

EMPLOYEE SATISFACTION

1. UNDERSTANDING THE TOPIC

Employee satisfaction is a priority at GCP, it enhances the experience of our people and it makes good business sense. When employees are satisfied, they are more likely to be engaged and committed to the goals and mission of the company resulting in reduced turnover, higher productivity levels and, as they are the primary contact point for our residents, improved tenant satisfaction. We face an increasingly competitive environment when it comes to attracting and retaining talent. Employees' expectations are changing and more often they are looking for companies who align with their values. Priorities such as career development, health and wellbeing, flexible working; and diversity and inclusion are becoming important differentiators for today's workforce. As a leading company in the German real estate sector, GCP is committed to investing in our people's knowledge, skills and wellbeing to support their personal growth whilst contributing positively to GCP's productivity and operational performance. We understand, that to attract and retain talented individuals, we must continue to listen to our employees and grow in line with their expectations.

2. MANAGING THE TOPIC

At GCP, we want our people to know that their wellbeing, development and satisfaction is an operational priority. We are dedicated to personal growth as our foundation and we prioritize creating an environment that encourages people to develop their competencies and pursue their careers within the company. With a strong focus on talent attraction and retention, we offer a culture of openness and horizontal management; flexible working hours; varied training and development opportunities;

and continual support through networks and a management-level mentoring program. Encouraging the spirit of openness and togetherness, we implemented more digital communication between staff and management and demonstrated our growth and development during an end of year video for all staff with one key message – that we set each other up for success.

The GCP Code of Conduct lays out the values behind our culture and the expectations we have of all our employees. At a day-to-day level, GCP considers willingness to help, reliability, and a consideration for others' needs the core attributes for living up to our business promise to tenants and stakeholders, and we expect all staff to exemplify these qualities.

Employee engagement

Feedback from our employees is welcomed on an ongoing basis, and we encourage a culture of open communication to grow in line with our employees' expectations. As well as exit interviews for departing employees which seek to understand their experiences whilst at GCP on topics such as training, corporate culture, and benefits; we have also introduced interviews at key touchpoints during the onboarding process, to receive feedback and understand how we can improve our recruitment procedures in areas including communication, company values, and working time arrangements. The feedback we receive is vital for informing how we can better meet our employees' needs, as well as understand employee perceptions around our culture and values.

We are aware that employee feedback can boost GCP's reputation as a desirable place to work, as well as a personal validation of our workplace culture. Accordingly, we welcome the opportunity for employees to share their experiences of

working at GCP on external forums and careers' websites. One way we have begun encouraging this behavior is by providing employees with a feedback card, asking them to share their experiences on Kununu, a leading employer-rating website in Europe. The feedback is an effective recruitment tool and helps us to identify areas where we can improve.

Payments and benefits

Offering an attractive remuneration and benefits package is directly linked to our ability to attract and retain highly qualified personnel.

We provide fair compensation to all our staff, regardless of contract type, with salaries and bonuses determined exclusively on individuals' skills, the competencies and responsibilities required by their position and personal success in their role. Information on our workforce gender pay gap can be found in our Diversity and Equal Opportunities Insight on our [website](#).

Our wider benefit package – beyond compulsory pension plans – includes performance-based bonuses; extended annual leave entitlements in line with length of service; and a selection of additional benefits such as childcare subsidies and gym memberships, free of charge, which are available for Berlin-based staff.

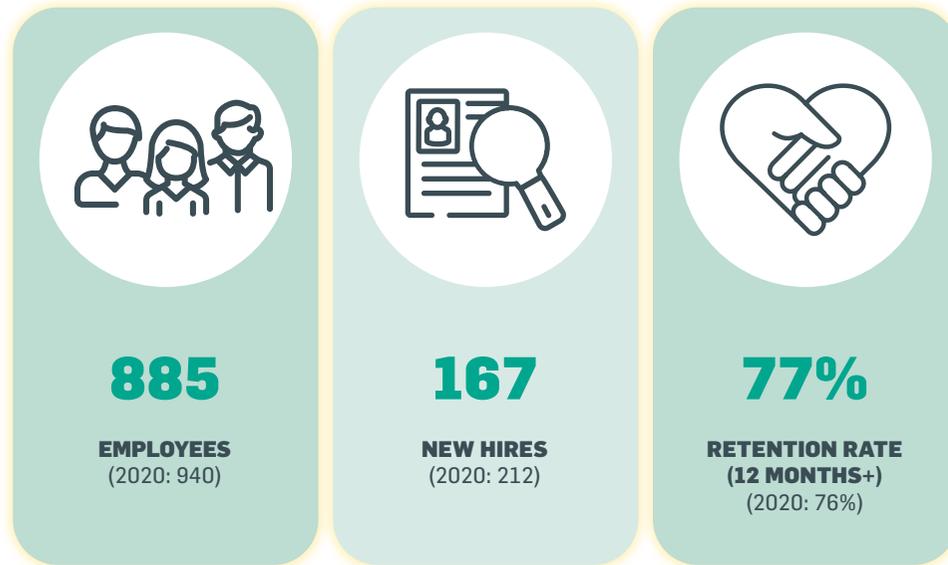
We are particularly proud of our web-based portal offering employee discounts, and the deals we have brokered with external companies to provide employees with these additional benefits. One example being a cooperation with a childcare operator which enables employees' children to attend a holiday club during school vacations at a cost below the market rate.

3. PERFORMANCE

Long-term Goals and 2021 Performance

To guide the implementation of our sustainability strategy and track our progress, we have developed a long-term goal to be among the top 10 most attractive employers in the German residential real estate sector by 2030.

There are several key figures¹ which we track on a yearly basis to monitor our performance and contribute to our long-term goals:



In 2021, our workforce decreased by approximately 6% compared to 2020, largely due to large-scale asset disposals. However, we observed a slight increase in our retention rate, which demonstrates the positive impact of the various initiatives put in place over the last year.

2021 Targets	Status	Progress
Be among the top ten most attractive employers in the residential real estate sector in Germany by 2030	Ongoing and pending selection of external rating scheme to measure target achievement	In 2021 we significantly improved our employee communications and commenced the implementation of a new digital performance management process. In 2022 we plan to implement further targeted engagement to obtain and respond to feedback from our staff and will continue the roll out of our performance management process across more departments. These measures, among others, strengthen our position as an attractive employer.
Improve our Kununu score from 3.4 to 3.5 (above an industry average of 3.4) in 2021	Partially achieved	At year end we have achieved a score of 3.5 - an increase of 0.1, which is still noteworthy given that we continue to operate in challenging circumstances and that the business underwent considerable structural changes in 2021. Furthermore, we doubled our employee reviews on Kununu in 2021.
Achieve a turnover rate of below 10%	Not Achieved	A portfolio change in 2021 and internal restructuring both played a critical role in our performance. In addition, the labor market was considerably impacted by the pandemic.

1. Employee data in 2021 and previous years is not directly comparable as in previous years the scope of the data only included employees from Germany. In 2021, we increased our data coverage to include all GCP employees.

Significant activities

Leveraging the benefits of a combined management approach to HR management

In 2021, the most significant activity which took place across our Human Resources (HR) department was its full integration with the Aroundtown HR department. This change was made necessary by the accounting consolidation of GCP by Aroundtown, which commenced in the third quarter of the year, and the resulting treatment of Aroundtown's investment in GCP as a position of de facto control as defined under the IFRS. The combining of the two HR departments enables us to increase efficiencies by streamlining the best practice policies and procedures in place in both organizations, including the implementation of the team lead structure, consolidating specialist HR resources such as employee development, and allowing us to obtain a complete overview of performance trends and progress against targets. Moreover, it has given rise to new opportunities for internal promotions and the flexibility for some employees to move teams or take on a more specialist role. The consolidation of the two companies has also resulted in the streamlining of best practice policies and procedures, particularly with regards to the management of ESG aspects such as employee satisfaction and wellbeing; tenant engagement and energy efficiency; and embedding a culture of open, effective communication - understanding what matters most to our employees.

As GCP understands the importance of listening to employees' needs and adjusting practices and procedures to increase levels of employee satisfaction, in 2021 we launched the GCP

employee survey, which enabled us to gain useful feedback on employees' perceptions of the positive attributes of GCP as an employer and ascertain insights into areas for improvement. In the upcoming year, we are considering more regular engagement surveys with employees to help us create a more successful working environment by involving the whole organization in increasing engagement and self-leadership.

Among the latter, communication was identified as a key aspect, and in 2021 we channeled significant efforts into developing and embedding a more open and effective dialogue with employees. As a starting point, this included more frequent digital communications between the management team and staff and the creation of a channel where questions and responses can be posted. At the end of the year, the management addressed all employees in a video covering the growth and development of the company in 2021. One central message was that we set each other up for success and the management thanked employees for their motivation and engagement despite the challenging times.

Continued support for employees through the COVID-19 pandemic

During what has been a very challenging two years for many of our employees, we have sought to show our appreciation for their hard work and support them where we can. In 2021 we granted every employee two additional days of annual leave and provided staff based in Berlin with a food and travel subsidy.

We also recognize that parents with young children have

faced particular difficulties during the pandemic, and so our partnership with Voiio allows parents to book a range of online and offline activities for their children for free, an initiative that was carried over into 2021. Parents can book last-minute virtual childcare and participate in virtual workshops including coaching programs. Given the lack of segregation between work and home over the past two years, this offers parents the opportunity to take some time for themselves as well as supporting them at work.

Priorities for 2022

We continue to create initiatives to support our employees with their professional growth and development, by enhancing employee engagement through regular surveys encouraging self-leadership and addressing areas for improvement; continuing to implement and expand the use of the digital performance management scheme, launched in 2021, which offers a customized training plan for each employee with access to online performance reviews; improving our Kununu score (an external ranking of employee satisfaction) from 3.4 to 3.5 in 2021 - we aim to reach 3.6 in 2022; and achieving a turnover rate of below 10%.

DATA TABLES²

Key figures	Unit	2019	2020	2021	
				GCP Germany	GCP Total
Number of employees					
Number of FTEs		945	859	770	809
Total number of employees (permanent and temporary)		1033	940	845	885
Female		525	493	427	447
Male		508	447	418	438
Total number of permanent employees		633	640	622	661
Female		341	350	342	362
Male		292	290	280	299
Total number of temporary employees		400	300	223	224
Female		184	143	85	85
Male		216	157	138	139
Total number of full-time employees		927	843	756	793
Female		448	419	355	374
Male		479	424	401	419
Total number of part-time employees		106	97	89	92
Female		77	74	72	73
Male		29	23	17	19
Number of apprentices		37	25	21	21
Number of apprentices who successfully completed their exams		1	19	9	9
Number of apprentices subsequently hired		1	11	4	4

Key figures	Unit	2019	2020	2021	
				GCP Germany	GCP Total
New employee hires and employee turnover					
Total number of new employee hires		428	212	154	167
Female		132	98	51	58
Male		296	114	103	109
Age group <30		145	80	64	68
Age group 30-50		222	110	73	82
Age group >50		61	22	17	17
Hiring cost per new employee	€	651	1,206	1,769	2,364
Percentage of open positions filled by internal candidates	%	18	37	40	38
Rate of new employee hires					
Female	%	31	46	33	35
Male	%	69	54	67	65
All employees	%	41	23	18	19
Employee initiated turnover					
Total number of employee turnover		157	126	137	147
Female		79	58	67	73
Male		78	68	70	74
Age group <30		50	49	42	47
Age group 30-50		84	65	76	81
Age group >50		23	12	19	19

1. In 2021, we increased the scope of our HR data to include all employees. Previously, HR data only included Germany-based employees, therefore 2021 and previous year's performance is not directly comparable.

Key figures	Unit	2019	2020	2021	
Rate of employee turnover ³				GCP Germany	GCP Total
Female	%	50	46	49	50
Male	%	50	54	51	50
All employees	%	11	10	13	13
Retention rate				GCP Germany	GCP Total
Female	%	79	79	77	77
Male	%	76	73	78	78
All employees	%	78	76	77	77
Parental leave				GCP Germany	GCP Total
Employees that were entitled to parental leave		1033	940	845	885
Female		525	493	427	447
Male		508	447	418	438
Employees that took parental leave		46	59	60	61
Female		42	49	45	45
Male		4	10	15	16
Employees that returned to work in the reporting period after parental leave ended		19	27	34	34
Female		16	19	21	21
Male		3	8	13	13

3. Defined as employee-initiated departures who did not return in the same year.

Key figures	Unit	2019	2020	2021	
Parental leave				GCP Germany	GCP Total
Return to work rate of employees that took parental leave	%	86	75	92	92
Female	%	89	68	91	91
Male	%	75	100	93	93
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work		14	9	17	17
Female		10	9	10	10
Male		4	0	7	7
Retention rate of employees that took parental leave	%	56	47	63	63
Female	%	56	56	53	53
Male	%	57	0	88	88