

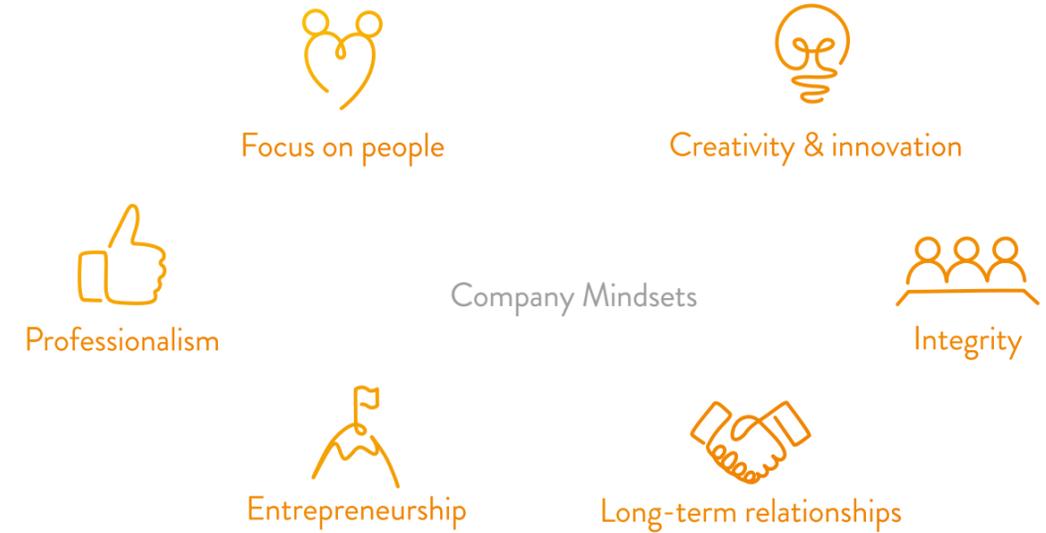


OUR PEOPLE & CULTURE

In 2014, we defined the ultimate purpose of all our business endeavours as ‘bringing remarkable experience to people’s lives through real estate solutions’.

At the time, we meant mostly the people outside of our organisation – our tenants, customers, external partners, investors, neighbours and of course our end-user community.

In the following years, we implemented this purpose into our daily lives. It supported the company vision and strategy, identifying six core company mindsets, key elements of our corporate culture that were always present and made the business successful and a great place to be:



The initiative that helped us educate the whole organisation and embed these principles into our employees’ daily lives was called ‘building the future’. Its aim was to transform us into a trendsetting, successful and inclusive organisation that would inspire other businesses in our industry and geographical region, and outside of it.

Building the Future

At HB Reavis, we believe we are both visionary and pragmatic. That is why our ‘Building the Future’ activities are both far-sighted and focused. The program comprises of a series of events created initially and specifically for HB Reavis’s leaders, key professionals and decision-makers.

The idea was to show them the potential of our culture, how it can be achieved and what it means for each person’s role and responsibilities. Essentially, it is a ‘how-to’ guide to embedding a new culture, vision, strategy and set of values. We drove the initial implementation through a series of workshops and conferences.

We also did not forget about our individual contributors, who make change happen. As a series

of day-long follow up events in every country, we showed our employees a ‘day in a future’. We took them on a journey from the top-leadership view of vision and strategy, through brand redesign and its role in transformation, all the way down to key initiatives through front-line contributors.

This helped us to get strong support for the vision. What we appreciated the most in the follow up surveys was that we have helped to make sure we’re not a corporate, anonymous atmosphere. Quite the opposite: we have reignited loyalty and a passion for working in the HB Reavis family.

Moreover, the feedback has proved invaluable. Our colleagues’ ideas and input have become the backbone for our new priorities and strategic initiatives.

Headcount 2017, by profession



Change management

It is said that it is better to execute a mediocre strategy well than a great strategy poorly. And we very much agree at HB Reavis. So, our change management teams have worked more and more behind the scenes to make sure strategies are being properly executed, and we have also started to apply a more data-driven approach.

The main focus was to help everyone understand our strategy. Since we drive communication, we've established regular measurements to see if every employee understands 'what it means for me'. After holding pilot surveys and reviewing teams' aspirations, we got such invaluable feedback that we plan to make this a regular element of our work, and help leaders strategically manage their teams.

We also focus on mindsets and habits. In preparation to move our office in Slovakia, we wanted to give people a voice on what they want and need to change in regards to own work, office space and organisational structures. We invested huge amount of time to organise workshops our Slovakian teams. Their input was personal and impactful, and helped us define six 'organisational habits' that will help us become better organised and more efficient in achieving our mission.

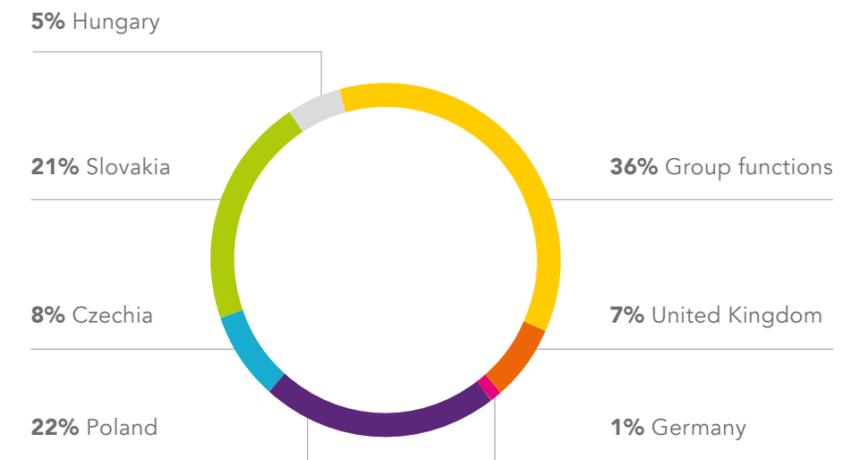
Last but not least, we worked with different areas of the organisation to increase our operational excellence: redesigning routines, processes, tools and spaces to make us future proof.

Recently, we focused on our Value Proposition process and the way our Project Teams work. And now, we're beginning to look at the integration of HubHub and Origameo into the development process, and redesigning asset and property management departments so that they support our strategy in the long term.

Years with the company



Headcount 2017, by country



People Leadership Program

In 2017, we managed to go even beyond that and start 'living the future' by focusing on bringing remarkable experience also into our employees' lives. How? By launching an initiative called 'People Leadership Program' that aimed to firstly implement the HB Reavis strategy into individual employees' lives, design the employee lifecycle from the employee experience perspective and shape a company culture where:

- We live our core mindsets every day
- We focus on the journey, not just a goal
- We create a caring and collaborative environment
- We're not afraid of making mistakes and learning from them

The framework's design phase ran throughout 2017. However, we piloted a few components, and to make sure we got feedback from different perspectives, we focused our attention on our offices in Poland, the UK and the headquarters of Construction Procurement and Group Marketing – 150 employees in total.

The framework redesigned almost all employee-focused HR processes – recruitment, onboarding, performance management, development, career progression and the sensitive topic of compensation.

In some cases, such as employee recruitment, a few cosmetic changes were made; in several others, such as employee onboarding, performance management, employee training and development and career progression, massive changes were suggested in order to improve employees' experiences, engagement and alignment with our values and strategy.

On top of this, we decided to implement strength-based feedback and employee recognition culture to identify talent. Innate potential that we can then leverage (both at an individual and company level) and recognise as role-modelling behaviours to inspire our wider internal audience.

The change within the framework that resonated the most, both internally and externally, was definitely the one made to our compensation strategy. Historically, HB Reavis Group has put a strong emphasis on individual variable compensation. This stimulated individual performance but also sometimes caused clashes with colleagues and internal 'competition'.

As we aspired to deliver better, by aligning the interests of individuals and high performing teams, we identified a better compensation approach. How? By putting our trust in our people. We removed the variable compensation structure for around 80% of our employees, and moved fixed compensation, guaranteeing them higher, fixed incomes.

The other 20% – mainly core development project team members and senior leaders – kept certain variable aspects of their compensation, connected to team KPIs. It's a rather unique approach for the real estate development industry; but we believe it perfectly reflects our company culture and will attract the right people to the business.

In 2018, the People Leadership Program will be rolled out at full speed across in the whole organisation. Hopefully, we'll see its positive impact on the company culture and business performance very soon.