

EMPLOYEE SATISFACTION

PART 1 - UNDERSTANDING THE ISSUE

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 ti-

me, employees are highly mobile and more likely to search for an organisation 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 programme which accounts for the individual goals and job role of each employee to our impressive wellness facilities, we are committed to continuing to track and measure our performance to safeguard our ability to attract, and retain the talent we need to grow.

PART 2 – MANAGING THE ISSUE

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 well-being, diversity and inclusion, and satisfaction.

Outstanding leadership is pivotal for our commercial success and for maintaining high levels of staff performance and wellbeing, and our managers are expected to visibly demonstrate our core tenets of mutual respect and clear communication. We maintain a horizontal organisational 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 is a mandatory requirement of all employee contracts.

During 2020, our human resources department underwent a significant shift from a largely administrative role towards a more strategic and client-centric approach which can more effectively support our employee's development and business 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 training and development. This cul-

ture change is an important step for better aligning to the needs of our employees and the business, as well as furthering our ambition to be among the top ten most attractive employers in the commercial real estate sector in Germany.

In line with our target to be rated as a top employer, and long-term ambition to attract and retain the best talent, we are intensifying our focus both on staff retention and adapting to the needs of future employees. Offering attractive remuneration and benefits packages and individual professional development plans; valuing diversity within the workforce and creating an attractive physical workplace environment are strategies which will help the Group to achieve these goals.

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, tutoring and counselling options to support them and their families.

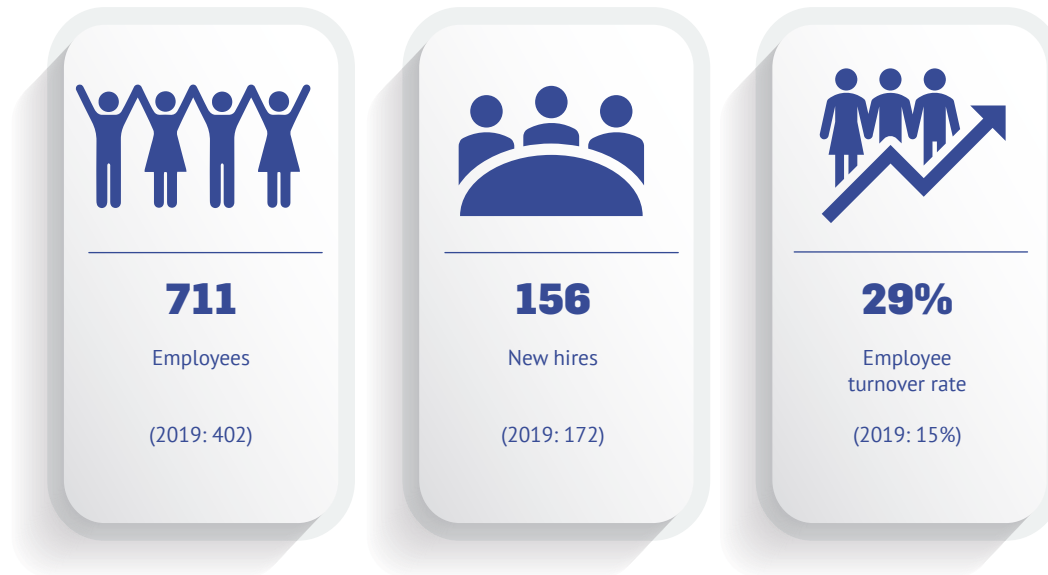
PART 3 – PERFORMANCE

Long-term Goals and 2020 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 ten most attractive employers in the commercial real estate sector in Germany by 2030
- Maintain staff turnover at or below the national average

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



As of 31 December 2020, Aroundtown employed 711 people, of which 93% are based in Germany with the remaining located in Luxemburg, Cyprus and the UK. The increase compared to 2019 is primarily due to the merger with TLG Immobilien that was confirmed at the beginning of 2020. Also our Netherlands division is

now included in our performance data. Not including TLG Immobilien employees, our lower number of 156 new hires were recorded during the year, was influenced by the COVID-19 pandemic. Our turnover rate of 29 % is defined as voluntary and involuntary departures.

2020 Target	Achieved/Not achieved	Commentary
Conduct Employee Survey	Achieved	<p>In 2020, we designed and launched our first survey to our german employees (excluding TLG). Despite the challenges of COVID-19, which meant our response rate was 50%, we were able to gain insights into how we can better address employees concerns and meet their needs.</p> <p>To read more about our employee survey, see the 'Significant activities' section below.</p>

Significant activities

Understanding what matters most to our employees

The launch of our employee survey this year focused on gaining insights about our employees' thoughts and needs in relation to training and development. With the creation of a new team under the direction of our Head of Strategic Human Capital Development, this topic has risen significantly in importance over the past year as the Group undergoes a shift to a more strategic approach.

As well as understanding employees' perceptions of career opportunities, learning and development and talent management within the business, questions also sought to build a picture of how staff feel about Aroundtown's culture, values and performance. For example, questions asked whether employees would recommend the company to a friend and if they felt they were working for a socially and environmentally responsible company. It also covered areas such as the

culture within individual teams, building a picture of whether cooperation, particularly when faced with a crisis, is something employees feel they can rely on.

Encouragingly, 48% of employees said they were actively engaged, and that teamwork was the company's leading parameter. Importantly, employees added that teamwork tends to strengthen during times of crisis and higher stress- levels as the teams come together to find effective solutions.

Priorities for 2021

To contribute to our long-term goals and focus our efforts in 2021, we will prioritise the continued strategic alignment of our HR function to reduce fluctuations in employee turnover. We plan to implement an employee engagement tool using a survey which will interact with employees at key touch points including the onboarding and exit process, as well as at regular intervals during the year.

The exit interviews, for example, will gather information on employees' reasons for leaving Aroundtown, their satisfaction with their role, the company and its culture, and whether they would recommend us as an employer. The process will enable us to collect valuable insights into the experiences of our staff, identify improvement plans and encourage former employees act as positive ambassadors for the company.

DATA TABLES¹

Key figures	Unit	2018	2019	2020
Number of employees				
Total number of employees (permanent and temporary)		337	402	659
Female		182	235	319
Male		155	167	340
Total number of permanent employees		205	290	542
Female		106	167	257
Male		99	123	285
Total number of temporary employees		132	112	117
Female		76	68	62
Male		56	44	55
Total number of full-time employees		300	350	564
Female		152	174	231
Male		148	176	333
Total number of part-time employees		37	52	95
Female		30	46	63
Male		7	6	32

¹ The following data relates to Aroundtown employees in Germany, which represent 93% of our total workforce of 711 employees at the end of 2020. It excludes employees based in the UK, Cyprus and Luxembourg which fall outside the scope of these performance measures.

Key figures	Unit	2018	2019	2020
New employee hires and employee turnover (excluding internal promotions)				
Total number of new employee hires		189	172	156
Female		105	111	59
Male		84	61	97
Age group <30		68	60	11
Age group 30-50		99	84	140
Age group >50		22	28	5
Rate of new employee hires				
Female	%	56	64	38
Male	%	44	36	62
All employees	%	56	44	24
Employee turnover				
Total number of employee turnover		46	68	166
Female		29	46	89
Male		17	22	77
Age group <30		17	8	30
Age group 30-50		26	36	118
Age group >50		3	7	18
Rate of employee turnover				
Female	%	63	60	54
Male	%	37	40	46
All employees	%	14	15	9

Key figures	Unit	2018	2019	2020
Parental leave				
Employees that were entitled to parental leave		337	402	659
Female		182	235	319
Male		155	167	340
Employees that took parental leave		10	4	27
Female		9	3	19
Male		1	1	8
Employees that returned to work in the reporting period after parental leave ended		6	4	20
Female		5	3	12
Male		1	1	8
Return to work rate of employees that took parental leave	%	60	100	78
Female	%	67	100	63
Male	%	100	100	100
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work		2	4	19
Female		1	3	11
Male		1	1	8