

TRAINING & DEVELOPMENT

1. UNDERSTANDING THE TOPIC

Investing in the long-term potential of our staff contributes fundamentally to GCP's success. As training and development has become increasingly important in what employees look for in a company, we are evolving our offering in line with their needs to attract and retain today's top talent. Investing in our people's knowledge, skills and development supports their personal growth whilst contributing positively to GCP's productivity and operational performance, and ultimately improving our tenant offer.

From Service Centre employees to property managers, administrative roles, and management, we aim to attract talented people who share our commitment to outstanding customer service. We place an emphasis on learning as a continuous tool to nurture these skills and develop a workforce who share these same values. As a business, we also prioritize internal recruitment which not only demonstrates to our employees our commitment to their development, but reduces the operating costs associated with recruiting externally.

Importantly, opportunities for professional development are a key driver of employee motivation and satisfaction. When employees have the skills to excel in their roles and adapt to industry trends and innovation, they feel empowered and are more likely to go the extra mile to contribute to our success.

2. MANAGING THE TOPIC

Management approach

This topic has become a top priority for both the organization and the Board, who view this as a unique opportunity to strengthen collaboration across the Group companies and deliver an enhanced offering to employees. A new organizational unit was created with responsibility for implementing the strategy, led by Head of Strategic Human Capital Development. In 2021, the integration of the Aroundtown and GCP HR departments enabled us to create one, consolidated team responsible for training and development needs.

Staff at all levels and throughout all units of GCP, regardless of contract type, receive support in developing their skills, and we take an approach that involves unlocking people's potential based on their talents, not just their pre-existing qualifications. Annual performance evaluations are made for 20% of staff, and individuals work together with their line managers to develop targets and a development plan for the coming year. Increasing the number of employees who receive a regular formal performance review was a focus in 2021 as we developed a program for supervisors to receive coaching on the importance of providing feedback to staff.

In 2021, we launched a new digital performance management scheme which provides the capability to log individual performance indicators, skills and competencies within one platform that is linked to the GCP training academy, therefore enabling us to quickly identify a customized training plan for each employee and access performance reviews online.

Training for all employees includes soft and specialist skills delivered via traditional classroom settings and e-learning units, including data protection, IT security, health and safety, sexual-harassment, and ethical standards. All employees, regardless of contract type, are also eligible to work towards further professional qualifications. We work with external companies such as educational institutions to provide such qualifications including first aid training with the German Red Cross as well as training from the BBA - Academy of Real Estate Industry ("Akademie der Immobilienwirtschaft") on structural engineering and applicable legislation for example.

We focus on enabling employees to acquire the skills they need to undertake new and complex challenges as they navigate the fast pace of change linked trends such as technological innovation. With

employees representing 40 nationalities, we provide German and English courses to improve our employees' language skills as this has been identified as important to our employees. Alongside our modular e-learning tool, GCP's in-house training academy offers tailored training on a wide range of topics. Seminars are coordinated internally drawing on support from external experts such as education providers where appropriate, promoting continuous learning in the context of a real estate industry in continual evolution.

A training course about our sustainable business strategy, providing in-depth information about GCP's sustainability approach, is assigned to 100% of our staff and is mandatory for all new employees who join the Company. The training is updated on a yearly basis to reflect the latest trends and progress made towards our sustainability targets.

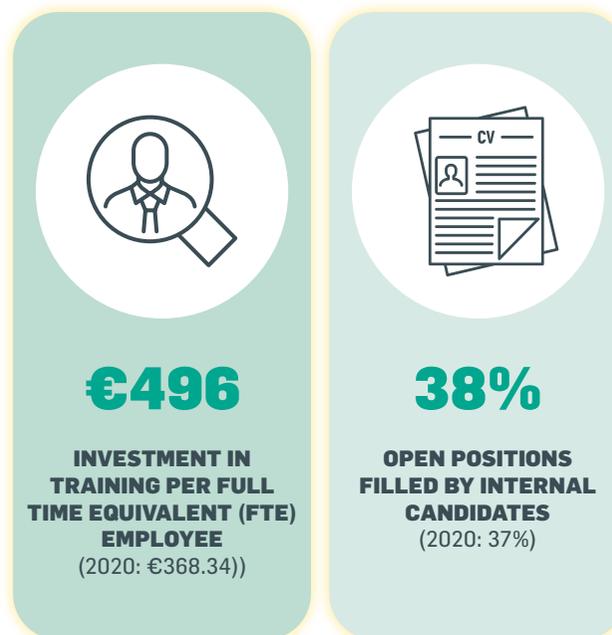
In the absence of the GCP Leadership Excellence Program due to COVID-19, the leadership program that was launched in 2020 split over into 2021. This 12-month program designed to give talented employees the opportunity to build up their competences within a managerial position, focused on developing our middle-management employees. A total of 15 employees, 5 women and 10 men, completed 680 hours of training through the GCP Leadership Development Program in 2020/21. A similar development program is in place for talented young graduates including a total of 15 employees, 7 woman and 8 men.

In line with the German dual-education system, GCP also offers an apprenticeship program in collaboration with the German Chamber of Industry and Commerce. In this format, trainees combine theoretical classroom-based learning with hands-on job experience on rotation in different departments of the company over the course of two to three years. GCP currently has 21 apprentices enrolled, and of the apprentices who successfully completed their exams in 2021, 4% were employed within GCP.

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 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:¹



Despite the challenges presented by COVID-19 that continued to prevent the vast majority of classroom-based learning in 2021, we increased our investment in training per employee from €285 to €385 and average training hours from 7.3 hours in 2020 to 29 hours this year. The increase reflects our investment in on-line e-learning in response to COVID-19 and the launch of new modules designed to support employees and managers working remotely. In addition, 2021 saw the roll-out of our SAP management software which involved a high number of training hours. As further evidence of our commitment to prioritizing the development of employees and advancing their careers, we also increased the proportion of open positions filled by internal candidates from 37% to 38% in 2021.

As well as our KPIs, we set targets to improve the management of our performance and development plans and deliver sustainability training to employees. Below, we have described the progress against our 2021 targets:

2021 Target	Status	Progress
Continue the implementation of the digital performance scheme	Ongoing	2021 saw the launch of our new digital performance management scheme, starting with the Operations, Service Center and HR departments and for apprentices at GCP, covering around 40% of GCP employees to date.
Improve Kununu score from 3.4 – 3.6	Ongoing	In 2021, our Kununu score improved from 3.4 to 3.5 and we were able to double of evaluations compared to 2020.

1. The 2020 figure for average total investment is per employee, not per FTE. The reason being that data for all GCP branches internationally is only available starting in 2021, with data for 2020 and previous years covering GCP Germany only.

Significant activities

Shifting to digital learning

Despite the fixed training program which was in place for 2021, the ongoing effects of COVID-19 meant that classroom-based learning could still not be delivered consistently. We continued to adjust our approach by collaborating with our e-Learning department and external trainers to provide digital solutions through a virtual learning program that provided 22 web-based sessions. We felt it was important to identify the potential topics which were of highest interest to our employees and so we launched a survey to gather their insights. One session we launched due to strong interest was called “working from home at its best”. Employees could register for the four training modules which covered a range of topics including efficient working, priority setting, motivation, and communication. Employees who participated in all four modules were rewarded with a personal coaching session where they were given the opportunity to discuss their individual challenges and solutions.

We also conducted a ‘How to Lead’ training session for our leaders during the lockdown. We conducted two six-hour training sessions made up of four modules which covered managerial skills, communication methods, team development, goal setting and achievement, creating trust, motivation, leadership at a distance, and conflicts in virtual teams. Our leaders were vital for staying connected to our teams remotely, and it was important to ensure they had the skills to do so effectively.

One of our key focuses this year was developing our middle-management employees through the GCP Leadership Development Program. The intensive program consists of six modules lasting two days each and topics such as leadership styles, influence and negotiation, innovation and entrepreneurship and managing change. COVID-19 meant that a number of the modules were delivered virtually, and at the request of employees, a seventh module was added to the program on the subject of agile project management, a result of the new ways of working due to the pandemic. Throughout the course, employees analyze the challenges they encounter at work on a daily basis, using them to identify multiple viewpoints and find possible solutions.

Priorities for 2022

As both our long-term goals are contingent on the investments we make in the training and development of our employees, we have set a target to maintain the average hours of training per employee at 12 hours and continue our investment in training per employee at around €500.

Secondly, investing in the growth of our employees and furthering their development has always been a priority. To continue to drive our success in this area, we are committed to ensuring that at least 25% of open positions are filled with internal candidates.

Key figures	Unit	2019	2020 ²	2021	
				GCP Germany	GCP Total
Average hours of training per year per employee					
Female	hours/year	7.9	7.9	26.05	24.97
Male	hours/year	4.29	6.8	18.56	17.79
Employees	hours/year	4.99	7.3	7.19	6.88
Upcoming leaders	hours/year	107.5	0	203	203
Average amount spent on training per employee	€	119.15	284.59	384.83	368.34
No of Employees received training		n/a	260	888	892
Ratio of average employees received training		n/a	n/a	99.40	95.51
Percentage of employees receiving regular performance and career development reviews					
Female	%	28	22	24.45	23.59
Male	%	17	13	17.45	17.22
All employees	%	22	17	20.93	20.38

2. Figures provided for 2020 include data for GCP Germany only which is why data is provided for GCP Germany and GCP Total in 2021.