
LOCAL COMMUNITIES

PART 1 – UNDERSTANDING THE ISSUE

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 recognise 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.

Key to the success of our approach are our employees who share our vision. We pride ourselves on the approachability of our staff, and from our Community Relations Officers to our Service Centre 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.

PART 2 – MANAGING THE ISSUE

GCP's social engagement strategy is deployed in three stages 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. As well as 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 GCP 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 programme 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 neighbours 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.

Secondly, GCP develops relationships, and provides cash and/or in-kind funding to local organisations which are well-placed to deliver additional social benefits to tenants and the wider community in each neighbourhood 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 programmes, sports clubs, and social network groups. We currently let 25 units rent-free (with the majority also being provided with free utilities) for social and/or charitable purposes, equivalent to a donation of approximately €150,000 in unexploited rental income.

The GCP Foundation aims to channel up to €500,000 per year of social investment into charitable purposes within the neighbourhoods surrounding our assets. We have a robust governance structure for the Foundation, which includes a Committee comprised of staff from GCP's management team, overseen by an independent Board of Trustees. This structure, along with our comprehensive 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 organisations, subject to standard compliance and risk management checks. This process has been formalized in 2020 with a Standard Operating Procedure.

Through the Foundation's activities, GCP supports social integration and equal opportunities for our tenants. Ongoing engagement with tenants through the GCP Service Centre, targeted tenant surveys and personal contacts, complemented by GCP's due diligence assessments and our contacts with local authorities, enables 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. 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.

PART 3 – PERFORMANCE

Long-term Goals and 2020 Performance

To guide the implementation of our sustainability strategy and track our progress, we have developed several long-term goals that we are continuing to work towards:

- Build supportive and affordable communities where people want to live and stay
- Target investments toward the creation of high-quality shared spaces for tenants and support local community-building organisations
- Support charitable organisations in our local communities with up to €500,000 p.a. donated through the GCP 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 prohibited large gatherings and in-person contact, our community events and volunteering days were put on hold during 2020 to ensure the health and safety of both our tenants and employees. In the absence of physical events, see below to read about some of the ways we engaged with our tenants. Nevertheless, we were still able to have a positive impact in our local communities through our

investments using the GCP Foundation and over the last year, we increased our funding by 28%. Read about some of the projects we've been supporting below.

As well as our KPIs, we set targets to focus our efforts on employee volunteering and the GCP Foundation. Below, we have described the progress against our 2020 targets:

2020 Target	Status	Progress
Increase project volume of Foundation in every region	Achieved	During 2020, we increased the number of GCP Foundation projects in five out of eight of our regions. We plan to continue working towards increasing project volume in all regions during 2021.
Increase number of participants for social days across all regions	Postponed	Despite registering an increased number of participants for social days, due to COVID-19 we cancelled all scheduled events for 2020. We plan to continue working towards this target during 2021 in line with COVID-19 restrictions.

Significant activities

From physical to virtual community events

Engagement with local communities is a key part of our social engagement strategy. When COVID-19 spread quickly in early 2020, our ability to host physical events was significantly impacted. Knowing that these activities are something that our communities look forward to, we worked hard to host events in a way which was COVID secure. Our annual Christmas campaign, that normally consists of around 50 events which take place in various locations throughout Germany, shifted to a virtual campaign. Online activities included personalised greetings from Santa Claus, baking sessions, and a social media contest where participants could win a voucher by posting a photo of their bakes. Tenants could also register for their children to receive a Christmas gift. Given the importance of this annual event to our local communities, and the ongoing hardships presented by COVID-19, it was more important than ever for us to show our support and create positive social interactions.

Supporting projects through the GCP Foundation

Our efforts to increase our community support through the GCP Foundation were likewise hindered by COVID-19 as restrictions on social interaction meant that we could not visit potential projects in person. Nevertheless, we worked hard to identify projects which could result in a positive impact, particularly for those that needed additional support due to the lockdown. Examples of our support in 2020 included a €10,000 donation to a national children's charity whose services improve the lives of young people and their families by helping to strengthen their wellbeing, self-esteem, and communication skills. To ensure the safety of their services during COVID-19, we set up quarantine stations for people who might be infected and equipped staff with vital personal protective

equipment. For a day care centre adjacent to one of our properties, we donated €8,000 for the refurbishment of their 30-year-old climbing frame, improving their play-time facilities, and ensuring the children remain safe.

Supporting the education of younger generations is important to the mission of the GCP Foundation, particularly in 2020 as COVID-19 has resulted in school closures and emphasised widespread inequalities in education. Working with the Federal Ministry of Education and Research and a prestigious university, we funded 12-month scholarships for six talented students from underprivileged backgrounds. Totalling just under €11,000, our support helped to provide programmes in Accounting, Taxation and Finance and Human Resources Management.

Priorities for 2021

To contribute to our long-term goals and focus our efforts in 2021, we aim to increase our support through the GCP Foundation, and build on the more than €128,000 in funding we provided to 47 projects in areas such as sports and physical activity, children's education and community facilities during 2020.

Despite the challenges presented by COVID-19 which resulted in most of our community events being cancelled, we will deliver these events in 2021 in line with government regulations. As well as their ability to enhance tenant satisfaction, community events are something our tenants enjoy and look forward to and are important for bringing our communities together.

Finally, social days provide employees with the opportunity to get involved with our local communities and form a key part of our social engagement strategy. Pending the relaxation of COVID-19 restrictions, we hope to restart our employee social days in 2021, and conduct initiatives such as our annual blood donation and participate in the corporate B2run.

Data tables

Key Figures	Unit	2018	2019	2020
Operations with local community engagement, impact assessments, and development programs				
Neighbourhood activities		168	180	0 ¹
Community investment				
Total value of community contributions, including through the GCP Community Foundation	€	n/a	100,000	128,000

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 ensure the health and safety of both our tenants and employees.