

Internal Investigation Completed

Background

In March 2023, investigators seized documents from Vonovia on grounds of suspected potentially problematic activities regarding the relationships with subcontractors related to heating systems. Vonovia sought a swift and comprehensive investigation of the allegations and immediately instructed law firm Hengeler Mueller and auditing firm Deloitte to support the internal investigation. All the while, Vonovia has cooperated fully with the authorities.

Internal investigation

The investigation has been thorough and extensive to ensure all relevant information was gathered. As part of the forensic analysis, a large set of data, including several million emails and hundreds of individual business processes, has been evaluated. The data analysis was followed by numerous individual interviews and expert sessions to further support the analysis and gain a broader understanding of the facts. As the injured party, we were granted access to the prosecutor's files and included the information obtained by law enforcement in our analysis. (Please see the end of this document for details regarding the approach of the internal investigation.)

Status

The internal investigation supported by Hengeler Mueller and Deloitte into misconduct surrounding the relationships with subcontractors has been completed. Although the prosecutor's investigation is still ongoing, at this stage, Vonovia's initial assessment has been confirmed:

- Vonovia is the injured party, not an accused party.
- Most of the misconduct took place several years ago and ended in 2022. The two main suspects left Vonovia in 2019 and 2022, respectively.
- The misconduct was limited to a small number of former employees at technical operations level and subcontractors in the context of heating systems. The number of accused subcontractors is low.
- There is no material financial impact on the company. The contracts that are currently the subject of the prosecutor's investigation only amount to 0.5 % of Vonovia's total order volume.
- There are no indications that tenants have suffered any damage.

Consequences

We have demonstrated a zero-tolerance policy regarding such misconduct:

- Where necessary, personnel-related actions have been taken. The main suspects had already ceased working for Vonovia by the time the searches were conducted.
- None of the accused persons are currently working for Vonovia.
- Business relationships with accused subcontractors were terminated where necessary.
- The existing systems and controls in place to monitor the relationships with subcontractors have been further refined so as to better protect Vonovia against such criminal conduct.
- We are examining the possibility of taking legal action for damages against involved parties.