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# EMPLOYEE SATISFACTION

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## PART 1 – UNDERSTANDING THE ISSUE

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.

## PART 2 – MANAGING THE ISSUE

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 prioritise 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 programme.

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 employee's 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 employee's needs, as well as understand employee perceptions around our culture and values.

We are aware that employee feedback is an invaluable promotion tool, 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 behaviour 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 which are available for Berlin-based staff free of charge.

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.

## PART 3 – PERFORMANCE

### Long-term Goals and 2020 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 ten most attractive employers in the German residential real estate sector by 2030.

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



Our workforce decreased by 9% in 2020 largely due to large-scale asset disposals, resulting in a slight decrease in our retention rate to 76%.

As well as our KPIs, we set a target to establish a system for the launch of our employee engagement survey. Below, we have described the progress against our 2020 target

2020 target	Status	Progress
Analysis of a system for employee engagement survey	Achieved	In 2020, we conducted analysis to determine the most effective platform for delivering our employee engagement survey. As a result, we will utilise our existing HR management software.

## Significant activities

### Measuring employee satisfaction

Gaining an understanding of our employees' experiences and perceptions is important for measuring their current satisfaction and identifying areas where we have an opportunity to improve their experiences in the workplace. This year we developed an employee satisfaction survey which seeks to understand employees' satisfaction with our corporate values and image, company culture, and approach to sustainability. It also measures employees' satisfaction across topics such as their position and scope of duties, workplace equipment, work-life balance, development and career opportunities, and communication within the company. When the survey is launched in 2021, it will provide critical insights that can be utilised to improve the employee value proposition and enhance GCP's ability to attract and retain talent.

### Supporting employees with what matters most

As the COVID-19 pandemic spread, we had to act quickly to ensure our employees felt supported during a time of physical and emotional stress. We efficiently provided all employees with the equipment to work from home and created digital 'how to' videos to ensure that the equipment was set up correctly. We created a company guideline to set out employee behaviours and provide guidance on how to stay safe during the pandemic. To ensure employees had an easy way to communicate with us, we established a coronavirus hotline and email address to answer employees' questions on a wide variety of topics from mental health to childcare support.

During what was a challenging year for many of our employees, we wanted to show our appreciation for their hard work and support them where we could such

as granting every employee an additional day of annual level. With the gradual return to everyday office life after the national lockdown, we also provided our employees in Berlin with a food and travel subsidy. For the former, employees receive a subsidy for 15 working days of every month to encourage lunch breaks and healthy food choices. Employees travelling to work on public transport can also receive €15 a month to subsidise their travel costs and promote the use of sustainable travel options.

We also recognise that parents with young children have faced particular difficulties during the pandemic, and so our partnership with Voio allows parents to book a range of online and offline activities for their children for free. Parents can book last-minute virtual childcare and participate in virtual workshops including coaching programs. Given the lack of segregation between work and home during 2020, this offers parents the opportunity to take some time for themselves as well as supporting them at work.

### Priorities for 2021

To contribute to our long-term goal and focus our efforts in 2021, we will continue to concentrate on retention management, gaining insight from the launch of our employee engagement survey to focus our efforts in areas that can deliver the most value for our employees.

Employee turnover remains a key indicator of our ability to retain talent, as such we have set a target to achieve a turnover rate of below 10%.

Lastly, we aim to improve our Kununu score from 3.4 to 3.6 (above an industry average of 3.4) in 2021 to demonstrate our attractiveness to the external talent market, measure our success in embedding a feedback culture across the organisation as well as identify opportunities to improve our employee offering.

## Data tables

Key Figures	Unit	2018	2019	2020
<b>Number of employees</b>				
Number of FTEs		946	945	859
Total number of employees (permanent and temporary)		979	1033	940
Female		509	525	493
Male		470	508	447
Total number of permanent employees		548	633	640
Female		303	341	350
Male		245	292	290
Total number of temporary employees		431	400	300
Female		206	184	143
Male		225	216	157
Total number of full-time employees		884	927	843
Female		436	448	419
Male		448	479	424
Total number of part-time employees		95	106	97
Female		73	77	74
Male		22	29	23
Number of apprentices		30	37	25
Number of apprentices who successfully completed their exams		3	1	19
Number of apprentices subsequently hired		2	1	11
<b>New employee hires and employee turnover</b>				
Total number of new employee hires		343	428	212
Female		188	132	98
Male		155	296	114
Age group <30		137	145	80
Age group 30-50		163	222	110
Age group >50		43	61	22
Hiring cost per new employee	€	n/a	651	1,206
Percentage of open positions filled by internal candidates	%	n/a	18	37

Key Figures	Unit	2018	2019	2020
<b>Rate of new employee hires</b>				
Female	%	55	31	46
Male	%	45	69	54
All employees	%	35	41	23
<b>Employee turnover</b>				
Total number of employee turnover		116	157	126
Female		64	79	58
Male		52	78	68
Age group <30		37	50	49
Age group 30-50		68	84	65
Age group >50		11	23	12
<b>Rate of Employee turnover <sup>1</sup></b>				
Female	%	55	50	46
Male	%	45	50	54
All employees	%	9.5	11.2	10.1
<b>Retention rate</b>				
Female	%	78	79	79
Male	%	80	76	73
All employees	%	79	78	76
<b>Parental leave</b>				
Employees that were entitled to parental leave		979	1033	940
Female		509	525	493
Male		470	508	447
Employees that took parental leave		49	46	59
Female		38	42	49
Male		11	4	10
Employees that returned to work in the reporting period after parental leave ended		25	19	27
Female		18	16	19
Male		7	3	8
Return to work rate of employees that took parental leave	%	83	86	75
Female	%	82	89	68
Male	%	88	75	100
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work		8	14	9
Female		5	10	9
Male		3	4	0
Retention rate of employees that took parental leave	%	67	56	47
Female	%	63	56	56
Male	%	75	57	0

<sup>1</sup> Defined as employee-initiated departures who do not return in the same year. In 2020, the total voluntary and non-voluntary turnover rate was 24%, with 60% of non-voluntary turnover being due to large-scale asset disposals in 2020.