

TENANT SATISFACTION

1. UNDERSTANDING THE TOPIC

GCP aims to create supportive, affordable communities where people enjoy living and staying. As a specialist in residential real estate, tenants' satisfaction is fundamental to the success of our business and guides everything we do. Our business model, which centers around asset repositioning, is driven by our desire to directly contribute to improving the quality of life of our residents.

Our tenants – who are our primary customers – represent a range of social, economic, and cultural backgrounds of which a high proportion consists of households with lower-than-average incomes. Understanding each property's tenant profile and their specific needs is therefore vital for influencing our management approach and directing our investments in operational improvements such as community facilities and social programs.

Throughout the tenant lifecycle, tenants' interests are top of mind not just for our Service Centre and operations teams, but throughout our whole company. As such, increasing tenant satisfaction is integrated throughout every process, from employee training to customer service. We place a particular emphasis on the need for our employees to be empathetic and approachable, and our philosophy is bound by the idea that tenants can contact us for anything, at any time.

Tenant satisfaction therefore is a prime indicator of our performance as it translates into high occupancy rates, which contribute to strong long-term returns.

2. MANAGING THE TOPIC

Our approach to tenant satisfaction is underpinned by three strategies:



Investing in building infrastructure so that we can offer tenants a higher standard of living in safe, comfortable, efficient, and attractive buildings with additional amenities



Providing outstanding customer service through the GCP Service Centre, face-to-face contact and other points of contact



Active community involvement to promote a strong sense of neighborliness and connection with the local community

The GCP Tenant Satisfaction Policy strengthens our approach and emphasizes the importance placed on tenant satisfaction at every stage of the tenant lifecycle, regardless of whether a contract is in place. Integral to the management of tenant satisfaction, the policy also details how GCP measures the satisfaction of tenants to understand performance, address any issues that may arise, and ensure the continuous improvement of our approach.

Tenant service

GCP's customer-led approach begins at the very start of the individual tenant journey. The GCP Service Centre is open for prospective tenants 24/7, with rapid response on requests for information in multiple languages and arrangement of property viewings. Thereafter it continues to be available to signed tenants for all types of day-to-day issues that require landlord assistance, throughout the duration of their occupancy.

If tenants have personal challenges, they can count on the support of GCP's Community Relations teams and on-site staff to assist in matters such as communication with schools and local authorities and overcoming language barriers. Through the course of their tenancy, GCP's customers benefit from the roll-out of structural improvements within their building, and the ability to co-create and participate in social activities for their residential community.

We seek to constantly surprise our tenants with a continuously improved service that exceeds what has become standard expectations, for example, through our tenant loyalty program, which issues shopping discounts for new tenants and loyalty points for existing tenants who can exchange them for vouchers. In keeping with our commitments to reduce our environmental

impact and to encourage sustainable lifestyle choices, we have initiated a scheme by which tenants can receive points on their loyalty account for switching to a renewable electricity provider.

Accelerated by COVID-19 due to restrictions on in-person contact, we have intensified our engagement with tenants through digital channels during 2021, including through the launch of our loyalty program on the GCP tenant app. We have found that the increased use of digital communication and workflow saves time and costs for our company and our tenants. It has enabled us to reach and respond to our tenants quicker and, when applied to our letting and invoicing processes, it offers a fast, transparent, and paperless solution to agreeing contracts and approving payments. For example, 86% of tenant contracts were completed using a digital signature from September 2021 compared to 0% in 2020.

We have also maintained digital services that were implemented in 2020 as a result of COVID-19, including digital tenant viewings, offering a live virtual tour of our apartments, a virtual 360 tour, and a pre-recorded video tour of the specific apartment that the tenant would be renting to provide a detailed view of the condition of the accommodation. At the customer's request, we also provide a virtual tour of the common areas.

At the same time, we recognize the importance of maintaining face-to-face contact with our tenants, and in 2021 we were pleased to maintain our tenant opening hours with the use of pre-booked appointments, a comfortable waiting area and application of all necessary hygiene standards. Feedback from our tenants has confirmed that they value the additional preparation and support we have offered during the pandemic.

Feedback received from tenants is used to support continual

improvement. By nature of its ticketing system, the GCP Service Centre enables us to build up a valuable dataset on service performance, which in turn helps us to eliminate sources of tenant dissatisfaction through a preventive approach and identify further ways in which we can improve living standards.

We track and review quantitative indicators of customer satisfaction on a continual basis, covering the tenant lifecycle from their first interaction with GCP as a prospective tenant, through to departing tenants when they leave one of our properties. After each service request has been closed, a survey is issued to the tenant who is asked to assess GCP's performance in terms of friendliness, reachability, quality of work conducted and time to resolution. To learn about our performance in 2021, see the Performance section below.

Our exemplary performance was acknowledged in 2021 by the receipt of Focus Money magazine's 'Best Customer Service' award, a distinction which validates GCP's approach to customer service.

Tenant engagement and communications

In keeping with our efforts to enhance tenant satisfaction and offer outstanding customer service, we place significant importance on direct interaction and dialogue.

After GCP acquires new properties and begins to plan for structural investments, we liaise closely with tenants' associations to make sure that the improvements proposed are aligned to tenant needs. Throughout the operational management phase, tenants rely on receiving effective information, advice, and assistance from GCP as their building operator.

GCP employees address tenants' concerns through direct interaction as well as via the GCP Service Centre. With a commitment to maintaining a 24-hour response time, the GCP Service Centre is contactable via toll-free numbers, by email, the GCP app, the GCP Portal and various 'chat' platforms. It uses a ticketing system developed by GCP that enables all tenant concerns to be documented and addressed consistently. To ensure wait times are kept to a minimum, our goal is to answer 95% of calls in under 20 seconds. To deliver first class service even at peak times, tenants can decide to receive a call-back. In addition, to ensure the utmost convenience, tenants can create service requests through the GCP app, track the progress of the request and reopen the case if required.

The successful running of the GCP Service Centre and other tenant engagement channels is heavily contingent on the ability of our staff to listen and respond effectively, and to cultivate open communication and trust. Hence customer service excellence is a core aspect of staff training. All new employees in the GCP Service Centre receive one month's training in-house, immersed in GCP's theory and practices, involving shadowing experienced staff, 'role play' calls and training in conversational standards. Continuous training is part of the job for all staff, including monitoring from 'call listeners' and group debriefs in a convivial atmosphere. Customer service is also an integral part of GCP's Leadership Program, reinforcing GCP's visible management commitment to utmost professionalism in service.

Our Service Centre boasts TÜV certifications for Proven Service Quality, re-certified by the TÜV Nord in March 2022, and Quality Management (DIN EN ISO 9001:2015). The quality management certification, re-confirmed by the independent auditor TÜV Profi Cert Hessen in February 2022, provides assurance that the

Service Centre is being managed on a very rigorous basis with regards to stakeholder engagement, risk management and continual improvement. Due to the COVID-19 pandemic, the re-audit was done remotely, and the auditor commended GCP on its technical ability in this regard, which resulted in a fully frictionless re-audit process.

In our role as asset owner and property manager, GCP can generate significant added social value by enhancing tenants' living conditions. GCP's asset repositioning strategy – from asset selection and acquisition through to our active management approach – is geared towards the development and improvement of residential concepts and in particular the creation of family-friendly living environments. In the first instance, we source assets which offer potential for structural improvement and higher quality management. Information about a property's tenant profile as well as demographic and social indicators within the surrounding neighborhood are considered as part of GCP's due diligence assessments, helping to inform the Company's investment approach and management of social risks, which could infringe on tenants' quality of life. These structural investments and operational improvements enhance residents' health and wellbeing and foster a greater sense of neighborliness that benefits all tenants in a property. GCP likewise benefits through longer average lease terms as tenants often choose to stay longer in high quality housing with a strong community.

Our social engagement strategy further leverages our potential to invest in shared spaces in and around our residential assets to promote community events that boost tenant satisfaction and retention rates, as well as meeting local needs. The extent of GCP's approach is unique among the German residential sector, and we offer an extensive range of facilities and tenant events

designed to bring neighbors together, creating a sense of pride in their shared building and its surroundings, and enabling us to develop personal relationships with our customers. Community facilities like indoor and outdoor playgrounds, fitness trails, BBQ areas and tenant libraries create spaces where people can congregate and build relationships, supporting health, wellbeing and educational development. In 2021 we successfully adapted our events program in the context of the COVID-19 restrictions, maintaining our high-quality service through innovative and compelling digital and remote events based on seasonal celebrations, which attracted an increasing number of participants throughout the year (see the Performance section for more information).

By working closely with local authorities, policymakers, and non-profit organizations, we also channel investments towards services and infrastructure that can bring the greatest benefits to residents. One example is our cooperation with local non-profit organizations that provide educational assistance as well as general care for children living in our properties. GCP supports these organizations by offering rent-free access to housing units or commercial space, as well as furniture, equipment, and funds to cover operational costs.

We also provide cash and/or in-kind funding to local organizations that deliver social benefits to tenants and the wider community in neighborhoods where we are present. Examples include playgrounds or sports pitches, as well as funding services such as educational support programs, sports clubs, and social network groups. GCP currently lets 20 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 p.a. in unexploited rental income.

3. PERFORMANCE

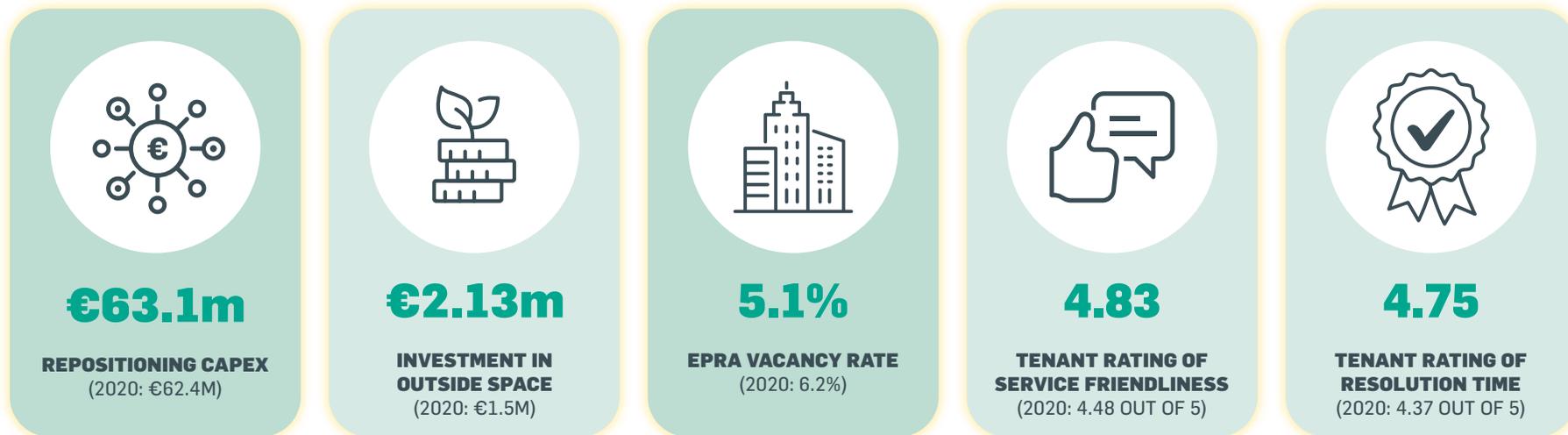
Long-term Goals and 2021 Performance

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

- Create a high standard of living at our properties through safe, attractive buildings, active community building and engaged customer service

- Retain residents by actively fostering tenant loyalty, by creating supportive, affordable communities where people enjoy living and staying
- Continually enhance tenant satisfaction levels regarding all assessment areas

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



We continued to invest in upgrading our apartments and outside space during 2021, increasing our spending on the latter by 42%. Our EPRA Vacancy Rate, a key indicator of our tenant's satisfaction, remained strong with the vacancy rate decreasing by 1.1% on a like-for-like basis over the past year, which indicates more of our tenants are choosing to stay longer in our properties.

As evidence of the validity of our customer service approach, in 2021 GCP was rated 4.83 (out of 5) for Service Centre friendliness, 4.82 for reachability, 4.75 for quality of work and 4.75 for resolution time, an improvement in all areas compared to 2020. Our strong performance is also within the context of ongoing disruptions, challenging working conditions and higher than usual levels of stress for our tenants due to COVID-19. Our target is to improve our score across all indicator's year-on-year, aiming for a minimum performance of 4.5, and to answer 95% of calls within 20 seconds.

In addition to our KPIs, in 2021 we continued to work towards establishing a tenant loyalty program. Below, we have described the progress against this target:

2021 Target	Status	Progress
Develop a loyalty program for tenants	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).

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 receiving a small present for providing the correct answer, a summer event where tenants could complete tasks to take part in a raffle for shopping vouchers, a Halloween Instagram photo competition where tenants voted for the best images, and a digital advent calendar where tenants could discover different surprises and have a chance to win shopping vouchers. 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 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 the GCP loyalty program within the reward system for participating tenants, helping to boost participant numbers for both tools.

Refreshing our GCP tenant app

Building on our activities in 2020 to refresh and redesign the GCP tenant app to ensure optimum usability, key features of the app now include online inquiries and related updates, a tenant consultation booking system, news, apartment search and shopping benefits for tenants. Our tenants not only benefit from direct access to self-services and better usability than on the website but can avoid wait times relating to tenant consultation hours. With the re-launch of our tenant loyalty program on the app, tenants enjoy further special offers and discounts. The app will be updated with new features every quarter to continue to improve its usability and tenant engagement, with upcoming functionalities including tenants' ability to see their account balance and view documents.

Priorities for 2022

To contribute to our long-term goals, we will aim to maximize the impact of our digital communication tools and initiatives (including through the GCP app and loyalty program), look to expand our service possibilities via the GCP app, renew our TÜV certification for Quality Management and maintain a high level of tenant satisfaction.

Key figures	Unit	2019	2020	2021
Tenant satisfaction				
Tenant rating of Service Centre friendliness	out of 5	4.87	4.48	4.83
Tenant rating of company friendliness	out of 5	4.83	4.40	4.75
Tenant rating of resolution time	out of 5	4.73	4.37	4.75
Tenant rating of service reachability	out of 5	4.76	4.45	4.82
Tenant rating of quality of the completed work	out of 5	4.75	4.38	4.75
Vacancy				
EPRA Vacancy rate	%	6.7	6.2	5.1
Investments in tenant wellbeing				
Investment in apartment refurbishments	€m	24	27.6	29.02
Investment in outside spaces	€m	2	1.5	2.3
Investment in fire, life and safety	€m	2	2.3	2.57