 1 in 100 year event) is projected to become an annual event for most of the Australian coast by 2050.

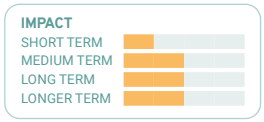
ADAPTATION:

The vast majority of GPT's assets will not be directly impacted by sea level rise. Minimal impact is also foreseen on the regional economic viability and infrastructure upon which the assets depend. In the very long term, a small number of assets will be impacted by potential inundation if no preventative actions are taken. However, it is anticipated that these impacts will occur beyond the current building lifespans and adaptation plans will be acted upon as climate outcomes become clearer.

Risk impacts	GPT's current response and strategy	Medium-term approach	Long-term approach
Damage from direct flooding of assets or flooding of local infrastructure or communities making the assets inaccessible or isolated from customers	» GPT has reviewed all assets for the threat of tidal inundation out to 2100. The portfolio is assessed as having minimal potential risk in the near to medium term.	Work with local government authorities to understand the planning response to potential inundation risks.	Reassess any investments in assets where there are risks of material tidal inundation impacts with the potential to undermine long term investment returns.

TABLE 10: BUSHFIRE

It is projected that there will be an increase in the number of days with very high fire weather conditions in Australia as climate change becomes more extreme. The frequency of extreme fire weather days has increased, and the fire season has become longer since 1950. The intensity, frequency and duration of bushfire events are projected to increase throughout Australia (high confidence).



ADAPTATION:

The vast majority of GPT assets are not located in bushfire affected areas as they are largely located in capital cities and industrial precincts, resulting in limited direct threat of physical damage to our assets. A small number of logistics assets are situated near low bush fire risk areas and have bushfire management plans in place.

We recognise that assets outside of direct fire threats may be impacted by bushfire smoke. Consequently, our planning and future upgrades consider indirect bushfire effects such as the impact on surrounding infrastructure and air quality, and the quality of our assets ventilation and filtration systems in particular.

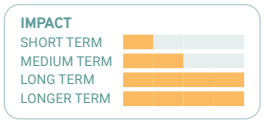
Risk impacts	GPT's current response and strategy	Medium-term approach	Long-term approach
Direct threats from bushfires such as impacts on air quality as well as threats to surrounding infrastructure such as power and roads	» Installation of improved air filtration in office assets in response to the COVID-19 pandemic has the joint -benefit of improving indoor air quality during events including bushfires and dust storms.	As a major property manager, GPT will work with local authorities in developing community resilience plans and there is potential for GPT buildings to be a refuge for community during bushfires.	Review technology advances to provide greater bushfire resilience and engage with local government to manage refuge risks and opportunities.

Appendix B: Risk Analysis and Mitigations CONTINUED

Physical Risks continued

TABLE 11: DROUGHT AND WATER SCARCITY

Time in drought is projected to be more prolonged for eastern Australia in the high emissions scenario, while in northern Australia the projected increase is significant only for the extreme drought category. As populations grow in the long term, greater competition for water resources will amplify water scarcity issues and it is foreseeable that many of our urban areas will become more dependent on manufactured water (e.g. desalination plants) which is more costly.



ADAPTATION:

GPT explores ways to build resilience against water scarcity and reduce water usage and pollution. GPT has set a target to deliver water neutral operations for GPT owned and managed buildings by 2030.

GPT's major asset-level water use is for cooling towers. Water currently makes up less than 4 per cent of total asset operational costs, therefore the impact of a potentially significant cost increase imposed by suppliers in response to future water scarcity would be minimal.

As community and regulatory expectations grow, ongoing water infrastructure investments will be required. Several GPT assets already have access to rainwater capture or recycled water which further reduces the potential direct impact from drought hazards.

Risk impacts	GPT's current response and strategy	Medium-term approach	Long-term approach
Availability of water for business as usual operations	» While GPT is mindful of the increased risk of drought, the Group does not have investments in regions of Australia that are significantly impacted by drought.	Research diversification of cooling water supply, as an alternative to using potable water. Develop a Water Master Plan to govern water use across the portfolio.	Eliminate the use of water where viable at major asset developments and redevelopments through strategies such as geothermal heat exchange.
Increased price of water	» GPT has implemented a water efficiency strategy that has resulted in an ~40 per cent reduction in water intensity of its assets over the past 15 years.	Work with tenants to reduce water usage.	
Increased regulatory requirements regarding the allowable uses of water	» Continue to investigate strategies for reducing our water usage, the use of drinking water for operations, and reducing the degradation of downstream waterways by managing stormwater discharge.	Collaborate with local council and government to build resilient cities and water supply. Engage with the industry to develop a credible scheme for water offsets.	

Appendix C: Glossary

Throughout this Statement, several national and international bodies and commitments are referenced. They are described below.

TABLE 12: KEY TERMS

Reference	Description
Australia Paris Agreement	In this Statement, Australia Paris Agreement refers to Australia's 2019 emissions projection and trajectory to minus 26% target, and help determine how Australia is tracking against its emissions reduction targets under the Paris Agreement. The chart uses Australia's total emissions including Land Use, Land-Use Change and Forestry (LULUCF). www.industry.gov.au/policies-and-initiatives/australias-climate-change-strategies
Carbon neutral	A state in which an organisation has reduced their greenhouse gas emissions as much as possible and then 'cancels out' remaining emissions by purchasing carbon offsets, as defined by Climate Active. When GPT states that its operations are carbon neutral, we typically/always have received independent carbon neutral certification from Climate Active.
Climate Active	Climate Active is an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certifies businesses and organisations that have proven that they are measuring, reducing and offsetting their emissions, with a net result of zero emissions. www.climateactive.org.au
Climate Measurement Standards Initiative (CMSI)	The CMSI is an Australian industry-led collaboration formed to provide comparable and consistent climate related risk disclosures guidelines specifically for asset owners, banks, insurers and traders of private and residential property in Australia, and for institutions whose role it is to oversee financial and community stability. www.cmsi.org.au
Financial Stability Board (FSB)	The FSB is an international body that monitors and makes recommendations about the global financial system, by coordinating national financial authorities and international standard-setting bodies as they develop regulatory, supervisory and other financial sector policies. TCFD was established in 2015 by the FSB to improve and increase reporting of climate-related financial information, and the first recommendations was released in 2017. www.fsb.org
Global Reporting Initiative (GRI)	GRI is an independent international organisation that provides organisations with the widely used standards for sustainability reporting, the GRI Standards. www.globalreporting.org
Greenhouse Gas (GHG) Protocol	GHG Protocol establishes comprehensive global standardised frameworks to measure and manage GHG emissions from private and public sector operations, value chains and mitigation actions. The GHG Protocol works with governments, industry associations, NGOs, businesses and other organisations. ghgprotocol.org
Intergovernmental Panel on Climate Change (IPCC)	The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. The IPCC was created to provide policymakers with regular scientific assessments on climate change, its implications and potential future risks, as well as to put forward adaptation and mitigation options. www.ipcc.ch
NABERS	NABERS stands for the National Australian Built Environment Rating System, which provides simple, reliable, and comparable sustainability measurement used across the building sectors. NABERS rates a building's energy, water, waste or indoor environment performance based on the building's operational data. www.nabers.gov.au

Appendix C: Glossary CONTINUED

Reference	Description
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. Unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement
Representative Concentration Pathways (RCPs)	RCPs are different greenhouse gas concentrations and their radiative forcing potential to describe different climate futures that are considered in scenario analysis.
Scope 1 Emissions	Scope 1 emissions are greenhouse gas emissions released to the atmosphere as a direct result of an activity, or series of activities, at a facility level. They are sometimes referred to as direct emissions. For a property portfolio, Scope 1 emissions stem from gas burned for heating and hot water, diesel and gas burnt for electricity generation, including emergency backup electricity and occasional refrigerant gases from air conditioning systems.
Scope 2 Emissions	Scope 2 emissions are released to the atmosphere from the indirect consumption of an energy commodity. For example, 'indirect emissions' come from the use of electricity produced by the burning of coal in another facility.
Scope 3 Emissions	Scope 3 emissions are indirect emissions, other than Scope 2 emissions, that are generated in the wider economy. For GPT's property portfolio, we are principally focused on reducing Scope 3 emissions in areas over which we have strongest management control. We align with the Australian Government's Climate Active boundaries for Scope 3 reporting. For our properties, this includes emissions from electricity and gas transmission losses and emissions from waste and water consumption.
Shared Socioeconomic Pathways (SSPs)	SSPs describe different futures of socio-economic development in the absence of climate policy intervention. The combination of SSP-based socio-economic scenarios and RCP-based climate projections are often used together to consider future climate impact and policy analysis.
Task Force on Climate-related Financial Disclosure (TCFD)	The TCFD was established by the Financial Stability Board to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders understanding of the concentrations of carbon- related assets in the financial sector and the financial system's exposures to climate-related risks. These recommendations were released in 2017 to help companies provide better information to support informed capital allocation. www.fsb-tcfd.org

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