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# TRAINING & DEVELOPMENT

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## PART 1 – UNDERSTANDING THE ISSUE

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 prioritise 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.

## PART 2 – MANAGING THE ISSUE

During 2020, we began the transition to a more strategic approach to the management of training and development across the whole Company. This topic has become a top priority for both the organisation and the Board, who view this as a unique opportunity to strengthen collaboration across the Group and deliver an enhanced offering to employees. A new organisational unit is responsible for implementing the strategy, led by a recently appointed Head of Strategic Human Capital Development.

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 17% 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 will be a focus in 2021 as we develop a program for supervisors to receive coaching on the importance of providing feedback to staff.

In 2021, we will proceed with the launch of a new digital performance management scheme which will provide 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 customised 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 39 nationalities, we provide German courses to improve our employees' language skills which we will expand to include English courses in 2021 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, was assigned to 100% of our staff and is now mandatory for all new employees who join the Company. The training will be 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, a 12-month program designed to give talented employees the opportunity to build up their competences within a managerial position, we 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 (see below to read more). A similar development program is in place for talented young graduates.

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 25 apprentices enrolled, and of the apprentices who successfully completed their exams in 2020, 58% were employed within GCP. A further seven apprentices are due to start in 2021.

## 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:



Despite the challenges presented by COVID-19 that prevented the vast majority of classroom-based learning in 2020, we increased our average training hours and investment in training per employee by 46% and 109% respectively. The increase reflects our investment in online e-learning in response to COVID-19 and the launch of new modules designed to support employees and managers working remotely. As further evidence of our com-

mitment to prioritising the development of employees and advancing their careers, we also increased the proportion of open positions filled by internal candidates by 19%.

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 2020 targets:

2020 target	Status	Progress
CSR training for all employees	Ongoing	During 2020, our ESG department underwent the necessary training to deliver the CSR training to all our employees. As the training was designed to be delivered as an in-person workshop, Covid-19 presented a significant challenge and only one session was delivered as a result. Given the uncertainty of in-person training that still exists in 2021, the training will be delivered as an e-Learning session.
Launch a new digital performance management scheme	Postponed	The launch of our new digital performance management scheme has been delayed due to COVID-19; however, this is a key priority for 2021.

## Significant activities

### Shifting to digital learning

Despite the fixed training programme which was in place for 2020, COVID-19 meant that classroom-based learning was no longer feasible. We swiftly adjusted our approach by collaborating with our e-Learning department and external trainers to provide digital solutions through a virtual learning programme 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 de-

livered 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 analyse the challenges they encounter at work on a daily basis, using them to identify multiple viewpoints and find possible solutions.

### A focus on our operational staff

To receive feedback from our employees on the performance of their supervisors, we rolled out a 180-degree survey across our operational department, reaching approximately 350 people. The feedback was vital for understanding where supervisors could improve, and where we needed to focus our training and development activities. As a result, supervisors each received a total of 10 hours in coaching on topics such as communication, respect, empowerment and development, accountability, results and solutions orientation, and performance. We plan to conduct the survey again in 2021 and beyond, to track the success of the coaching and continue to identify areas for improvement.

In 2020, for the first time, the company was under a legal obligation to provide all property managers with 20 hours of further education. At GCP, we delivered the training to 100% of our property managers (280 employees). The majority of the program consisted of job-specific training with additional modules offered that cover skills such as time management and communication.

### Priorities for 2021

To contribute to our long-term goal, and focus our efforts in 2021, we will continue with the launch of a new digital performance management scheme that was delayed in 2020 due to COVID-19.

## Data tables

Key Figures	Unit	2018	2019	2020
<b>Average hours of training per year per employee</b>				
Female	hours/year	11.18	7.9	7.9
Male	hours/year	9.5	4.29	6.8
Employees	hours/year	8.46	4.99	7.3
Upcoming leaders	hours/year	144	107.5	0 <sup>1</sup>
Average Amount spent on training per Employee	€	n/a	119.15	248.59
<b>Percentage of employees receiving regular performance and career development reviews</b>				
Female	%	41	28	22
Male	%	33	17	13
All employees	%	n/a	22	17

<sup>1</sup> Due to COVID-19, the GCP Leadership Excellence Program did not take place in 2020.