

LOCAL COMMUNITIES

1. UNDERSTANDING THE TOPIC

We are driven by the desire to support long-term, vibrant and friendly communities that enhance the quality of life for our residents. As one of the leading residential real estate companies in Germany, we also recognize our ability and the important role we play in influencing and impacting the lives of the people where we invest. We can have a significant impact by nurturing positive relationships with local authorities, residents and charitable partners; and we make this a priority.

The key to our success is our employees who share our vision. We pride ourselves on the approachability of our staff and, from our Community Relations Officers to our Service Center employees, we are committed to building trust and credibility with our stakeholders and having a direct impact on their wellbeing.

Proactive community building is also vital for our business performance - it helps us to secure building permits, find collaborative solutions to mitigate social risks, maintain a good tenant structure, and enhance tenant attraction and retention. By regularly engaging with our communities and understanding local needs, we can build stronger relationships and ensure our assets deliver the highest benefit possible through community events and ongoing investments.

2. MANAGING THE TOPIC

GCP's social engagement strategy is deployed in three formats and is underpinned by our Community Involvement and Development Policy, which sets out our commitment to improve the lives of the communities in and around our assets. In addition to outlining reporting and planning requirements for active community relationship management, the policy highlights the importance of key activities for addressing local community needs including the Grand City Properties Foundation, the tenant relationship manager program and engagement and consultation with external stakeholders.

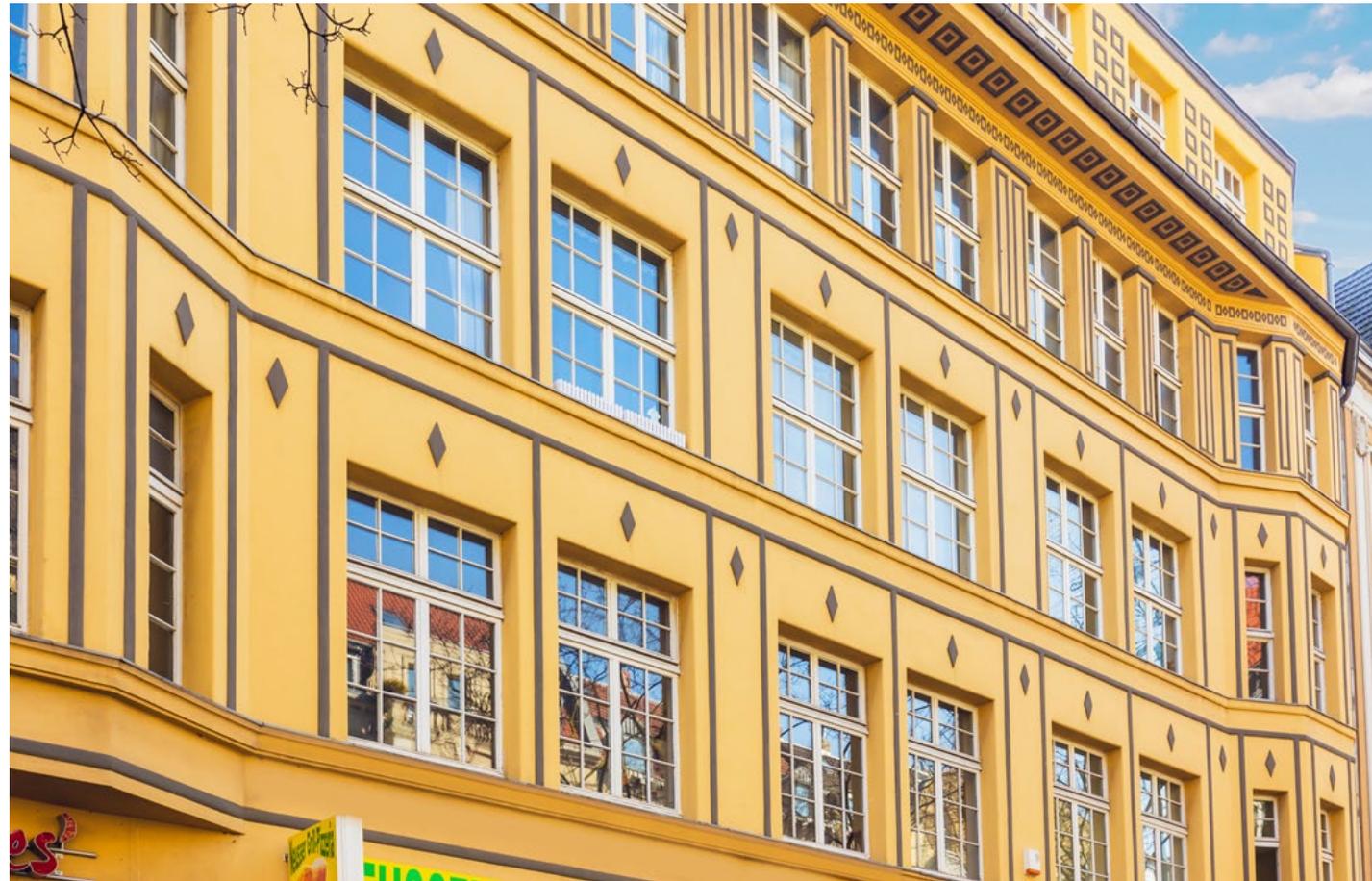
Firstly, we leverage the potential to use shared spaces in and around our residential assets to promote an extensive program of community events, which are managed by our central team and hosted by local property managers. We have learned, over the years, that these events have an important function in bringing neighbors together, creating a sense of pride in their shared building and its surroundings; and enabling us to develop personal relationships with our tenants based on cooperation and trust. Over the last two years, we have needed to adapt our community events program owing to the pandemic-related restrictions on physical gatherings. By harnessing the reach of digital and social media platforms, we have continued to deliver a variety of compelling, remote events for our tenants as described in the 'Significant activities' section below.

Secondly, we develop relationships and provide cash and/or in-kind funding to local organizations, which are well-placed to deliver additional social benefits to tenants and the wider community in each neighborhood where we are present, taking account of real, local needs. This typically involves infrastructure investments - such as the creation of library rooms, playgrounds, or sports pitches - and the funding of services such as educational support programs, sports clubs, and social network groups. We currently let 21 units rent-free and three units at a reduced rent (with the majority also being provided with free utilities) for social and/or charitable purposes, equivalent to a donation of approximately €135,000 in unexploited rental income.

The Grand City Properties Foundation supports charitable projects within the neighborhoods where our assets are located, with a goal to channel up to €500,000 per year. We have a robust governance structure for the Foundation, which is managed by a committee comprised of staff from GCP's management team and overseen by an independent Board of Trustees. This structure, along with our SOP on 'Submitting an Application for the Grand City Properties Foundation' (which defines the selection criteria for our project partners), ensures that funding is targeted at projects that will deliver tangible social benefits for residents and wider communities. Proposed projects are discussed by the Committee on a regular basis and decisions are submitted to the Board of Trustees for approval before funds are directed to charitable organizations, subject to standard compliance and risk management checks.

Through the Foundation's activities, GCP supports social integration and equal opportunities for our tenants. Ongoing engagement with tenants through the GCP Service Center, targeted tenant surveys and personal contacts complemented by GCP's due diligence assessments; and our contacts with local authorities all enable us to identify the most important areas of focus in each location.

The third format involves the promotion of community involvement on the part of GCP employees. We directly employ three full-time Community Relations Officers, trained social workers who are deployed regionally to assist tenants on a personal basis, as well as a Collector & Social Tenants Manager who provides social advice and individual support to tenants and implements social projects. Property managers provide a point of contact in areas where there is not a dedicated Community Relations Officer, and they make themselves personally known to tenants through participation in community events and regular site visits. Furthermore, employees are encouraged to participate in corporate volunteering activities with an allowance of one day's paid work time to do this. Whilst we have been unable to organize a team-wide volunteering day since the start of the COVID-19 pandemic, individual employees have continued to make use of their volunteering allowance. Most significantly, we are grateful to the three team members who dedicated a combined 30 hours of time to support the flood relief efforts in North Rhine-Westphalia (NRW), and the 20 GCP employees who participated in the blood drive in 2021.



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3. PERFORMANCE

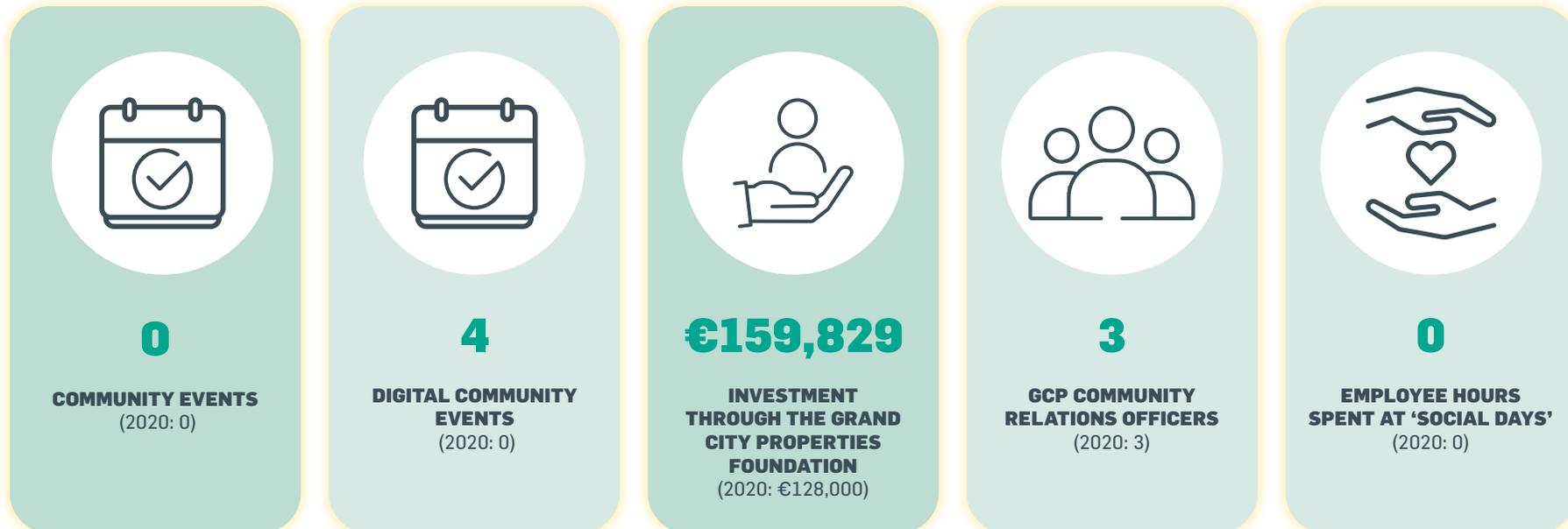
Long-term Goals and 2021 Performance

To guide the implementation of our sustainability strategy and track our progress, we have developed several long-term goals:

- Investing in our neighborhoods to create affordable places people want to live and stay
- Create high-quality shared spaces for tenants and support local community-building organizations

- Invest up to €500,000 p.a. in community building activities until 2030 through the Grand City Properties Foundation.

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



Due to the challenges presented by COVID-19, which have continued to prohibit large gatherings and in-person contact, community events were created using digital formats during 2021 (please see the ‘Significant activities’ section below for more details).

We are proud to have donated €159,829 of funds in support of social projects through the Grand City Properties Foundation in 2021, marking a 25% increase in comparison with the previous year. The Grand City Properties Foundation supported a total of 44 projects geared towards a wide range of community needs in the locations where we operate. Significantly, it included a €65,000 donation to the flood victims in Ahrtal.

In addition to our KPIs, we set targets to focus our efforts on community events and the Grand City Properties Foundation. Below, we have described the progress against our 2021 targets:

| 2021 Target | Status | Progress |
|---|----------|--|
| Increase our support through the Grand City Properties Foundation | Achieved | In 2021, we donated €159,829 of funds in support of social projects through the Grand City Properties Foundation, marking a 25% increase in comparison with 2020 (see ‘Significant activities’) for more information). |
| Host employee ‘Social Days’ | Paused | Owing to government COVID-19 restrictions, we were unable to offer our employee ‘Social Days’ in 2021. |
| Host community events | Achieved | After transitioning our approach to hosting community events into a digital format in 2020, we continued to do so in 2021, enhancing their popularity. |

Significant activities

Embracing digital to enhance tenant engagement activities

At GCP, engagement with our tenants through events is a key part of our social engagement strategy. Due to the ongoing challenges presented by COVID-19, which have continued to prohibit large gatherings and in-person contact, it was necessary to adapt our approach and utilize the growth in digital communication channels to maintain our high-quality tenant offering. Our digital events in 2021 included a digital Easter egg hunt on our website, with all participants re-

ceiving a small present for providing the correct answer; a summer event where tenants received a summer toolbox that enabled them to complete themed, interactive tasks; a Halloween Instagram photo competition where tenants voted for the best images; and a digital advent calendar where tenants could discover several interactive surprises and have a chance to win shopping vouchers. To achieve maximum exposure and participation, we rolled-out multi-channel public relations programs. As an indicator of the success and growing popularity of these events, we recorded a 93% increase in participants over the course of the year compared to our first digital Christmas event in 2020, whilst achieving a 72% reduction in the cost of the Christmas event in 2021. Importantly, we integrated the digital tenant events within the GCP tenant app and included the GCP loyalty program in the reward system for participating tenants, helping to boost participant numbers for both tools.

Nurturing biodiversity in our local communities

Recognizing the significant role that nature can play in enhancing our local communities while positively contributing to wellbeing, with our facility management partner, we transformed the grass lawn into a meadow with a bee hotel in Kley, Dortmund. The project aims to enhance biodiversity and the local ecosystem by nurturing a healthy pollinator population and diverse meadow flowers. The initiative will also provide a pleasing aesthetic environment for tenants, connecting them with nature to increase tenant satisfaction, with the added benefit of reducing property service costs due to lower landscaping requirements.

Supporting projects through the Grand City Properties Foundation

Despite the ongoing restrictions on social interaction due to COVID-19, we were able to increase our support to community projects through the Grand City Properties Foundation. We provided €159,829 of funds across 44 schemes including youth projects providing technological and leisure equipment, education materials, donations to sports clubs, and also to people with disabilities.

Examples of our support in 2021 included €65,000 in aid to areas affected by the floods that swept across Germany in July. We donated food, clothing, medicine, building materials and other urgently needed items. We also donated €2,500 for the wish fulfilment of seriously ill and/or recovering children to positively impact the child’s and their family’s wellbeing. With an international non-profit, we provided €10,000 to fund 24/7 emergency childcare, virtual services to support parents and keep children occupied while at home, online learning tools for children who may not be able to access education due to the COVID-19 pandemic, and protective equipment in quarantine stations.

Priorities for 2022

Moving forward, we will increase the number of people taking part in our tenant community events, harnessing the relaunch of face-to-face tenant events at local properties and the opportunities presented by our digital offerings. Building on the success of our digital events in 2021, we will expand our digital social media events and explore the potential to host tenant events based on social responsibility themes, in cooperation with external partners.

In line with our long-term goals, we will uphold our contributions to the foundation and continue to support relevant projects and organizations in our local communities. It is through our work with a variety of projects focused on different areas that we see our contribution to the global agenda.

Provided the COVID-19 restrictions allow it, GCP hopes to implement its 'Social Days' in 2022, allowing our employees to support causes that matter to them. We will also repeat our annual blood drive day at our Berlin office.

DATA TABLE

| Key figures | Unit | 2019 | 2020 | 2021 |
|--|------|---------|----------------|----------------|
| Operations with local community engagement, impact assessments, and development programmes | | | | |
| Neighborhood activities | # | 180 | 1 ¹ | 4 ² |
| Community investment | | | | |
| Total value of community contributions, including through the Grand City Properties Foundation | € | 100,000 | 128,000 | 159,829 |
| Donations in unexploited rental income | € | n/a | 150,000 | 135,000 |



Munich

1. Due to the challenges presented by COVID-19, which prohibited large gatherings and in-person contact, our physical community events were put on hold during 2020 to protect the health and safety of both our tenants and employees. In December 2020, GCP organized the first digital event for its tenants.
2. Due to continued challenges presented by COVID-19, which prohibited large gatherings and in-person contact, our physical community events were put on hold during 2021 to protect the health and safety of both our tenants and employees. As an alternative, we organized four digital events as described above. We are likely to continue with a hybrid approach in the future.