

# Employee Satisfaction

## Understanding the Topic

Employee satisfaction is a universal benefit to any company; it's good for both employees and the success of the business. When employees are satisfied, they will be more engaged and committed to the goals and mission of the company, reducing turnover, increasing productivity and enhancing business performance. This is why the topic is always a priority at GCP.

In an always-evolving market, the task of attracting and retaining today's top talent has become increasingly competitive. Conclusive evidence shows that today's employees place greater importance on factors such as career development, education, work-life balance, well-being, and diversity and inclusion. Employees have also become more mobile in searching for an organization who can better match their needs and values.

We have made significant transformations to our human resources strategy, strengthened by the consolidation of our resources with GCP in 2021, to provide an employee-focused approach which can respond effectively to the diverse and changing voice of our workforce. From our extensive training program to our recreational facilities, we aim to offer a wide variety of benefits to enrich the professional lives of our employees. We are always looking for ways to improve our attractiveness as an employer, to recruit and retain the talent we need to grow as a Company.

## Managing the Topic

The core components of our strategy to reinforce high motivation among staff are nurturing our strong, values-based culture; providing compelling opportunities for professional development; supporting the health and wellbeing of our staff; and driving for greater diversity and inclusion. Taken together, this approach aims to increase employee satisfaction.

Outstanding leadership is crucial in this regard. Our managers are expected to exemplify our core values of mutual respect and clear communication. This standard of behaviour

usually shows positive effects on our commercial success, as well as on staff performance. We maintain a horizontal organizational structure, with a widespread culture of transparent and regular feedback between employees and managers. Furthermore, our Employee Code of Conduct establishes expectations for all staff to abide by the values of openness, trust, teamwork, and acceptance of diversity in all their dealings with one another and with our tenants and other stakeholders. Adherence to the Code of Conduct is a mandatory requirement of all employee contracts.

### *Employee satisfaction*

In 2022, we conducted a survey of our employees in Germany, the results of which will guide our strategy to improve workplace satisfaction. The results were a clear indication of the engagement of our employees, with a 72% response rate from across the company. From this, we have identified priority areas for improvement in our HR policies, and we have formulated an action plan for 2023 to act on this feedback. This will include further employee surveys to provide more opportunities for feedback and communication, and increased communication about GCP's overall strategy and vision, and the promotion path opportunities which employees can pursue within our organisation.

In 2022, we have also expanded our employee engagement programs. We initiated our quarterly HR roundtables in April 2022, holding 3 sessions for both employees and management across the year. These allow leaders and employees to come together and discuss upcoming HR topics, supporting better communication and engagement within our organisation.

### *Employee engagement*

To ensure straightforward communication with staff across the group, we have implemented Rexx as our employee engagement tool. Through this platform, employees are able to manage personal data, holiday and home office requests, sick leave, and book training and participation at other company events. The software is used by GCP employees,

and we are continuing to roll out new features to make the system more user friendly. Our goal is to create a centralised HR system across all our locations of operation, so that all our employees have easy access to the information they need.

The Operations and Service Centre at GCP also use Rexx as a digital performance management program. Managers receive training on using the tool to provide performance feedback, and can then provide ratings and reviews digitally through Rexx. In 2023, we plan to launch the performance review tool across the GCP departments, aiming to deliver 80% of performance reviews with this method. Streamlining this review process will allow our employees to receive personal feedback more consistently, helping them to improve and progress towards their own goals.

### Payments and benefits

We offer competitive remuneration and benefits to leverage employees' performance potential. Compensation is structured according to competencies and responsibilities, and is supplemented by target-linked performance incentives. Our wider benefits package (beyond compulsory pension plans) includes extended annual leave entitlements in line with length of service, birthday and anniversary gifts for all staff, retail discounts for all employees and free gym access for Berlin-based staff.

## Performance

To support the wellbeing of our employees, we offer a flexible package of benefits and working provisions. We offer hybrid working arrangements to support home-working up to two days a week, and flexible work hours. We also support part-time working, granting even greater flexibility for our employees to balance their work around their lives and families. Such part-time arrangements are specific to the employee's needs.

We keep our benefits package under constant review to ensure it continues to meet the evolving needs of our employees. Our recent partnership with an external childcare platform, for example, provides employees with a range of approved activities, holiday camps; and tutoring and counselling options to support them and their families.

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:

- Be among the top 10 most attractive employers in the residential real estate sector in Germany by 2030

- Maintain staff turnover at or below the national average
- Implement an employee engagement tool
- Maintain zero incidents of discrimination

We track several key performance indicators on a yearly basis to monitor our performance and contribute to our long-term goals:



As of 31 December 2022, GCP employed 884 people, of which 95% are based in Germany with the remainder located in Luxembourg, Cyprus, and the UK. Our turnover rate of 19% is defined as including voluntary and involuntary departures. Considering employee-initiated departures only, the turnover rate was 13.01%.

### Priorities for 2023

One of our key aims for 2023 is to continue to strengthen our channels for organizational communication. This isn't a one-way street; as well as ensuring company goals and resources are clearly available to employees, we will seek to increase the opportunities for employees to have their voices heard and participate in key company initiatives. We will repeat our employee survey, and expand this program with surveys on particular topics relevant to each department. Our 'Activate the Base' program will also be expanded, to ensure employees have opportunities to engage with and participate in our ESG and Sustainability goals.

Another focus will be continued improvement of our digital HR platforms. Following the launch of our digital performance management program, we will be launching digital performance evaluations in 2023. This will allow paper-free, role specific performance reviews. Our target is to achieve deliver digital evaluations to 80% of staff across the year. More broadly, we will focus on making the REXX platform a centralized, user-friendly hub for HR information, across all our departments and countries of operation.

GOALS	STATUS	PROGRESS
Be among the top 10 most attractive employers in the residential real estate sector in Germany by 2030	Ongoing	In 2022 we substantially expanded our employee engagement and communications programs, and continued to integrate our digital management platform to simplify employees' experiences. These and other similar measures strengthen our position as an attractive employee.
Implement an employee engagement tool	Ongoing	In 2022 we continued to embed the use of our employee engagement system REXX, and began to expand its utility. Digital performance reviews will be launched through the tool in 2023.
Maintain zero incidents of discrimination	Ongoing	In 2022 we improved the intranet portal to allow reporting of incidents of discrimination, to allow even greater internal transparency. We continue to be proud of our strong track record on anti-discrimination and have maintained zero incidents of discrimination.

## Relationships with Colleagues

- I get support from my colleagues when I need it
- I experience a strong team spirit with my colleagues
- The trust is high between my colleagues and me
- My colleagues take responsibility and perform their work with quality
- My colleagues and I manage conflicts effectively
- I have good friends at work

### Questions from our Employee Survey

## Autonomy

- I feel responsible for the quality of my work
- I believe that hybrid working works well for me personally.
- I believe that hybrid working works well for our organization.
- I have a reasonable amount of influence over how my work will be carried out
- I have the opportunity to adjust the work pace according to my needs
- I have a reasonable amount of influence over decisions that affect my work

## Data Tables

NUMBER OF EMPLOYEES	UNIT	2020	2021	2022
<b>Total number of employees (permanent and temporary)</b>	#	<b>940</b>	<b>885</b>	<b>884</b>
Female		493	447	443
Male		447	438	441
<b>Total number of permanent employees</b>		<b>640</b>	<b>661</b>	<b>634</b>
Female		350	362	352
Male		290	299	282
<b>Total number of temporary employees</b>		<b>300</b>	<b>224</b>	<b>250</b>
Female		143	85	91
Male		157	139	159
<b>Total number of full-time employees</b>		<b>843</b>	<b>793</b>	<b>802</b>
Female		419	374	374
Male		424	419	428
<b>Total number of part-time employees</b>		<b>97</b>	<b>92</b>	<b>82</b>
Female		74	73	69
Male		23	19	13

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER (EXCLUDING INTERNAL PROMOTIONS)	UNIT	2020	2021	2022
<b>Total number of new employee hires</b>	#	<b>212</b>	<b>167</b>	<b>222</b>
Female		98	58	92
Male		114	109	130
Age group <30		80	68	89
Age group 30-50		110	82	112
Age group >50		22	17	21
<b>Rate of new employee hires</b>				
Female	%	46	35	41
Male	%	54	65	59
All employees	%	23	19	25
<b>Employee initiated turnover</b>				
Total number of employee turnover	#	126	147	144
Female		58	73	69
Male		68	74	75
Age group <30		49	47	42
Age group 30-50		65	81	84
Age group >50		12	19	18
Employee Initiated Turnover Rate	%	10	13	13.01
Female	%	46	50	47.92
Male	%	54	50	52.08

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER (EXCLUDING INTERNAL PROMOTIONS)	UNIT	2020	2021	2022
<b>Employee turnover</b>				
Total number of employee turnover	#	n/a	232	214
Female		n/a	111	96
Male		n/a	121	118
Age group <30		n/a	70	64
Age group 30-50		n/a	122	112
Age group >50		n/a	40	38
<b>Rate of employee turnover</b>				
Female	%	n/a	47.84	45
Male	%	n/a	52.16	55
All employees	%	n/a	20.30	19
<b>Retention</b>				
Retention Rate	%	79	77	80
Retention Rate Female	%	73	78	82
Retention Rate Male	%	76	77	78

PARENTAL LEAVE	UNIT	2020	2021	2022	
<b>Employees that were entitled to parental leave</b>		<b>940</b>	<b>885</b>	<b>884</b>	
Female		493	447	443	
Male		447	438	441	
<b>Employees that took parental leave</b>		<b>59</b>	<b>61</b>	<b>58</b>	
Female	#	49	45	47	
Male		10	16	11	
<b>Employees that returned to work in the reporting period after parental leave ended</b>			<b>27</b>	<b>34</b>	<b>27</b>
Female		19	21	17	
Male		8	13	10	
<b>Return to work rate of employees that took parental leave</b>		%	<b>75</b>	<b>92</b>	<b>75</b>
Female	%	68	91	65	
Male	%	100	93	100	
<b>Employees that returned to work after parental leave ended that were still employed 12 months after their return to work</b>	#	<b>9</b>	<b>17</b>	<b>24</b>	
Female	#	9	10	16	
Male	#	0	7	8	
<b>Retention rate of employees that took parental leave ended that were still employed 12 months after their return to work</b>	%	<b>47</b>	<b>63</b>	<b>71</b>	
Female	%	56	53	76	
Male	%	0	88	62	