

# EMPLOYEE SATISFACTION

## 1. UNDERSTANDING THE TOPIC

Employee satisfaction is a priority at Aroundtown, not just because it's good for our employees but because it makes good business sense. When employees are satisfied, they are likely to be more engaged and committed to the goals and mission of the company, resulting in reduced turnover, higher productivity levels and enhanced business performance.

Over the preceding decades employee needs have evolved significantly and it has become increasingly competitive to attract and retain today's top talent. Conclusive evidence shows that today's employees place a higher importance on factors such as career development, education, work-life balance, wellbeing; and diversity and inclusion. At the same time, employees are highly mobile and more likely to search for an organization who can better match their needs and values. As a responsible employer, we are committed to growing our employee offering and investing in these aspects of work, which matter most to our employees.

Over the past year, we have taken significant steps to transform our internal structures and processes so that we can more effectively respond to the diverse and changing voice of our workforce. From our extensive training program to our recreational facilities, we are committed to offer our employees a variety of benefits beyond the opportunity of career and professional development. We continue to assess our attractiveness as an employer to attract and retain the talent we need to grow our Company.

## 2. MANAGING THE TOPIC

### Company culture

We reinforce high levels of staff motivation by nurturing a strong values-based culture, providing compelling opportunities for professional development and implementing measures that support staff health and wellbeing, diversity and inclusion, and satisfaction.

Outstanding leadership is crucial in this regard. Our managers are therefore expected to visibly demonstrate our core values of mutual respect and clear communication, usually showing 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 of Conduct is a mandatory requirement of all employee contracts.

In the past years, our human resources department underwent a significant shift from a largely administrative role towards a more strategic and client-centric approach. This way it was able to more effectively support our employees' development and workforce growth. Under the new structure, the department is an integral part of the employee experience value

chain, by championing insights from employees and integrating them into business activities including performance management, retention strategies, and varied training and development opportunities. With a strong focus on talent attraction and retention, we offer a culture of openness and horizontal management, flexible working hours, continual support through networks, and a management-level mentoring program.

This culture change marked an important step for better aligning to the needs of our employees and the business. In 2021, the consolidation of the Aroundtown and GCP HR departments added further strength to this endeavor by enabling us to streamline best practice policies and procedures from both organizations. By bringing together two specialist HR teams focused on various aspects, such as employee development, enabled us to obtain a better overview of performance trends and progress against HR targets.

In line with our target to be rated as a top employer and our long-term ambition to attract and retain the best talent, we are intensifying our focus on both staff retention and adapting to the needs of future employees. Offering attractive remuneration and benefits packages and individual professional development plans, this will help the Group achieve these goals - aided by our appreciative and diverse workplace.

## Payment and social benefit

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.

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.



## 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:

- » Be among the top 10 most attractive employers in the commercial 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<sup>1</sup> on a yearly basis to monitor our performance and contribute to our long-term goals:



As of 31 December 2021, Aroundtown employed 1,631 people, of which 88.96% are based in Germany with the remainder located in Luxemburg, Cyprus, the UK and The Netherlands. Our turnover rate of 20% is defined as voluntary and involuntary departures. Considering voluntary departures only, the turnover rate was 12.54%.

1. 2021 data relates to all Aroundtown employees, including those based in the UK, Cyprus and Luxemburg, as well as employees from GCP. Therefore, 2021 employee data is not directly comparable to that of previous years.

2021 Target	Status	Progress
Be among the top 10 most attractive employers in the commercial real estate sector in Germany by 2030	Ongoing and pending selection of external rating scheme to measure target achievement	In 2021 we significantly improved our employee communications and commenced the implementation of a new digital performance management process. In 2022 we plan to implement further targeted engagement to obtain and respond to feedback from our staff and will continue the roll-out of our performance management process across more departments. These measures, among others, strengthen our position as an attractive employer.
Maintain staff turnover at or below the national average	Achieved	This goal has been achieved and is considered no longer valid due to the very high levels of staff turnover in the sector at the national level. The national average does not currently serve as an appropriate benchmark for Arountown, and we will look to identify an alternative benchmark or target in relation to staff retention.
Implement an employee engagement tool	Achieved	Through our employee engagement tool REXX, our employees are able to manage their personal data; holiday and home office requests and sick leave, as well as book company trainings and participation at other company events.
Maintain zero incidents of discrimination	Achieved	We continue to be proud of our strong track record on anti-discrimination and have maintained zero incidents of discrimination.

## Significant activities

### Leveraging the benefits of a combined management approach to HR management

In 2021, the most significant activity was the full integration of Arountown and GCP's HR departments. This change was made necessary by the accounting consolidation of GCP, which commenced in the third quarter of the year and the resulting treatment of Arountown's investment in GCP as a position of de facto control as defined under IFRS. The combination of the two HR departments has enabled us to increase efficiencies by streamlining the best practice policies and procedures in place in both organizations, including the implementation of the team lead structure; consolidating specialist HR resources, such as employee development; and allowing us to obtain a complete overview of performance trends and progress against targets. Moreover, it has given rise to new opportunities for internal promotions and the flexibility for some employees to move teams or take on a more specialist role.

### Embedding a culture of open, effective communication

Our employee survey in 2020 enabled us to gain useful feedback on employees' perceptions of the positive attributes of Arountown as an employer and insights into areas for improvement. Among the latter, communication was identified as a key aspect and as a consequence, in 2021, we channeled significant efforts into developing and embedding a more open and effective dialogue with our employees. As a starting point, this included more frequent digital communications between the management team and staff and the creation of a channel where questions and responses can be posted. Further encouraging the spirit of openness and togetherness, at the end of the year, management addressed all employees in a video covering the growth and development of the company in 2021. One central message was that we all set each other up for success and that each employee plays a role and contributes to the performance of the Company. The management thanked employees for their motivation and engagement despite the challenging times.

## Priorities for 2022

Going forward, we plan to repeat our employee survey every year, with more targeted questions on specific topics. In 2022 this will include a 180° survey to elicit feedback from employees on Aroundtown's management approach. We will also establish an HR roundtable for leaders and employees to come together to discuss upcoming topics. Furthermore, we anticipate that the continued roll out of our new digital performance management program, with its emphasis on enabling employees to access the most appropriate training and online performance reviews so they can advance their career by moving into new internal roles, will help to increase levels of staff satisfaction and translate into higher retention rates. Through our intention to increase staff motivation and satisfaction, we want to encourage employees to continue to take advantage of our wide and varied training offers and maintain at least 12 hours of training on average per employee; and we will be working towards ensuring 25% of open positions are filled with internal candidates. In addition, we have committed to a new key performance indicator which measures and monitors retention rate.





## DATA TABLES<sup>2</sup>

Key figures	Unit	2019	2020	2021
Number of employees		AT	AT	AT + GCP
Total number of employees (permanent and temporary)	#	402	659	1,631
Female	#	235	319	800
Male	#	167	340	831
Total number of permanent employees	#	290	542	1,265
Female	#	167	257	648
Male	#	123	285	617
Total number of temporary employees	#	112	117	366
Female	#	68	62	152
Male	#	44	55	214
Total number of full-time employees	#	350	564	1462
Female	#	174	231	673
Male	#	176	333	789
Total number of part-time employees	#	52	95	169
Female	#	46	63	127
Male	#	6	32	42

Key figures	Unit	2019	2020	2021
New employee hires and employee turnover (excluding internal promotions)		AT	AT	AT + GCP
Total number of new employee hires	#	172	156	350
Female	#	111	59	139
Male	#	61	97	211
Age group <30	#	60	11	129
Age group ≥30-<50	#	84	140	179
Age group ≥50	#	28	5	42
<b>Rate of new employee hires</b>				
Female	%	64	38	40
Male	%	36	62	60
All employees	%	44	24	21
<b>Employee initiated turnover</b>				
Total number of employee turnover	#	n/a	n/a	257
Female	#	n/a	n/a	121
Male	#	n/a	n/a	136
Age group <30	#	n/a	n/a	68
Age group ≥30-<50	#	n/a	n/a	149
Age group ≥50	#	n/a	n/a	40
Employee Initiated Turnover Rate	#	n/a	n/a	13
Female	#	n/a	n/a	47
Male	#	n/a	n/a	53

2. 2021 data relates to all Aaroundtown employees, including those based in the UK, Cyprus and Luxemburg, as well as employees from GCP. Therefore, 2021 employee data is not directly comparable to that of previous years, which only included data for Aaroundtown Germany

Key figures	Unit	2019	2020	2021
<b>Employee turnover</b>		<b>AT</b>	<b>AT</b>	<b>AT + GCP</b>
Total number of employee turnover	#	68	166	416
Female	#	46	89	194
Male	#	22	77	222
Age group <30	#	8	30	108
Age group ≥30-<50	#	36	118	229
Age group ≥50	#	7	18	79
<b>Rate of employee turnover</b>				
Female	%	60	54	47
Male	%	40	46	53
All employees	%	15	9	20
<b>Retention</b>				
Retention Rate	%	n/a	n/a	77
Retention Rate Female	%	n/a	n/a	78
Retention Rate Male	%	n/a	n/a	76

Key figures	Unit	2019	2020	2021
<b>Parental leave</b>		<b>AT</b>	<b>AT</b>	<b>AT + GCP</b>
Employees that were entitled to parental leave	#	409	659	1,631
Female	#	235	319	800
Male	#	167	340	831
Employees that took parental leave	#	4	27	96
Female	#	3	19	69
Male	#	1	8	27
Employees that returned to work in the reporting period after parental leave ended	#	4	20	56
Female	#	3	12	32
Male	#	1	8	24
Return to work rate of employees that took parental leave	%	100	78	90
Female	%	100	63	86
Male	%	100	100	96
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	#	4	19	29
Female	#	3	11	17
Male	#	1	8	12
Retention rate of employees that took parental leave ended that were still employed 12 months after their return to work	%	n/a	n/a	67
Female	%	n/a	n/a	57
Male	%	n/a	n/a	92