

2019

Sustain- ability Report

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Dear Readers,

☒ 102-14

The demonstrations across the globe organized by the Fridays for Future movement last year once again brought the issue of sustainability into the public eye – and also into the eye of our industry. The German government's environmental protection plan aims to make the building stock in Germany climate-neutral by 2050. From the perspective of the real estate industry, this presents a major challenge.

A second topic that is extremely relevant to our industry is the current debate surrounding the tension on the housing markets and the discourse on the structural shortage of housing. Last year, this even led to discussions about the expropriation of residential real estate companies in Berlin. As a result, we are witnessing more stringent regulation of the rental markets and increased intervention by the legislator.

As a company with around 356,000 of our own apartments located throughout the country, we see it as our duty to strike a balance between both issues – we want our homes to meet environmental standards. At the same time, homes have to remain affordable for our customers.

This places Vonovia at an intersection where different social concerns collide. And we have to ask ourselves: What contribution can we make to solving these problems? As we tackle these issues, it goes without saying that we want to ensure that our investors, too, remain satisfied at all times. In order to live up to our social responsibility, we need the trust of the capital market.

Our business model gives us the opportunity to make a difference in the interests of society, as we did again in 2019. To cite three examples: We provide our tenants aged over 70 with a guarantee that their apartments will remain affordable for them. When we modernize our buildings, we are committed to only passing a maximum of two euros per square meter on to our customers, even though the legislation would, in theory, allow us to pass a greater portion of these costs on. On average, the amount allocated in 2019 came to only € 1.36 per square meter. What is more, our modernization rate came to 3.7% in 2019, meaning that it not only outstripped our target of 3%, but also came in well above the average for Germany and Europe, which is only around 1%.

Year after year, we make a key contribution to protecting our climate by ensuring high energy efficiency levels in both modernized and newly built homes. Since 2015, this has allowed us to save around 96,000 metric tons of CO₂ by implementing energy standards, an annual CO₂ reduction of as much as 2% to 3%. And we want to – and indeed, in view of the German government's new Climate Protection Act and the associated tax on carbon emissions, have to – do even more, which is why we are using renewable energy sources and testing innovative and carbon-friendly end-to-end solutions at neighborhood level, such as in our project in Bochum-Weitmar.

In order to get others on board as we embark on this process, we launched the "Outlook for climate-neutral housing" (Perspektiven klimaneutralen Wohnens) initiative last year in partnership with the German Energy Agency (dena) and the Fraunhofer Institute. We will be working hand-in-hand with these partners to consolidate key expertise for a climate-neutral future for the housing industry and make sure that it can be put into practice. The first specialist conference in November 2019 marked a promising first step in this process.

In the current coronavirus crisis, too, we want to live up to our social responsibility and offer our employees and our customers as much safety as we can. This is why we have assured all of our tenants that no one will have to move out of their apartment due to the coronavirus crisis. We have picked up on the fact that community spirit and social cohesion within the neighborhood are particularly important at the present time, which is why we are using our tenant app, for example, to promote solidarity campaigns, create new networking opportunities and assist with various aspects of everyday life, such as organizing help with shopping.

We enhanced our sustainability management system in 2019 and launched a strategy process that we will be continuing this year. In the second quarter of 2020, we also shifted the issue of sustainability to a separate department, establishing a strong organizational link to the Management Board.

In our latest sustainability report, you can read in detail all about the sustainability projects that Vonovia is involved in in Germany to ensure that people feel at home in our apartments in the long term, and about how we are taking our responsibility as a corporate citizen seriously.

I hope you enjoy reading the report.

Bochum, June 2020

Yours,

A handwritten signature in black ink, appearing to read 'Rolf Buch', with a stylized flourish at the end.

Rolf Buch

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About Vonovia

☒ 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 103-2

The Company 103-2

As a residential real estate company, Vonovia is an important part of society. After all, a home is a basic human need, and housing is a matter that involves social factors as well as financial ones. We are guided in our actions by the three basic principles of sustainability: We take economic responsibility for our company, make an ecological contribution to climate and environmental protection, and assume social responsibility for our approximately one million tenants and the neighborhoods that they live in.

We manage a housing stock of around 356,000 apartments (December 31, 2019) in almost all of Germany's attractive cities and regions, as well as around 22,500 apartments in Austria and approximately 38,000 in Sweden. This makes Vonovia one of the leading residential real estate companies in Germany, Austria and Sweden. 102-1, 102-7

We take responsibility for safe, good-quality and affordable housing and offer a home for everyone. For us, this means providing needs-based and good living standards, an intact residential environment that protects our climate and biodiversity, and neighborhoods that are functioning and appealing at the same time. This also includes the construction of new apartments, both for the company's own portfolio and for sale, as well as the provision of housing-related services. We are continuing to develop the neighborhoods in which our apartments are located in a holistic manner and with a view to environmental and climate protection. Sustainable business practices are an integral part of our business model and are at the very heart of our corporate strategy.

Acceptance of our activities within society is a top priority, as sustained earnings power can only be achieved with a socially accepted business model. As a result, we take the current social discourse on the housing situation very seriously and actively (help) shape the debate on a political, social and economic level in a range of different

ways. Our fundamental objective is to create long-term benefits for society and the environment and to make an active contribution to the greater good. 102-2, 102-4, 102-6

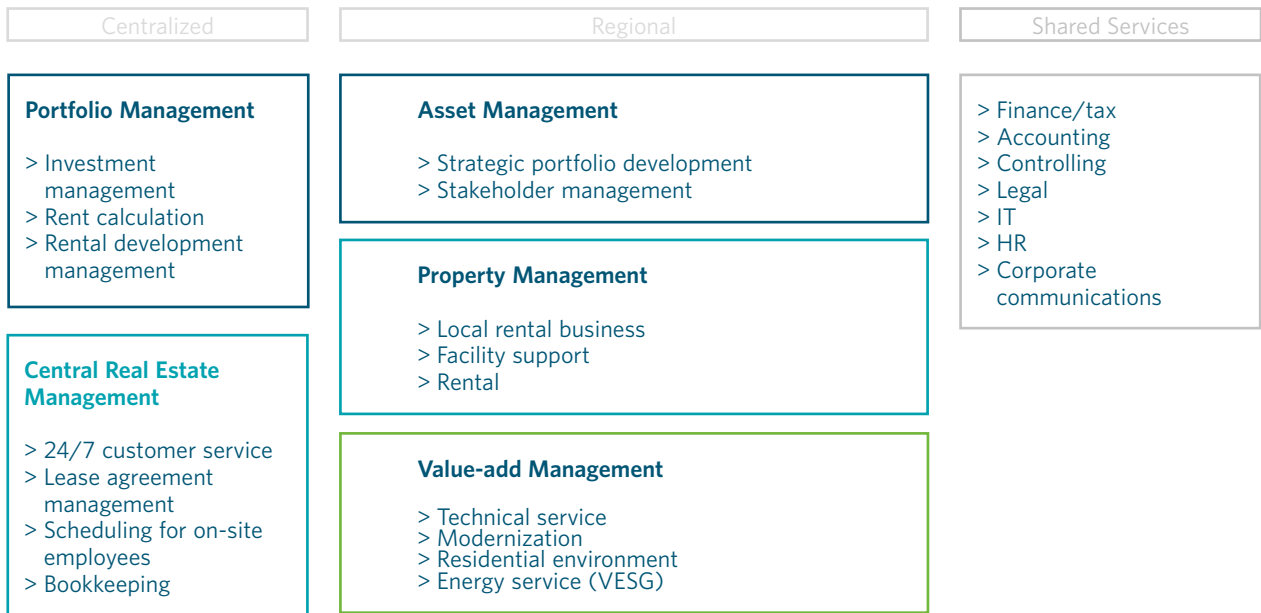
Corporate Structure

Vonovia SE, the parent company of the Vonovia Group, is organized in the legal form of a dualistic European company (SE). It is managed by a four-strong Management Board, which is supported by a Supervisory Board. Vonovia SE has its registered headquarters in Germany. Since 2017, its registered office has been located in Bochum. 102-3

The parent company performs the function of the management holding company for the Group. As such, it is responsible for determining and pursuing the overall strategy and implementing it in the form of the company's goals. It performs property management, financing, service and coordination tasks for the Group. Furthermore, it is responsible for the management, control and monitoring system as well as risk management. 102-5

Unless otherwise stated, all of the information in this report relates to Vonovia's activities in Germany. In the "Data" chapter, key figures are also shown for Austria and Sweden as far as possible. We have reported on the activities of BUWOG in Austria and Victoria Park (excluding Hembla) in Sweden in separate chapters (see chapters Austria – Sustainability at BUWOG → p. 101 et seqq. and Sweden – Sustainability at Victoria Park → p. 104 et seq.). A detailed list of Vonovia SE shareholdings can be found in the Annual Report. More information on the scope of this report can be found in the chapter About This Report (→ p. 109 et seq.).

Vonovia's Scalable Organizational Model: Strong Regional Presence and Efficient Central Shared Services



The management of the business is based on the company's strategic approaches and is conducted via the four segments:

1. Rental
2. Value-add
3. Recurring Sales
4. Development

Following the introduction of a new regional structure in the third quarter of 2019, Vonovia's core operating rental business in Germany is now divided into four business areas. These business areas are divided into regional areas, which are, in turn, subdivided into individual regions. Each region is responsible for around 5,100 local units on average. The optimization of our management structures resulted in the East and Southeast areas and the Central and West areas being consolidated, reducing the total number of business areas from six to four. The level comprising the regional areas acts as an interface between the management and the regional managers responsible for the regional portfolios. This is designed to allow us to respond better to strategic rental issues on site, as the regional managers are responsible for a smaller number of apartments, meaning that they are closer to our customers. The caretaker, craftsmen's and residential environment organization is also based on a regional structure.

Responsibility for the other activities that belong to the Value-add Business, i.e., in particular product management, such as metering and energy services, and portfolio management, such as vertical expansion and modernization, is centralized. This also applies to activities relating to sales and acquisition.

The development business is also managed centrally for both Austria and Germany. 102-2

Further information on the corporate structure can be found in the 2019 Annual Report (see chapter Corporate Structure [AR 2019, p. 58 et seq.](#)).

Vonovia Germany in Figures

(Dec. 31, 2019)

☒ 102-6, 102-7



On site

in 15 growth regions in Germany



Employees

9,531



Own apartments

355,708



Newly completed apartments

1,220



Average rent

€ 6.79/m²



Average apartment size

approx. 62 m²



Total living area

22,212,425 m²




Garages and parking spaces

95,544



Commercial units

3,978

You can see more key figures in our Annual Report  AR 2019, p. 97

Sustainability Management

☒ 102-18, 102-19, 102-20, 102-44

Our Sustainability Approach

As a sustainable and responsible residential real estate company, Vonovia believes that it has a particular obligation toward its customers and, at the same time, toward society and its shareholders. In all of its three core markets, Vonovia takes responsibility as a provider of affordable housing, as a service provider, building contractor and developer as well as in its role as a corporate citizen. Sustainability is an integral part of our business model. Our customers and the sustainability of our activities are both at the center of our strategy. Vonovia's business model allows it to provide answers and solutions to issues such as the shortage of housing and climate protection – also by building new homes. Vonovia makes a decisive contribution to solving the current issues facing our society by providing homes and neighborhoods that have undergone energy-efficient and senior-friendly modernization measures and meet state-of-the-art standards, as well as by implementing vertical expansion projects and building new homes. [102-44](#)

Our business model is integrated into social and ecological change processes. For us, these include the following megatrends in particular (see chapter Societal Megatrends [☒-☒ AR 2019 p. 55 et seq.](#)):

- > Climate change
- > The housing shortage and urbanization
- > Demographic change and the need for senior-friendly homes
- > Integration

We systematically incorporate the developments associated with these processes into our business decisions.

Vonovia defines sustainability as ensuring that the company has a license to operate, meaning that its business model is comprised of corporate activities that are of benefit to society as a whole. Sustainability is a firm feature of our business strategy and our business

model. From Vonovia's perspective, sustainability is about operating in a manner that ensures that our business activities benefit society as a whole in the long term, meaning that we can maintain the social license to operate we need in the long term.

As a real estate company with a long-term focus, we aim to strike a balance between economic activity on the one hand, and social responsibility and ecological objectives on the other. Our business activities, which involve 356,000 apartments and one million customers, embrace the three aspects of sustainability: environmental (E), social (S) and governance (G). We review the impact that our business activities have on these three areas on a regular basis, and take their impact on our business into account.

(E) Environmental: Our environmental commitment refers to our energy-efficient building refurbishment measures, the use of renewable energy, ecological and social supply chain management, sustainability in the use of construction materials in our modernization and new construction measures as well as moves to ensure biodiversity when it comes to designing green spaces and residential environments.


(S) Social: Vonovia's social commitment includes the provision of affordable and suitable homes, while at the same time complying with an appropriate level of regulations and adhering to voluntary commitments. At the same time, we aim to ensure that our neighborhoods, i.e., our tenants' living environments, are designed to foster integration. Our social commitment also involves the measures aimed at our employees and our efforts to value the contributions that they make.

(G) Governance: Governance means acting in accordance with the principles of lawful and responsible management, protecting human rights and ensuring sustainable financing in the process.

In the period under review, we launched a strategy process that saw us start to develop a sustainability strategy for the entire company. The strategy will be geared toward the three ESG dimensions and will define clear targets. We will be developing the sustainability strategy and the associated road map for achieving our sustainability objectives further in 2020 (see section Sustainability Road Map 2019–2020 → p. 16 et seq.).

Framework

Vonovia’s sustainability activities are based on the laws and regulations that apply in the countries in which we operate. In addition, numerous national and supranational standards and agreements serve as a guide for the design of our sustainability concept. This includes, for example, the 2015 Paris Agreement and the German government’s 2050 climate protection plan as well as upholding human rights and working standards, fulfilling our duty of care and adhering to safety provisions. We are also keeping an eye on developments such as the discussion on the EU-wide classification system for sustainable and environmentally friendly investments (“EU taxonomy”). In addition, Vonovia will, in future, be focusing explicitly on selected **UN Sustainable Development Goals (SDGs)** on which its business model has an impact in one way or another. We will be selecting these SDGs as part of our sustainability strategy in 2020 and in accordance with our Mission Statement and Business Philosophy. We will report on this process in detail in the 2020 Sustainability Report.

We revamped our  **Business Philosophy** in 2019. We use this to show what we stand for at Vonovia and where we see our role in society. It serves as a guiding framework for our company’s employees and external stakeholders alike. In addition, it also sets out the values we want to be measured against.

Organizational Establishment in the Company 102-18, 102-19

The CEO of Vonovia SE is responsible for sustainability at Vonovia. The Supervisory Board supports and monitors this issue in the Audit Committee. 102-20

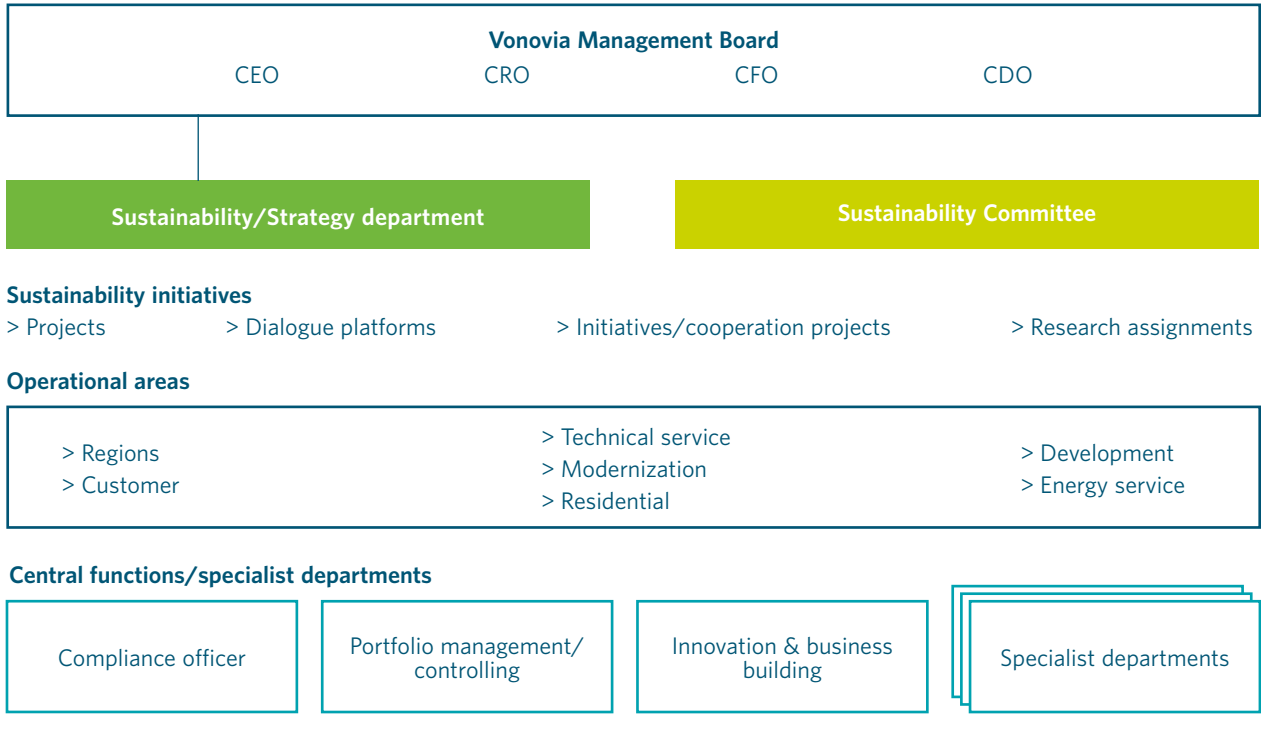
In 2020, we will focus more strongly on the issue of sustainability in our company and implement a new organizational structure for this. In the new “Sustainability/Strategy” department, we will be pooling the large number of sustainability-related activities from across the Group and driving them forward. This will also allow us to ensure that sustainability issues can be dealt with as part of a structured and cross-departmental approach. At the same time, we are aiming to use the new structure to provide impetus for new initiatives.

The new “Sustainability/Strategy” department will report directly to the CEO in the future. The existing sustainability specialist role will be transferred to this new department. A Sustainability Committee will also be established, comprising the entire Management Board as well as the heads of Sustainability, Controlling and Corporate Communications. The new committee is to meet around three to four times a year and will be responsible for making important decisions on the continued focus of the company’s sustainability strategy and objectives.

The “Sustainability/Strategy” department will be charged with developing Vonovia’s sustainability strategy and road map further in collaboration with the specialist departments. This will include identifying and following up on defined sustainability objectives that can be implemented in a commercially viable manner, initiating sustainability projects covering all stages of Vonovia’s value chain, implementing reporting and sustainability communications as well as the varied requirements relating to governance (e.g., developing and amending guidelines, reporting requirements) and maintaining contact with all operational areas and specialist departments.



Sustainability in Vonovia’s Organizational Model



The sustainability topics will be dealt with and implemented in operational terms by the specialist departments and operational areas of the line functions of Vonovia SE. Those responsible for certain areas will ensure that sustainability issues are integrated into day-to-day business, pilot projects and research initiatives.

In Austria and Sweden, there are central functions responsible for sustainability. You can find more information in the chapters Austria - Sustainability at BUWOG (→ p. 101 et seq.) and Sweden - Sustainability at Victoria Park (→ p. 104 et seq.).

Economic, Environmental and Social Developments

☒ 102-15, 201-2

Developments relevant to Vonovia's business

How we prepare for them

Society

The demand for (affordable) housing is increasing.

We create new living space as part of our development projects and take measures to make this space sustainable and to ensure its commercial viability (see chapter Sustainable and Successful Development ☒-☒ **AR 2019 p. 84**). We use efficient property management to keep costs low in order to maintain appropriate rents.

More and more people are moving into metropolitan areas. The associated shortage of housing is putting increasing pressure on large cities in particular.

Vonovia is using vertical expansion and densification in existing neighborhoods to create new apartments in areas that it already owns. It plans to use development measures as part of new construction projects to create new homes, some to be managed by the company itself and some for sale. Future-oriented mobility concepts allow us to reduce car parking spaces wherever possible and to create new spaces for alternative uses.

Social tensions within society (and on the housing market) are on the rise.

We plan modernization and other construction measures over the long term. Our modernization cost allocation is restricted to € 2/m². We keep our modernization measures affordable with efficient processes and with the help of volume advantages. We do our best to avoid cases of hardship and to find solutions that suit the individual concerned. We offer tenants over the age of 70 a guarantee that their apartment will continue to remain affordable even if the standard local comparative rents change. We ensure an attractive residential environment and support socially disadvantaged groups with active neighborhood management. We are increasing our dialogue with stakeholders, and have been including them right from the planning process stages.

The proportion of senior citizens is growing.

We are stepping up our senior-friendly construction, conversion and refurbishment activities and expanding our portfolio to include support and care services, such as residential communities supervised by nursing assistants, for instance. We are therefore converting at least every third existing apartment that is newly rented to be senior friendly, and ensure that vacant apartments are refurbished and spaces are redesigned to be accessible or barrier-free.

Regulation

Statutory requirements relating to housing and construction are rising, occasionally resulting in conflicting aims.

We are in regular contact with policymakers and participate in discussions about how the statutory law can be implemented. At the municipal level, we are involved in constructive discussions to find solutions that benefit all parties.

In January 2020, the federal state of Berlin introduced a rent freeze that will apply for a period of five years.

Vonovia is exposed to the risk that - depending on whether the move is found to be constitutionally valid - future rental income or rental development could be reduced, posing an obstacle to modernization measures. We are reacting by significantly cutting back on our modernization measures in Berlin.

Developments relevant to Vonovia's business

How we prepare for them

Environment and Climate

The building sector, with direct emissions of around 14%, is responsible for a considerable amount of carbon emissions. Building operations actually account for around 30% of emissions in Germany. The ecological and economic costs are rising for the housing industry.

We support the government's ambitious target of establishing a virtually climate-neutral building stock in Germany by 2050. Vonovia has been refurbishing around 3.7% of its portfolio every year of late to bring its properties into line with energy standards, putting it significantly ahead of the nationwide refurbishment rate of around 1%. Investments in technological innovations, renewable energy and new technologies also have an important role to play, which is why we and our partners are researching further cost-effective, efficient and digital processes for reducing carbon emissions, e.g., by means of neighborhood-wide energy supply systems using sector coupling. The efficiency of our processes enables us to keep the environmental costs and consequences of our operations as low as possible.

The adoption of the German government's climate action package puts the role played by the real estate industry in the spotlight as far as climate protection is concerned. The package creates a statutory basis for sector-specific climate targets and CO₂ pricing for the very first time.

As far as the building sector is concerned, this means aiming to reduce greenhouse gas emissions in Germany by around 40% in the period from 2018 to 2030. The planned carbon tax, which is to amount to € 25/t CO₂ from 2021 onwards, will make energy consumption in private households more expensive. As a result, ensuring that buildings offer good levels of energy performance is becoming increasingly important. Measures such as energy-efficient building refurbishment, the replacement of inefficient heating systems and the expansion of renewable energy systems are the biggest levers we have at our disposal for reducing energy consumption – and, as a result, greenhouse gases – for our company. We are also contributing to the sector's objectives by constructing new buildings that are energy efficient.

Digitalization

Processes are increasingly being linked and automated.

We are monitoring digitalization developments, examining their impact and benefits on our business model and, where necessary, adapting solutions to apply them at Vonovia. We have already firmly established digitalization throughout the entire process chain – from the rental process to customer service. With the help of interconnected and digitally organized processes, we can improve our properties' environmental performance, our interactions with our customers and the way we coordinate our employees. We are making use of the advantages offered by innovative process automation, including "robots." A real milestone in the service strategy at Vonovia is the new tenant app. Service assignments and damage reports can be processed simply and conveniently using the app and consulted around the clock. All key documents are available in the mobile inbox, with our customers receiving information on all of Vonovia's housing-related services. We are also increasingly seeing approaches for smart home building solutions, from smart grid to assistance systems and predictive maintenance.

Material Topics

☒ 102-46, 102-47, 102-48, 102-49, 103-1

Conducting a Materiality Analysis ¹⁰³⁻¹

We aim always to live up to our responsibility toward the environment and society in the best way we can. We achieve this by focusing our commitment on those areas that are particularly relevant to us and our stakeholders. This means taking a structured approach to developments in the European real estate markets and within society at large. We analyze how these developments affect our business and value creation. We also address topics that we can use our business model to influence. We involve our stakeholders in identifying issues that we consider to be material sustainability topics.

We identified and prioritized the key topics for our company and our business activities for the first time when we prepared our sustainability report in 2015. We validated and added to these topics in early 2017, when we conducted a stakeholder survey. Details on this process can be found in the [☞-☞ 2016 Sustainability Report, p. 22 et seqq. 102-48, 102-49](#)

The results of this analysis were translated into a materiality matrix and the topics were classified into four areas:

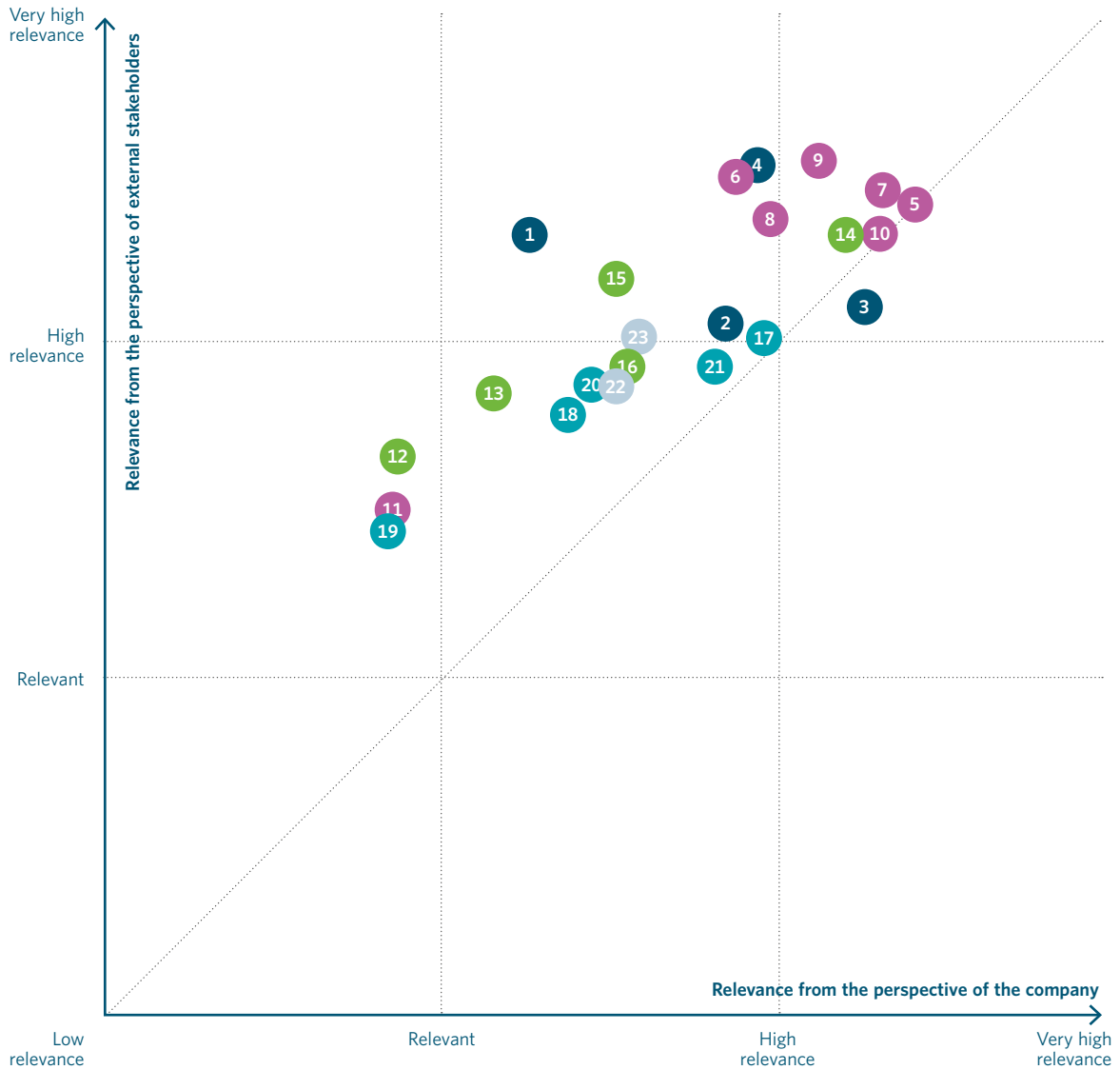
- > Sustainable corporate governance
- > Society and customers
- > The environment
- > Employees

In an international reporting context, sustainability issues are generally assigned to three categories: E (Environmental), S (Social) and G (Governance). In order to ensure that our report is consistent with these requirements, we have combined the “Society and Customers” and “Employees” areas into one category, “Social,” below. The “Environmental” section deals with environmental issues, while the area of sustainable corporate governance falls under “Governance.” [102-46, 102-48](#)

The material topics that we cover have to be revised, first of all due to the acquisition of BUWOG and Victoria Park in 2018 and the associated internationalization and expansion of our activities in the development business and, second, in response to the social debate on the issue of social housing and climate change. As a result, Vonovia will be conducting a new materiality analysis as part of a process of dialogue with relevant stakeholders in 2020, taking into account the changes in the overall conditions and also reflecting the United Nations Sustainable Development Goals (SDGs), the CSR Directive Implementation Act (CSR-RUG) and the EU Taxonomy Regulation.

Materiality Matrix

☒ 102-47



Governance - Sustainable Corporate Governance

- 1 Adjustments to reflect climate change
- 2 Compliance and anti-corruption
- 3 Long-term growth
- 4 Open dialogue with society
- 22 Social and labor standards in the supply chain
- 23 Environmental standards in the supply chain

Social - Society and Customers

- 5 Portfolio maintenance
- 6 Affordable rents
- 7 Tenant health and safety
- 8 Community development
- 9 Creation of homes
- 10 Tenant satisfaction
- 11 Corporate citizenship

Environmental

- 12 Impact of transport/logistics
- 13 Company environmental protection
- 14 Energy efficiency and reducing greenhouse gas emissions in the portfolio
- 15 Environmental protection in the portfolio
- 16 Environmental protection in connection with renovation and new construction

Social - Employees

- 17 Training and education
- 18 Occupational health and safety
- 19 Co-determination
- 20 Diversity and equal opportunities
- 21 Work-life balance

Sustainability Road Map 2019–2020

103-2, 103-3

For the 2019 reporting year and looking ahead to 2020, we have set ourselves the following focal points and objectives as part of our sustainability strategy.

Objectives	Spheres of activity	What we achieved in 2019	Outlook for 2020
Sustainable Corporate Governance			
Vonovia steers sustainability and embeds it in business processes and corporate management.	<ul style="list-style-type: none"> > Expansion of Vonovia’s sustainability strategy and road map (including sustainability objectives) 	<ul style="list-style-type: none"> > Sustainability strategy developed as part of the 2019 strategy process (and to be developed further in 2020) 	<ul style="list-style-type: none"> > Sustainability department (reporting to the CEO) established and Sustainability Committee set up at Management Board level > Commitment to selected Sustainable Development Goals (SDGs) and the UN Global Compact formalized > New materiality analysis conducted
Vonovia maintains regular dialogue with all of its key stakeholders.	<ul style="list-style-type: none"> > Dialogue with customers, tenant associations, cities and municipalities, policymakers, shareholders, the general public and the social environment > Involvement in associations, cooperation with academic institutions 	<ul style="list-style-type: none"> > 179 tenant meetings and consultation processes completed > “Outlook for climate-neutral housing” (Perspektiven klimaneutralen Wohnens) discourse process launched (First Vonovia climate conference) 	<ul style="list-style-type: none"> > Consultation processes with tenants, cities and municipalities continued and expanded > Discourse process continued with second Vonovia climate conference > Key stakeholders surveyed as part of new materiality analysis
Vonovia acts as a reliable and trustworthy partner.	<ul style="list-style-type: none"> > Compliance with standards of good corporate governance, safeguarded by independent whistleblower systems > Labor, social and environmental standards in the supply chain > Diversity in management and control bodies 	<ul style="list-style-type: none"> > Compliance and data protection training sessions conducted > New partner portal for suppliers and Business Partner Code implemented > Share of women in management and control bodies – Management Board: 25%, Supervisory Board: 33.3% – achieved 	<ul style="list-style-type: none"> > Anti-corruption, money laundering prevention and whistleblowing policies introduced > Vonovia Declaration of Respect for Human Rights published > ESG targets introduced as part of the variable remuneration paid to the CEO and CFO
Environment and Climate Protection			
Vonovia contributes to compliance with climate protection targets and carbon reductions in its existing portfolio.	<ul style="list-style-type: none"> > Energy-efficient modernization measures to boost energy efficiency > Investment programs focused on carbon savings > Technical concepts for the replacement of oil heating and use of hybrid heating systems 	<ul style="list-style-type: none"> > Modernization rate of 3.7% and carbon savings of around 16,000 t achieved > “Energiesprung” pilot project launched for climate-friendly serial modernization 	<ul style="list-style-type: none"> > Around 3% modernization rate in 2020 and carbon savings of around 13,000 t achieved > Steering concept developed for focusing on CO₂ in the portfolio > Increased use of hybrid heating systems
Vonovia is building new homes featuring energy-optimized design.	<ul style="list-style-type: none"> > Creation of affordable living space using new construction & densification measures > Increasing focus on high energy efficiency classes and KfW standards 	<ul style="list-style-type: none"> > 870 new apartments completed for the portfolio (to hold) > Over 20% of all development projects completed in 2019 awarded sustainability certificates (e.g., DGNB Gold) 	<ul style="list-style-type: none"> > Around 900 apartments completed for the portfolio (to hold) in Germany > 85% of new buildings completed in line with efficiency class A or better*
Vonovia is expanding its innovations in the area of renewable energy systems.	<ul style="list-style-type: none"> > Renewable energy business areas (“1,000 roofs” photovoltaic program) > Expansion of electromobility > Supplier of certified green electricity > Neighborhood systems/sector coupling 	<ul style="list-style-type: none"> > 84 new PV facilities erected, a total of 289 in operation (generating approx. 10,000 MWh of solar power) > Headquarters in Bochum switched over to green electricity supply > Cooperation launched with the Fraunhofer Institute on energy sector coupling in the neighborhood 	<ul style="list-style-type: none"> > Continuation and further expansion of the “1,000 roofs” program > Carbon emissions in the Bochum-Weitmar innovation neighborhood slashed by 60% > Measures launched to develop public charging points for electromobility

Objectives	Spheres of activity	What we achieved in 2019	Outlook for 2020
Vonovia promotes the diversity of flora and fauna in its portfolio locations.	<ul style="list-style-type: none"> > Biodiversity (wildflower meadows, insect habitats) > Cooperation with partners to achieve objectives 	<ul style="list-style-type: none"> > Cooperation with NABU to launch pilot projects for wildflower meadows and insect habitats/the planting of trees implemented 	<ul style="list-style-type: none"> > Wildflower meadows expanded to cover an area of 100,000 m² and 100 insect habitats

Society and Customers

Vonovia fulfills its service promise and achieves a high level of customer satisfaction.	<ul style="list-style-type: none"> > Quarterly customer satisfaction surveys > Continuous improvements in service quality 	<ul style="list-style-type: none"> > New survey tool "AktivBo" introduced > Measures derived from new tool to foster a better understanding of customer feedback 	<ul style="list-style-type: none"> > Communication and service quality improved with the introduction of a tenant app > Improvement in CSI achieved thanks to continuous implementation of measures derived from customer surveys
Vonovia provides needs-based living space for broad sections of the population and continuously improves the standard of comfort that its properties offer.	<ul style="list-style-type: none"> > Refurbishment and modernization, measures to increase standards of comfort > Senior-friendly, accessible refurbishment and conversion > Voluntary commitments to protecting tenants' existing rights 	<ul style="list-style-type: none"> > € 482 million invested in (capitalized) maintenance and € 997 million in modernization > Around 15,000 apartments (partially) modernized to make them senior-friendly > Modernization cost allocation limited to max. € 2/m², over 70s arrangement: ensuring affordable housing for tenants aged over 70 - help for 176 customers > Hardship management: 1,600 customers provided with assistance in connection with 13,200 modernization measures 	<ul style="list-style-type: none"> > One in three newly rented apartments made accessible > Continuation of voluntary commitment for modernization (€ 2 limit) continued > Over-70s arrangement to ensure affordable housing for tenants aged over 70 continued > Hardship management continued
Vonovia uses community development measures to create vibrant and future-fit neighborhoods.	<ul style="list-style-type: none"> > Community development programs including construction measures, residential environment and infrastructure components > Corporate citizenship and philanthropy / cooperation with social and cultural institutions 	<ul style="list-style-type: none"> > 13 community development projects implemented with an investment volume of around € 60 million > Grants for social projects and facilities totaling more than € 900,000, new funding concepts put in place 	<ul style="list-style-type: none"> > Community development projects in partnership with city and municipal authorities continued and new community developments launched > Funding concept and social projects expanded further

Employees

Vonovia is an attractive employer for current, potential and former employees.	<ul style="list-style-type: none"> > Employee satisfaction and loyalty > Recruitment and onboarding 	<ul style="list-style-type: none"> > Employee survey conducted > Survey reveals high level of employee satisfaction of 72% 	<ul style="list-style-type: none"> > Outlook for employee survey in period leading up to 2021: measures from structured bottom-up process implemented > SuccessFactors recruitment and onboarding introduced
Vonovia is committed to employee development and produces outstanding specialists and managers.	<ul style="list-style-type: none"> > Development of career paths & succession planning > Development of (top) talents 	<ul style="list-style-type: none"> > Implementation of (senior) management development programs > Implementation of management training sessions 	<ul style="list-style-type: none"> > Further development and expansion across all levels > SuccessFactors Learning, Performance & Goals, Succession & Development introduced
Vonovia puts a shared culture of diversity, performance and appreciation into practice in an agile organization that is open to change.	<ul style="list-style-type: none"> > Supporting digitalization > Diversity > Leadership philosophy & values 	<ul style="list-style-type: none"> > Integrating refugees into the training system > Works agreement on mobile working introduced at the holding company > Increase in the proportion of women at the first level below the Management Board 	<ul style="list-style-type: none"> > Proportion of female managers at the first and second levels below the Management Board increased to 30% by the end of 2021

* Energy efficiency class A or better based on primary energy analysis.

Sustainable Corporate Governance

Goals

- > Vonovia steers sustainability and embeds it in business processes and corporate management.
- > Vonovia maintains regular dialogue with all of its key stakeholders.
- > Vonovia acts as a reliable and trustworthy partner.

19	Our Approach to Sustainable Corporate Governance
23	Long-term Growth
27	Corporate Governance, Compliance and Anti-corruption
34	Open Dialogue With Society

Our Approach to Sustainable Corporate Governance

☒ 103-1, 103-2, 103-3

Management Approach 103-1

If we look back over the past year, we can see that the high demand for affordable housing – particularly in large cities and urban conurbations – has sparked a widespread public debate. One focus of this debate is on the housing industry. As few topics are as emotionally charged as housing is, the discussion has been, and indeed still is, very controversial. Public debate and media reporting are having a negative impact on how the public perceives residential real estate companies like Vonovia.

What is more, regulation in the areas of construction and sustainability is being stepped up. New laws, as well as stakeholders such as shareholders and investors, are putting higher demands on companies – also with regard to climate protection. Political requirements like the new Climate Protection Act, the introduction of a carbon tax and legislative discussions regarding supply chains or human rights are raising awareness of topics relating to sustainability, with mounting expectations regarding the action that companies should be taking.

These developments will have a long-term impact on the success of our business model. We are addressing them in a structured manner and tailoring our governance activities accordingly.

In terms of sustainable corporate governance, we have identified the following material topics and integrated them into our materiality matrix:

- > Long-term growth
- > Corporate governance, compliance and anti-corruption
- > Open dialogue with society

Long-term growth (→ p. 23 et seq.): Our success is built on growth that is as long-term as it is stable. We therefore focus on the continuous development of the building stock with a view to the long term, the aim being to keep properties in our portfolio for a long time. In addition, we are continuously developing our portfolio of housing-related services.

What we achieved in 2019

- > Sustainability strategy defined as part of the 2019 strategy process (and to be developed further in 2020)
- > Share of women in management and control bodies: Management Board: 25%, Supervisory Board: 33.3%
- > New partner portal for suppliers and Business Partner Code implemented
- > Discourse process “Outlook for climate-neutral housing” (Perspektiven klimaneutralen Wohnens) launched
- > 179 tenant meetings and consultation processes organized

Corporate governance, compliance and anti-corruption

(→ p. 27 et seq.): Vonovia is a trustworthy and reliable partner. It is important to us that our customers, shareholders, business partners and employees, society and the general public perceive us as such. Compliance with laws and regulations is just as important as following the good and sustainable guidelines laid out in our corporate code.

Open dialogue with society (→ p. 34 et seq.):

We are aware of our relevance to society. Within this context, we maintain close contact with various stakeholder groups from the worlds of politics, business, society and the academic community.

In the following chapters, we will cover these topics and explain their relevance to Vonovia. The relevant challenges, opportunities and risks, and the objectives, measures and indicators are outlined for each topic.

Challenges, Opportunities and Risks 103-1

The housing industry in Germany is currently in the spotlight of public attention. The associated developments within society as a whole and in the real estate business are having an impact on Vonovia's business model and presenting us with challenges and risks – but also offer opportunities.

Challenges

- > Moving our business is impossible due to the fixed nature of residential property. This means we can only react to unforeseeable developments with a limited amount of flexibility.
- > The considerable demand for housing – particularly in large cities and urban conurbations – is fueling the current controversial public debate on housing. Time and again, this debate highlights just how dependent our long-term success is on the satisfaction of our tenants.
- > While we perform many of our services ourselves, we buy in materials and contract work, for example, as part of construction projects. The challenge here lies in ensuring that service providers and suppliers comply with our high labor, social and environmental standards.
- > A lack of trust can make stakeholders less willing to enter into constructive dialogue with us.

Opportunities

- > Our customers' expectations as far as housing is concerned are changing, and housing-related services are becoming more important. This means that we can expand our service portfolio further and step up our sales activities in the Value-add Business.
- > We are using participatory measures designed to take needs, wishes and concerns into account, especially when it comes to community development and the planning of new construction projects, to strengthen the acceptance of our activities and Vonovia's reputation. The number of single and two-person households is on the rise, and demand for apartments designed for small households is growing in line with this trend. This development is a good fit for our portfolio, which focuses on small and medium-sized apartments in metropolitan regions.
- > By performing many construction services ourselves through our Technical Service, we can make ourselves less reliant on external suppliers and reduce the associated risks.

Risks

- > With the acquisition of BUWOG, Vonovia has also stepped up its construction activities relating to both existing and new buildings. The cost of land and construction services is rising steadily. At the same time, building regulations are becoming increasingly stringent. This means that it is becoming increasingly difficult to implement planned measures.
- > The coronavirus pandemic and its implications are a source of considerable uncertainty for society and Vonovia, and future developments are still largely impossible to predict today.

You can find more information on the opportunities and risks associated with our business activities in the Opportunities and Risks chapter of the 2019 Annual Report [AR 2019, p. 125 et seqq.](#)

Objectives, Measures and Indicators 103-2, 103-3

As far as governance is concerned, Vonovia's overriding objective is to ensure transparent corporate governance that complies with the legal requirements. This sort of corporate governance takes responsibility for employees, the environment and society, and contributes to stable company growth. We achieve this objective by:

- > Using the long-term development of both the portfolio and the range of services on offer to secure Vonovia's long-term growth
- > Managing and supervising the company responsibly and independently
- > Ensuring systematic compliance with all laws and regulations
- > Implementing a structured supplier and supply chain management system that meets the very highest standards
- > Maintaining ongoing dialogue with our stakeholders on an equal footing and using the insights gained as part of this process to help shape the direction of our business and the development of our neighborhoods

In order to achieve this objective, we have to establish trust – the trust of our customers, partners, service providers, employees and investors in Vonovia as a company and in our services. We will be a reliable partner and employer for them that takes their concerns and needs seriously and reflects this in its conduct. This is the only way we can build long-term relationships with them based on trust.

Ensuring Long-term Growth

Vonovia is committed to providing contemporary, needs-based and affordable homes. We are continuing to expand this core business. Our aim is to continuously develop our residential portfolio by preserving our building stock over the long term, purchasing attractive properties and realizing new construction projects. In addition to providing homes, we offer a portfolio of housing-related services that generates added value for our customers and that we are continuing to expand.

Managing the Company Responsibly

We integrate not just economic, but also ecological and social considerations into our business decisions. Our corporate management is based on good corporate governance, which we strengthen by implementing Group-wide guidelines and business principles as well as stringent corporate governance guidelines that govern how the Management Board and Supervisory Board work (see chapter Corporate Governance, [AR 2019, p. 36 et seqq.](#)). We also enter into voluntary commitments, such as our [Code of Conduct](#) or our [Declaration of Respect for Human Rights](#), which serve as ethical legal guidelines for our actions. They are closely related to our internal Mission Statement and our [Business Philosophy](#), which provides orientation for our everyday activities.

Ensuring Compliance With All Laws

We use our compliance management system to ensure that we systematically adhere to applicable laws and requirements. We have defined and implemented clear structures and processes as part of this framework. This compliance management system features regulations aimed at whistleblower protection and money laundering prevention as well as compliance training. As part of the internationalization of our business and in collaboration with our subsidiaries Victoria Park and BUWOG, we are currently adjusting the existing compliance rules. This will ensure compliance throughout the Group in the future, too. We also provide our employees training on anti-

corruption and anti-competitive behavior on a regular basis, and have developed and adopted a training program on these topics.



proven cases of corruption

Implementing a Structured Supplier and Supply Chain Management System

Our cooperation with external partners and service providers in our supply chain is governed by our [Business Partner Code](#), our general terms and conditions of purchasing and the individual contractual provisions. We maintain the administration of these and other documents as well as the relationship with our suppliers and subcontractors with the help of a structured supplier management system that is being enhanced on an ongoing basis. We are using this system to manage compliance with environmental, labor and social standards by our business partners and at all stages in the supply chain.

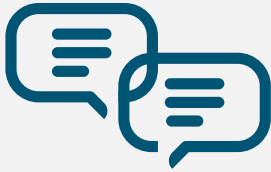


Proportion of women in management and control bodies:

Management Board = 25%
Supervisory Board = 33.3%

Engaging in Dialogue on an Equal Footing

We maintain close dialogue with our stakeholders and seek active involvement in initiatives and associations. This allows us to identify trends, developments, changes and, most importantly, our stakeholders' expectations, early on and integrate them into our business processes accordingly. This dialogue allows us to make our activities transparent and helps us to build and strengthen stakeholder – and public – trust in our company.



179

**tenant meetings and
consultation processes**

Outlook for 2020

We will continue to implement the principles of sustainable corporate governance in 2020. This will involve:

- > Establishing the sustainability department, which will report to the CEO, and setting up a Sustainability Committee at Management Board level
- > Linking the remuneration paid to the CEO and CFO to the fulfillment of defined ESG (environmental, social and governance) criteria
- > Making a commitment to selected Sustainable Development Goals (SDGs) set out by the United Nations and the UN Global Compact
- > Continuing and expanding consultation processes with tenants, cities and municipalities
- > Continuing the discourse process with the 2nd Vonovia climate conference
- > Surveying key stakeholders as part of a new materiality analysis
- > Introducing policies on anti-corruption, money laundering prevention and whistleblowing
- > Publishing a Declaration of Respect for Human Rights

Long-term Growth

☒ 102-15, 103-1, 103-2, 103-3, 201-2, 203-1

Management Approach 103-1

In recent years, housing has become a scarce resource in many places, particularly in Germany’s major cities and their surrounding areas. Vonovia wants to contribute to a long-term solution to this problem by providing modern and affordable homes.

In order to achieve this, we are safeguarding our stable corporate growth by focusing on the long-term development of our portfolio and the range of services we offer. We are also strengthening our core business by focusing on the targeted expansion of our portfolio in Germany and in selected major European cities that offer growth potential by way of acquisitions and new construction.

Vonovia’s business model is built on three main pillars:

- > The rental of affordable homes
- > Development/new construction for the creation of new homes
- > The provision of housing-related services at fair prices

This approach allows us to help ensure affordable rents and low ancillary costs in the long term, meaning that tenants are happy to stay in our apartments. 203-1

Corporate Strategy

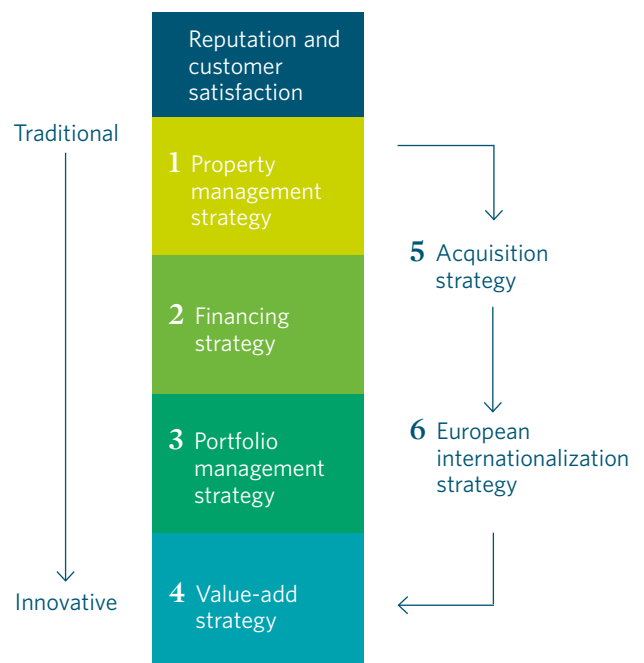
Since 2013, we have been pursuing a corporate strategy based on four basic approaches: **property management, portfolio management, financing** and **Value-add**. A further pillar, our acquisition strategy, is designed to strengthen the impact of the first four strategic approaches as the opportunity arises. This is complemented by our internationalization strategy, i.e., the approach of tapping into other European markets.

- > **Property management:** Improving key operating figures through efficient property management using the scalable management platform and digitalization, improving quality and efficiency in our customer

services, efficiently managing maintenance and modernization measures.

- > **Financing:** Securing sufficient, optimized liquidity, a balanced structure and maturity of debt, optimizing financing costs with an internationally competitive financing structure and safeguarding ratings.
- > **Portfolio management:** Renting out properties in a manner that increases value by optimizing existing properties and investing in maintenance and modernization; improving energy efficiency in the portfolio; expanding the development business involving the construction of condominiums both for investors and for

The 4+2 Pillars of Our Strategy



- 1 Management platform/Austrian client/digitalization
- 2 LTV/financing strategy/financial risk management
- 3 Portfolio management/recurring sales and non-core disposals/investment strategy/development and new construction
- 4 Housing and property-related services/business development/digitalization
- 5 Opportunistic acquisition strategy in Germany
- 6 Austria/Sweden/France

the company's own use, and the established new construction and vertical expansion activities; pooling capacities by focusing on strategic regions.

- > **Value-add:** Adding customer-oriented services with a close relationship to the rental business to our core business. These include, for example, technical services, managing the residential environment, property management, multimedia services, metering services, decentralized energy supply, caretaker services, managing outdoor and green spaces.
- > **Acquisition:** Boosting the effectiveness of the core strategies through continual checks, and including suitable portfolios in the list of existing properties.
- > **Internationalization:** Analysis of potential target markets in Europe, targeted direct investments in European markets to generate added value.

A detailed description of our 4+2 corporate strategy can be found in our 2019 Annual Report (see chapter Strategy, [AR 2019, p. 59 et seqq.](#)).

Corporate Governance

Vonovia's corporate governance is based on our corporate strategy and is aligned with our sustainable business activities. In the 2019 fiscal year, the management system that had been implemented in the previous year was continued unchanged.

We have four segments: Rental, Value-add, Recurring Sales and Development.

- > **Rental:** This segment covers all business activities related to the management of our portfolio in a way that increases value.
- > **Value-add:** This segment pools all housing-related services performed by the craftsmen's and residential environment organization, the condominium administration business, the cable TV business, metering services, energy supplies and our insurance services.
- > **Recurring Sales:** This segment covers all regular sales of individual condominiums and single family homes.
- > **Development:** This segment covers project development in new residential buildings.

Our integrated planning and controlling system is based on key financial and non-financial performance indicators. It enables us to align our business activities effectively with the aim of sustainably increasing company value.

You can find out more about our corporate governance in our 2019 Annual Report. [AR 2019, p. 86 et seqq.](#)

Challenges, Opportunities and Risks 103-1

Although the German economy reported growth for the tenth year running in 2019, economic momentum slowed considerably. According to experts, there is still no sign of a turnaround in the residential property market. Property prices also continued to rise in the year under review. While the demand for housing in metropolitan areas remains on the rise, the population in rural areas is dwindling. Nevertheless, demand for homes will continue to outstrip supply in the future overall, which will at the very least keep rents at a high level. These economic and social developments have a decisive impact on our success – and bring about both risks and opportunities for Vonovia. The extent to which the coronavirus pandemic will have a long-term impact on our business was impossible to predict at the time this report was published.

Risk Management 102-15

Vonovia has a comprehensive risk management system in place that enables it to identify, assign weightings to, and manage opportunities and risks relevant to the company. This:

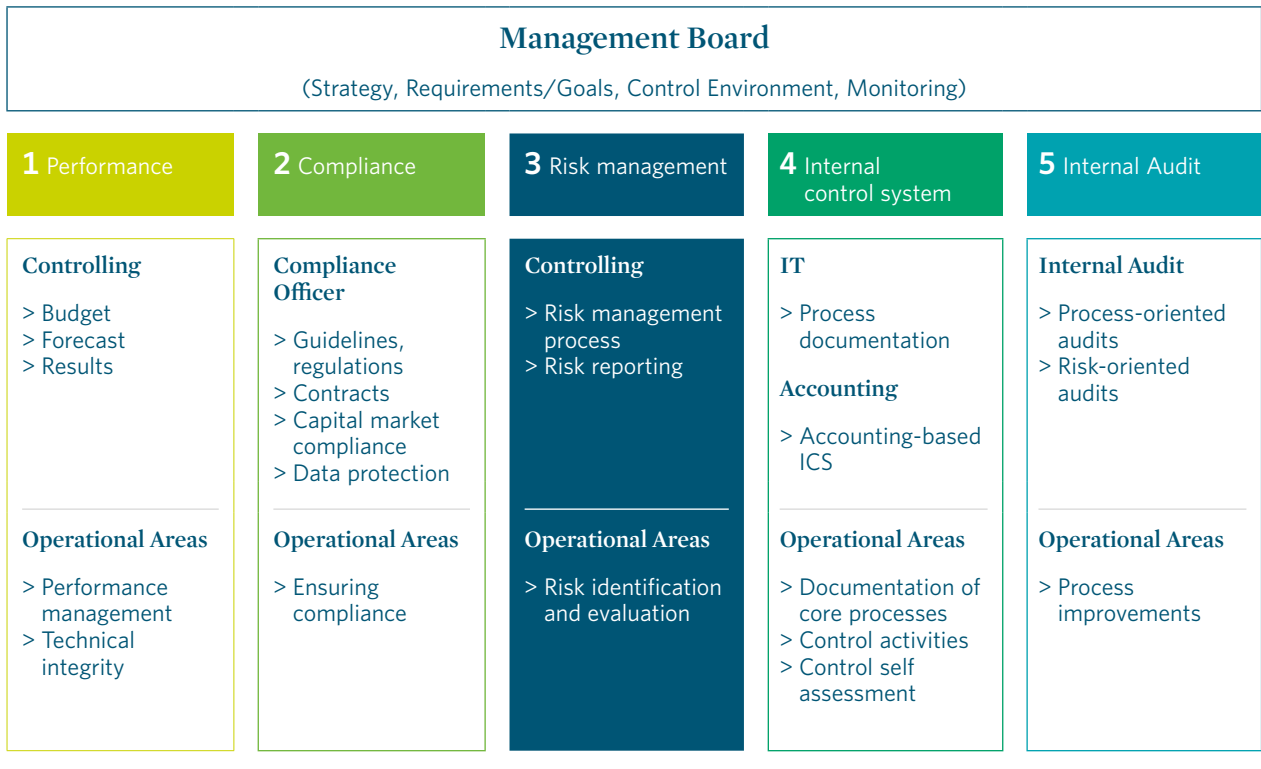
- > Reduces potential threats
- > Secures the future viability of the company
- > Promotes strategic development
- > Supports sustainable conduct

For transparency purposes, we explain Vonovia's risk situation in detail in our annual reporting and publish a qualified list of the "Top 10 Risks" on behalf of the Management Board (see chapter Opportunities and Risks [AR 2019, p. 125 et seqq.](#)).

The Management Board bears full responsibility for risk management. The Head of Controlling, who is part of the organization led by the Chief Financial Officer (CFO), is responsible for the operational management of the risk management system. Risk Controlling initiates the periodic risk management process and consolidates and validates the risks reported. The Head of Controlling is supported by risk owners – managers at the level directly below the Management Board.

Management is based on an integrated, five-pillar management approach:

Five Pillars of Risk Management at Vonovia



Vonovia updated its existing risk management system in the second half of 2019.

We monitor and evaluate any risks that could result from climate change. Our properties are not located in areas that are exposed to particular risks arising from the potential impact of climate change. We therefore believe there are currently no direct risks worth mentioning that could result from extreme weather conditions due to climate change such as strong rains and flooding. 201-2

You can find detailed information in our 2019 Annual Report (see chapter Opportunities and Risks [AR 2019, p. 125 et seqq.](#)).

Objectives, Measures and Indicators 103-2, 103-3

Our goal is to achieve stable company growth based on the long-term further development of our existing properties and service portfolio. We are adopting three core measures to achieve this objective:

- > Targeted expansion of our core business, “renting out homes”
- > Further development of the portfolio by way of purchases and sales, new construction projects, modernization measures and investments in development
- > Expansion of the portfolio of housing-related services

Within this context, customer satisfaction is a non-financial performance indicator that is especially important to Vonovia since our economic success is directly linked to our tenants’ long-term satisfaction levels (see chapter Customer Satisfaction → [p. 66 et seqq.](#)).

Targeted Expansion of Core Business

We aim to offer our customers an affordable home that offers contemporary comforts and meets their needs at a rental price that is on a par with, or even below, the local comparative rent. We are using our corporate strategy to achieve this objective both in Germany and other European countries. Among other things, our strategy provides for investments in new construction and the acquisition of attractive portfolios (see chapter Strategy [↗](#) [↗](#) AR 2019, p. 59 et seqq.).

Further Development of the Portfolio

By investing in new construction, vertical expansion and densification measures, and by modernizing buildings and apartments, Vonovia creates attractive new living space and preserves its building stock – i.e., the key elements that make up the company’s value. These measures are rounded off by holistic community development (see chapters Creating Appropriate Living Space and Affordable Rents → p. 70 et seqq. and Fundamental Information About the Group [↗](#) [↗](#) AR 2019, p. 54 et seqq.).

Establishment and Expansion of a Portfolio of Housing-related Services

We aim to provide important services ourselves rather than being dependent on external service providers. We are continuously expanding our service portfolio and tapping into new areas of business. This is allowing us to strengthen the services that we offer ourselves in the following three areas:

Vonovia technical service (VTS)	<ul style="list-style-type: none"> > Carries out the majority of construction work in our portfolio > Guarantees secure supply and a high level of service speed
Residential environment organization	<ul style="list-style-type: none"> > Performs gardening and landscaping work in the portfolio, such as creating new green spaces and playgrounds or creating communicative neighborhood centers outside of the buildings
Caretaker organization	<ul style="list-style-type: none"> > Supports our tenants on site > Responds to customer inquiries and requests that cannot be handled on the phone by the central customer service center

In addition, we are expanding our services into the area of energy supply and home automation. You can find out more about the other measures we have put in place in order to grow sustainably in the 2019 Annual Report (see chapters Fundamental Information About the Group [↗](#) [↗](#) AR 2019, p. 54 and Report on Economic Position [↗](#) [↗](#) AR 2019, p 90 et seqq.).

Corporate Governance, Compliance and Anti-corruption

☒ 102-9, 102-12, 102-16, 102-18, 102-19, 102-22, 102-24, 103-1, 103-2, 103-3, 205-2, 205-3, 206-1, 207-1, 207-2, 207-4, 308-2, 414-1, 414-2, 419-1

Management Approach ¹⁰³⁻¹

Corporate Governance

Corporate governance – also referred to as business ethics – refers to the responsible management and supervision of the company. The Management Board and Supervisory Board are fully committed to the principles of corporate governance and are responsible for their implementation. These principles form the basis for the sustainable success of the company and also serve as a guideline for conduct in the company's daily management and business.

Consistent adherence to these principles strengthens our credibility and the trust that shareholders, business partners, employees, customers and the wider public place in Vonovia. The Management Board and Supervisory Board aim to use balanced corporate governance to ensure Vonovia's competitive standing and increase the company's value in the long term.

Further information on corporate governance at Vonovia can be found in the 2019 Annual Report (see chapter Corporate Governance ☒-☒ **AR 2019, p. 36 et seqq.**).

Compliance and Anti-corruption

We comply with all of the applicable regulations and laws without restriction. For Vonovia, this is essential in order for the company to act, and be accepted, as a reliable and trusted partner. By adhering to our compliance rules, we protect the integrity of employees, customers and business partners, and shield our company from negative influences. Good compliance management is therefore not just an important factor in sustainable development and value creation within the company, but also provides our customers and partners with more security and reliability in their relationships with us. Tight housing markets, combined with the fear of losing one's home, are a breeding ground for misconduct. Vonovia is aware of this and

thus places even more value on employees observing the applicable tenancy laws and regulations without exception. We also expect the same of our suppliers and service providers, as they play a central part in helping us to achieve our objectives. That is why we always aim for long-term partnerships with our suppliers.

Establishment in the Organization ¹⁰³⁻²

At Vonovia, compliance management is the responsibility of the Legal department, which monitors adherence to the rules that apply within our central compliance management system (CMS) (see chapter Compliance Management ☒-☒ **AR 2019, p. 126**).

The Management Board and Supervisory Board office coordinates committee work at Vonovia and organizes information flow and cooperation between the Management Board and the Supervisory Board.

The central procurement department manages compliance with labor, social and environmental/quality standards in the supply chain as part of the process of supplier selection and supplier management.


Challenges, Opportunities and Risks 102-12, 103-1

Challenges	Corporate Governance	<ul style="list-style-type: none"> > Implementation of the amendments made to stock corporation law with regard to the second shareholders' rights directive (ARUG II) and the associated revision of the German Corporate Governance Code (GCGC) > Ensuring that Supervisory Board positions are filled with individuals with future-oriented skills (digitalization, sustainability) > Application of our standards to cover subsidiaries abroad
	Compliance	<ul style="list-style-type: none"> > Ensuring acceptance of, and adherence to, all regulations throughout the Group
Opportunities	Corporate Governance	<ul style="list-style-type: none"> > Development of new business areas due to social and legislative changes, e.g., process digitalization > Consideration of areas that will be important in the future when bringing new Supervisory Board members on board in order to include new areas of expertise > Application of various diversity criteria (e.g., gender, internationality) when selecting managers helps to promote and strengthen equal opportunities and diversity in the industry
	Compliance	<ul style="list-style-type: none"> > Greater independence from external suppliers and the associated risks due to the provision of a large number of construction services by the Technical Service > Ensuring compliance with high quality standards thanks to the high proportion of services performed within the Group
Risks	Corporate Governance	<ul style="list-style-type: none"> > Negative reputational impact on the capital markets if positions cannot be filled successfully with Supervisory Board members who have key areas of expertise
	Compliance	<ul style="list-style-type: none"> > Ensuring compliance with labor and social standards in cases in which services are purchased from construction companies and their subcontractors

Objectives, Measures and Indicators 103-2, 103-3

Corporate Governance 102-18, 102-19, 102-22, 102-24, 207-1, 207-2, 207-4

Good corporate governance is a holistic issue for Vonovia that includes every area of the company. Our aim is for the management team to manage and supervise the company responsibly and independently.

Description of objective	Description of measures
Implementation of Group-wide guidelines and business principles	<p>Implementation of uniform standards for corporate governance and employee conduct in the form of Group-wide guidelines, values and business principles:</p> <ul style="list-style-type: none"> > Our Business Philosophy: Value-based framework for our commitment in the future > Our Code of Conduct: Ethical legal framework for our conduct in day-to-day business and expression of our corporate values; promotes and requires fair treatment in dealings with others; was also made available externally in its current form in 2019 > Our Our Business Partner Code: Binding principles of cooperation to ensure integrity and reliability as well as economically and legally compliant conduct
	<div style="text-align: center;">  <p>Greater transparency</p> <p>Code of Conduct has been available to the public, too, since 2019</p> </div>
	<ul style="list-style-type: none"> > 25% of the variable compensation (LTIP) paid to the Management Board is tied to non-financial performance criteria (CSI customer satisfaction index) > Introduction of variable components of Management Board remuneration (CEO & CFO) linked to ESG criteria (STIP) > Transparent remuneration practice in accordance with ARUG II for the Management Board and Supervisory Board (see chapter Remuneration Report AR 2019, p.115 et seqq.)

Description of objective	Description of measures
Implementation of stringent corporate governance guidelines	<p>Commitment to the principles set out in the German Corporate Governance Code (GCGC) and use of the principles of the Institute for Corporate Governance in the German Real Estate Industry as a guide by the Management Board and Supervisory Board, including:</p> <ul style="list-style-type: none"> > Ensuring the independence of the Supervisory Board as the company's supervisory body: monitoring the Management Board and providing support with fundamental decisions (12 out of 12 members are independent), structured procedure involving a moderator used for the efficiency review of the Supervisory Board in 2019 > Independent corporate management by the Management Board: informing the Supervisory Board on business development, strategy and potential opportunities and risks > Transparent selection criteria (incl. diversity criteria) for the Supervisory Board and the Management Board (see chapter Recruitment of Members of Executive Bodies AR 2019, p. 40 et seqq.); Supervisory Board members elected by the Annual General Meeting (simple majority) > Functional and secure audit and control processes: establishment of the Executive and Nomination Committee, Audit Committee and Finance Committee, establishment of additional committees as required to ensure due and proper control > Monitoring activities performed by the Audit Committee, in particular with regard to the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements, sustainability reporting (incl. the Non-financial Declaration) and compliance <hr/> <p>Promoting diversity in the company's executive bodies</p> <ul style="list-style-type: none"> > Including diversity criteria other than gender when filling vacant Supervisory Board and Management Board positions > Supervisory Board: at least 30% women and 30% men; fulfilled with 33% female members > Management Board: at least 20% women by the end of 2021; already fulfilled with 25% female members <div style="text-align: right;"> <p>Proportion of women in management and control bodies:</p> <p>Management Board = 25%</p> <p>Supervisory Board = 33.3%</p> </div>
Establishing tax transparency	<p>AR 2019, p. 115 et seqq. Understanding of tax as a responsible taxpayer that also lives up to its social responsibility with regard to the financing of the community</p> <ul style="list-style-type: none"> > 2018 tax strategy adopted by the Management Board > As a multinational company with operating subsidiaries, we pay taxes in Germany, Austria, Sweden and the Netherlands > Our subsidiaries are not vehicles for tax optimization > Full compliance with tax compliance regulations > No use of tax havens <hr/> <p>Clearly defined responsibility and control processes and a functioning risk management system</p> <ul style="list-style-type: none"> > The Management Board is responsible for the tax strategy; functional transfer to the Tax department > Regular exchange of information between Head of Tax and CFO on all major tax issues, their current and future impact, the status of the risk survey and the implementation of measures/controls designed to mitigate risk > CFO provides the Supervisory Board with regular information on key tax issues and the assessment of tax risk > Implementation of an internal tax compliance management system (that is audited internally and externally at regular intervals) to manage and monitor tax risks centrally > Transparent cooperation with the tax authorities; complete documentation of tax-related issues > Our whistleblowing system allows reports to be submitted anonymously and followed up on <hr/> <p>More information on tax is available in the AR 2019, p. 63 et seqq.</p>

Further information on corporate governance can be found in the 2019 Annual Report (see chapters Corporate Governance [AR 2019, p. 36 et seqq.](#), Further Statutory Disclosures [AR 2019, p. 115 et seqq.](#), and Non-financial Declaration [AR 2019, p. 63 et seqq.](#)).

Compliance and Anti-corruption 205-2

Good compliance management makes a key contribution to a company’s sustainable development and value creation. It is also essential in order to act and be accepted as a reliable and trusted partner. This is why we are aiming for systematic adherence to all of the provisions and laws that apply to the company.

In 2019, we expanded our compliance management system further and strengthened the safeguarding mechanisms. As part of this process, we included relevant processes in Group guidelines and worded them transparently. The Management Board has overall responsibility for the compliance management system.

Description of objective	Description of measures
<p>Implementation of a Compliance Management System (CMS)</p>	<p>Extensive and secure monitoring of compliance rules</p> <ul style="list-style-type: none"> > Regulatory framework in the form of Vonovia’s own Compliance Guidelines, which are consistent with the Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (IDW AsS 980) and also take the implementation principles for the UK Bribery Act 2010 into account. <p>Implementation of other key documents setting out provisions on how to handle compliance issues and anti-corruption</p> <ul style="list-style-type: none"> > Code of Conduct > Business Partner Code > Inspection guidelines > Group guidelines on guideline management <p>The guidelines and codes apply in both Germany and Austria. Comparable regulations are also in place at our subsidiary Victoria Park in Sweden.</p> <hr/> <p>Implementation of clear responsibilities</p> <ul style="list-style-type: none"> > Management Board: responsibility for the implementation of the CMS > Compliance Committee: regular updates to the CMS and adjustments to reflect current requirements; meets several times a year (at least four times) > Members of this committee: the compliance officer, compliance managers, the ombudsperson, representatives from the Internal Audit, Risk Management and HR Management departments as well as the works council > Remit of the committee members: <ul style="list-style-type: none"> - Compliance officer: central point of contact for compliance matters and potential cases, identification of compliance risks, definition of measures for preventing and discovering risks - Compliance managers and specialists: supporting the compliance officer from within the departments - External ombudsperson: recording information regarding potential compliance cases – also on an anonymous basis, confidential contact for all employees and business partners - Supervisory Board: receives extensive information on compliance and corruption issues as well as on existing guidelines and procedures on a regular basis; the Compliance Report, which is submitted to the Audit Committee, provides information on suspected cases of corruption as well as corruption measures and training
<p>Compliance training</p>	<p>Implementation of regular training sessions on compliance topics, taking individual needs into account</p> <ul style="list-style-type: none"> > Regular training on topics such as capital market compliance, AML, anti-corruption, data protection, Code of Conduct, compliance for managers > Training for all employees on the contents of the Code of Conduct > Face-to-face training sessions in blocks for employees in the relevant functions (e.g., procurement, sales, construction management, finance, etc.)
<p>Establishment of a system to prevent and combat corruption</p>	<p>Implementation of preventative measures, e.g., clear requirements and guidelines on how to deal with gifts and invitations</p> <ul style="list-style-type: none"> > Implementation of target group-specific training measures > Introduction of an advisory service for employees to clarify any questions > Easy access for employees via the intranet and employee information > Introduction of a digital monitoring tool to ensure documentation



3 policies published

- > Whistleblowing guidelines
- > Guidelines on the prevention of money laundering
- > Declaration of Respect for Human Rights

37

different compliance training formats

Description of objective	Description of measures		
	Implementation of strict measures > Introduction of the  whistleblower portal and corresponding Group guidelines. Option for staff and externals to contact an independent third party if they want to report suspicious cases > Tone at the top: management conduct that is consistent with all corruption prevention requirements		
	Introduction of a risk-based anti-corruption system > Implementation of a risk analysis based on the DICO risk catalog by the compliance officer in consultation with the Management Board and the responsible department heads > Implementation of measures by the department heads in departmental guidelines and work instructions > Review of measures by the compliance officer in coordination with the Internal Audit department		Establishment of an anti-corruption system
Definition of regulations to protect whistleblowers	Development of whistleblowing guidelines to ensure that any misconduct is consistently identified > Supplements the Compliance Guidelines, the Business Partner Code and the guidelines on the internal control system > Sets out further details on the procedure for reporting incidents and the framework for preventing and detecting corruption or irregularities		
	Introduction of a  whistleblower system > Option for employees, customers and business partners to report identified or suspected violations, also anonymously > Reporting of possible breaches of the regulations that apply within the company to all compliance specialists and managers > Consistent investigation of reports and sanctioning of violations		
Introduction of money laundering prevention guidelines	Establishment of a  risk-based system to detect and prevent money laundering-related issues > The system covers all of the relevant requirements set out in the German Money Laundering Act (Geldwäschegesetz), particularly the checks on the beneficial owner > Increased due diligence for transactions > € 10,000/month, e.g., involving the Legal department		
Publication of a Declaration of Respect for Human Rights	Preparation of a  Vonovia Declaration of Respect for Human Rights > Clarification of Vonovia's commitment to a pluralistic democratic society and zero tolerance for human rights violations > Clear commitment to the core labor standards of the International Labour Organization (ILO) and the principles of the UN Global Compact on human rights		
Establishment of reliable protection for personal and company-related data	Establishment of reliable protection for company-related data (cyber security) > Definition of a fundamental level of information protection to preserve the company's values and image and to comply with statutory requirements and the related tasks via IT guidelines > An IT security administrator has been appointed to achieve the IT security objectives; the security administrator reports directly to the CIO > Companies and specialist departments are responsible for security risks relating to information and data that is predominantly created, collected, used or processed within their sphere of responsibility > Management of the process via IT > Raising awareness of information security issues among employees as a fundamental prerequisite for information security		
	Ensuring compliance with data protection requirements and personal data protection > Binding, uniform Group-wide rules (Group guidelines) established to ensure the processing of personal data in accordance with the General Data Protection Regulation > Clear assignment of responsibilities and contacts for all relevant areas of the Group via data protection coordinators in the specialist departments > Establishment of the position of company data protection officer > Regular training on data protection		

In the 2019 fiscal year, there were isolated suspected cases of corruption, which we investigated diligently. None of the cases were confirmed. 205-3

There were several immaterial compliance violations or suspected cases in 2019. This demonstrated clearly that our established system functions well; the cases were reported and addressed and the appropriate action has been taken. 419-1

0

Number of proven cases of corruption


The subject of antitrust law is of particular importance to us, for example, in connection with company acquisitions. We inform the German Federal Cartel Office as soon as possible of any potential acquisitions and begin the integration of acquired companies or portfolios only following approval. There were no violations of competition law guidelines in 2019. 206-1

Adherence to Environmental, Labor and Social Standards in the Supply Chain 102-9, 102-16, 308-2, 414-1, 414-2

Vonovia already relies on a transparent and fair procurement process based on defined procurement and compli-

ance guidelines. We continuously explore the possibilities that a sustainable supply chain has to offer. The aim is to ensure that our business partners and their subcontractors comply with the applicable labor and social standards. This relates primarily to construction activities that are not carried out via Vonovia’s in-house technical service. Vonovia also pursues this objective when purchasing materials and procuring all indirect materials and other services. In order to ensure this, procurement is split into centralized and decentralized units. Close and continuous dialogue with all business partners gives Vonovia an insight into, and access to, subcontractors, which serves to provide opportunities for control and builds trust.

Description of objective	Description of measures
<p>Ongoing optimization of sustainable supplier management</p>	<p>Continuous revision and updates to the contractual basis from a supplier management perspective</p> <ul style="list-style-type: none"> > Business Partner Code of Vonovia SE: sets out provisions governing conduct that is fundamentally economically, legally and ethically compliant for all forms of business relationships and is binding for all subcontractors, suppliers, business partners and their subcontractors > Code of Conduct of Vonovia SE: establishes a commitment to economically and legally compliant behavior and to compliance with the guidelines for preventing corruption in dealings with all subcontractors > General Terms and Conditions of Contract for Construction Services of Vonovia SE (“AVBau”): set out provisions governing all commissioned construction services > General Terms and Conditions of Purchasing of Vonovia SE: set out provisions governing all orders placed for goods or services that do not relate to construction services > Privacy policies for subcontractors and business partners: set out provisions governing the processing of personal data in relationships with business partners and subcontractors > Individual contractual provisions: individual contractual arrangements as the basis for longer-term, intensive cooperation > Victoria Park: Code of Conduct serves as a Business Partner Code at the same time <p>All documents are available at the following link: www.vonovia.de/de-de/ihre-services/fuer-geschaeftpartner</p>
	<p>Compliance with, and review of, the Business Partner Code</p> <p>The Business Partner Code provides the economic, legal and ethical basis for a business relationship in the spirit of partnership, and:</p> <ul style="list-style-type: none"> > Also applies to third parties, i.e., subcontractors of Vonovia’s direct contractual partners > Sets out clear expectations regarding integrity, legal compliance and ethical conduct > Has to be signed to indicate binding acceptance and put into practice in all business practices > Is subject to regular monitoring of compliance by the direct contacts > Among other things, stipulates that illicit employment must be ruled out, that the legal minimum wage must be paid and that valid German regulations on occupational safety and human rights, and applicable environmental laws, must be observed > Is supplemented by Vonovia’s Declaration of Respect for Human Rights - reaffirms the commitment to the ILO core labor standards as well as the principles of the UN Global Compact on human rights > Is not valid in Austria and Sweden, as they have their own codes
	<p>Contractual measures to ensure compliance with labor and social standards in new construction/development</p> <ul style="list-style-type: none"> > Compliance ensured by implementing standard processes for tenders using suitable systems
	<p>Development of subcontractors by the procurement department</p> <ul style="list-style-type: none"> > Establishment of a Group-wide supplier assessment system > Quantification of key performance indicators (KPIs) > Definition of suitable measures such as the implementation of annual reviews and supplier audits > Stringent monitoring using a blacklist and, if necessary, phasing out

Description of objective	Description of measures
<p>Introduction and development of the Vonovia partner portal</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div data-bbox="320 232 767 571"> <p>Commissioning and continued development of the Vonovia partner portal for service providers and suppliers as a key component of system-supported risk and supplier management</p> <ul style="list-style-type: none"> > Structured onboarding using a two-stage registration process > Traffic light model to ensure transparency regarding the validity of all relevant documents and, as a result, central documentation of key documents, including the minimum wage declaration, the exemption certificate and all other trade-specific approvals > System-supported supplier assessment based on a questionnaire </div> <div data-bbox="1050 264 1155 367" style="text-align: center;">  </div> <div data-bbox="922 421 1286 524" style="text-align: center;"> <p>New partner portal launched for service providers and suppliers</p> </div> </div> <hr/> <p>Since the beginning of 2020, several hundreds of service providers and suppliers have already been managing their documents and master data using the partner portal. New suppliers can:</p> <ul style="list-style-type: none"> > Register with Vonovia online and submit applications to qualify as potential business partners > Upload all of the key information and documents during the registration process > Be approved by the central procurement department after a two-stage approval process and confirmation of the Business Partner Code as well as after granting their consent to all other contractual principles <hr/> <p>Central documentation of key documents/licenses for affected trades and product groups</p> <hr/> <p>Further system support in supplier management</p> <hr/> <p>Implementation of regular supplier assessment process involving the procurement department and the specialist departments to lay the digital foundation for further-reaching supplier development</p>
<p>Ensuring environmental protection standards</p>	<p>Ensuring professional and environmentally friendly disposal of demolition materials and rubble</p> <hr/> <p>Minimizing the risk of hazardous or toxic materials being used:</p> <ul style="list-style-type: none"> > By arranging for building materials to be purchased by Vonovia's procurement department > By implementing a systematic TÜV Rhineland Toxic Materials Management System (TOGs®), in which all information is recorded, documented and evaluated centrally > As a basis for conducting risk assessments and developing operating and handling instructions

Vonovia does not tolerate corruption under any circumstances. In the event of repeated violations of the Code or other legal provisions, we take appropriate steps and terminate the business relationship entirely. [205-3](#)

As Vonovia operates within a strictly regulated and controlled legal framework within the European Union, possible challenges relating to human rights are not considered to be material to Vonovia's business model. This explains why the Code of Conduct, for example, does not contain any explicit provisions on "living wages" and "living conditions" – the stringent statutory requirements in Germany, Austria and Sweden go far beyond international basic standards. The procurement department, however, acts as a watchdog in this regard by selecting suppliers accordingly (see above) in order to ensure the protection of fundamental rights and adherence to the law.

Open Dialogue With Society

☒ 102-13, 102-40, 102-43, 102-44, 103-1, 103-2, 103-3, 203-2, 415-1

Management Approach 103-1

Vonovia belongs to a network of various social players who have an influence on the company on a micro and macro level. We actively consider their views and concerns when deciding the direction our company takes and how our neighborhoods are developed. We value ongoing communication on an equal footing to find common solutions for a positive community spirit in our neighborhoods. The process allows us to hear and evaluate the opinions of our stakeholders on our work. We then bundle a variety of views and include these results in our decision-making process. This also enables Vonovia to build bridges within the neighborhood.

We consider dialogue with stakeholders to be an opportunity for participation and a way to improve our reputation and increase acceptance for our actions. At the same time, the process allows us to counteract any negative influences.

2019 was clear testimony to the extent to which public and political discussions influence Vonovia’s business. The decision to implement the Berlin rent freeze is one example of this. As a result, early discussions with, and the involvement of, residential real estate companies as part of these processes are a top priority for us.

Establishment in the Organization 103-2

Dialogue with our stakeholders takes place during day-to-day business and in existing networks. It is well established on several levels and in several areas of the business, for example, with the Management Board, regional managing directors and regional managers. Corporate Communications acts as the central interface in this regard, ensuring consistent communication – both internally and externally. This area also includes the Public Affairs department, which ensures communication with political representatives.

Challenges, Opportunities and Risks 103-1

Vonovia’s size and public presence give rise to opportunities and risks that have an impact on stakeholder dialogue.

Challenges

- > Need to strike a balance between affordability and climate protection
- > Establishment of acceptance for corresponding measures within society
- > Communication of how Vonovia benefits the community
- > Communicating central messages and establishing trust in a decentralized organizational structure

Opportunities

- > Strengthening acceptance of Vonovia’s actions and reputation by organizing participatory measures designed to take needs, wishes and concerns into account, especially when it comes to community development and the planning of new construction projects
- > Vonovia is accepted as an expert dialogue partner
- > Early identification and elimination of critical issues and negative impressions to find common solutions
- > Vonovia is perceived not just as a landlord, but also as a company that is also invested in topics such as tenant electricity or car sharing, making it a driver of social development

Risks

- > Impact on public perception from faulty heating systems, drawn-out modernization measures, incorrect invoicing of ancillary costs and rent increases due to modernization allocations have the potential to have a negative impact on business activity
- > Isolated cases can be used to paint an undifferentiated picture of Vonovia

Objectives, Measures and Indicators 103-2, 103-3

Vonovia provides homes for more than one million people, making it an important part of society. This is another reason why we aim to maintain ongoing dialogue with our stakeholders on an equal footing and use the insights gained as part of this process to help shape the direction of our business and the development of our neighborhoods. We seek to use this process to help find common solutions to foster a good sense of community spirit within the properties that make up our portfolio.

Stakeholder Dialogue

Our main stakeholders include tenants, employees, shareholders, investors and analysts, as well as policy-makers at the municipal, state and federal levels in

Germany, Austria and Sweden. Additional interest groups include tenants' associations, suppliers and service providers, the media and non-governmental organizations (NGOs). 102-40

We structure the processes for dialogue with our stakeholders on an individual basis and are guided by what the individual groups expect of us. The forms of dialogue we use range from simply passing on information to active participation in community development projects to promote acceptance and transparency. As part of the new materiality analysis that we plan to conduct in 2020, we will once again involve and survey all of our relevant stakeholders.

Furthermore, in 2020 and beyond, we want to further intensify and expand our consultation and participation procedures with tenants, city authorities and municipalities.

“Outlook for Climate-neutral Housing” (Perspektiven klimaneutralen Wohnens) Discourse Process Launched

We launched the “Outlook for climate-neutral housing” discourse process in April 2019. The aim of the discourse is to find solutions to the conflict between active and far-reaching climate protection in existing buildings and rising housing costs. We are convinced that this can only be achieved if we all join forces, and invite all relevant stakeholders to work on these solutions with us.

We intend to follow a three-stage process:

1. Outlining the problem and potential political approaches as a starting point: organization of a parliamentary evening in April 2019
2. Professional and technical analysis of the topic: specialist conference in cooperation with the German Energy Agency (dena) and Fraunhofer Institute involving 85 participants from the housing industry and the fields of academia, associations, environmental and tenant protection associations in November 2019
3. Discussion with policymakers on the overall conditions for change: climate conference involving various expert representatives from politics, academia, the housing industry, tenant representatives and associations planned for May 2020 (postponed to October 1, 2020, due to the coronavirus); presentation of climate protection theories for the building sector by Vonovia at the conference



Vonovia's Stakeholder Dialogue

102-40, 102-43, 102-44, 203-2, 415-1



Stakeholders	Expectations	Forms of dialogue
Customers	<ul style="list-style-type: none"> > Early and transparent communication and involvement - for example, in cases involving modernization measures > Straightforward, service-oriented and prompt answers to questions > A good level of availability, fast reaction times and, as far as possible, presence on site to personally hear and deal with queries, worries and wants > Involvement in designing the immediate residential environment 	<ul style="list-style-type: none"> > Personal contact via caretakers and neighborhood managers at the portfolio properties and via rental offices, which serve as local points of contact > Tenant meetings or parties and citizens' forums/consultation processes, e.g., for involvement in community development measures > 24/7 accessibility via the customer portal, tenant apps and the customer service hotline > Information on various subjects provided in a quarterly customer magazine and online communication channels <p>Direct dialogue with our tenants is the most important form of dialogue for us because their satisfaction has a decisive impact on our success as a company.</p>

Stakeholders	Expectations	Forms of dialogue
Employees	<ul style="list-style-type: none"> > Attractive and safe workplace > Interesting job remit > Professional and personal development, and a reliable, fair working environment 	<ul style="list-style-type: none"> > Human capital development activities customized to personal needs > Employee surveys > Communication and information via employee magazines, the intranet, podcasts and information events > Further training via the Vonovia Academy and cooperation with the EBZ Business School in Bochum, a university geared to the real estate industry
Shareholders, investors and analysts	<ul style="list-style-type: none"> > Transparency regarding the business model and its successful implementation > Information on the company's financial situation, predicted development and possible risks 	<ul style="list-style-type: none"> > Face-to-face meetings and conference calls > Presentations > Investor conferences, roadshows and property tours > Participation in sustainability benchmarks and ratings
Policymakers/ associations	<ul style="list-style-type: none"> > Active contribution to solving the housing problem > Participation in community and urban development discussions > Contribution of technical expertise in and beyond the housing industry (e.g., electromobility) > Assurance of knowledge transfer between the business and political spheres 	<ul style="list-style-type: none"> > Regular and extensive exchange of information with representatives at local, state and federal level, parliament and the government > Collaboration in economic councils (the CDU's economic council, the SPD's economic forum, the Green Party's economic dialogue group and the FDP's economic forum) > Regular and extensive exchange of information with associations such as the German Association of German Housing and Real Estate Companies (GdW), the German Property Federation (ZfA), dena and DENEFF > Cross-party talks with representatives > Participation as an opinion leader in forums and events on real estate matters (e.g., founding member of the housing initiative InitiativeWohnen.2050) > Initiator of projects that are of social relevance <p>In our dialogue with policymakers and associations, we refer to the effects of proposed legislation on our industry. Vonovia remains neutral in its political work, with no affiliation to any particular party, and does not make any political donations.</p> <p>Through our involvement, we also aim to recognize any changes to the legal framework early on in order to be able to plan and implement measures within our company in good time.</p>
Tenant associations and initiatives	<ul style="list-style-type: none"> > Fair and reliable handling of tenant issues > Quick and constructive identification of solutions in the event of conflict 	<ul style="list-style-type: none"> > Close contact with local tenant associations and representatives of interested parties > Organization of tenant meetings > Establishment of tenant advisory boards <p>In order to avoid conflict, we thoroughly review the legitimacy of criticism directed at us. In case of legitimate criticism, we attempt to eliminate the deficiencies quickly.</p>
Suppliers and service providers	<ul style="list-style-type: none"> > Business relationships managed in the spirit of cooperation > Consideration of their interests > Interest in delivering very good services for Vonovia and our tenants 	<ul style="list-style-type: none"> > Business Partner Code and Code of Conduct > Regular dialogue during contractual negotiations and the implementation of assignments > Vonovia partner portal
Media/public	<ul style="list-style-type: none"> > Expect us to be willing to provide information and have an open communication policy, even and especially when dealing with difficult questions 	<ul style="list-style-type: none"> > Comprehensive public relations > Provision of information as quickly as possible - also in the event of crises and disruptions > Regular press conferences and meetings > Interviews
NGOs and the social environment	<ul style="list-style-type: none"> > Assumption of responsibility for social issues > Economic and operational contribution to social issues > Cooperation with academia 	<ul style="list-style-type: none"> > Cooperation with numerous organizations such as welfare organizations, social agencies and nature conservation organizations (NABU) > Participation in school projects, maintenance of playgrounds > Cooperation with academic institutions such as Fraunhofer Institutes or EBZ Business School > Support for clubs, social and cultural institutions and disadvantaged individuals through our foundation > Involvement of public organizations in the development of new services

Memberships of Initiatives and Associations 102-13

We are also active in a number of residential and property management associations, contributing to the strengthening of the property management sector in Germany. We are also involved with several initiatives aimed at protecting the climate.

Selected Memberships in Industry Associations and Initiatives

- > AGV Arbeitgeberverband der Deutschen Immobilienwirtschaft e. V.
- > AGW Arbeitsgemeinschaft Großer Wohnungsunternehmen
- > DDIV Dachverband Deutscher Immobilienverwalter e. V.
- > DENEFF – Deutsche Unternehmensinitiative Energieeffizienz
- > Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e. V.
- > DIRK Deutscher Investor Relations Verband e. V.
- > EPRA European Public Real Estate Association
- > GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen e. V.
- > Initiativkreis Ruhrgebiet
- > Institut für Corporate Governance in der deutschen Immobilienwirtschaft e. V.
- > InWIS Forschung und Beratung – Förderverein e. V.
- > KlimaDiskurs.NRW e. V.
- > Open District Hub e. V.
- > Verein der Freunde und Förderer der EBZ School e. V.
- > vhw – Bundesverband für Wohnen und Stadtentwicklung e. V.
- > ZIA Zentraler Immobilien Ausschuss e. V.

In 2019, we were involved in the following associations and initiatives in particular:



GdW – German Association of German Housing and Real Estate Companies – professional association and interest group of the German housing industry

Vonovia participates in the following ways:

- > Rolf Buch is a member of the Executive Board
- > Regular participation in meetings of the Management Board/committee and in working groups
- > Founding member of InitiativeWohnen.2050



EPRA – European Public Real Estate Association – interest group representing listed European real estate companies

- > Chairman of the Board of Directors: Rolf Buch
- > Regular participation in meetings of the Management Board/committee and in working groups
- > Member of the Sustainability Committee



DENEFF – Independent, cross-industry network to promote energy efficiency

- > Regular participation in meetings of the Board/committee and in working groups
- > Dialogue on, or presentation of, innovation projects
- > Participation in dialogue with politicians and other member companies



Deutscher Verband für Wohnungswesen Städtebau und Raumordnung e. V. – dialogue platform for integrated urban development and housing

- > Vice President: Rolf Buch
- > Regular participation in meetings of the Management Board/committee and in working groups
- > Session membership
- > Participation in Initiative Quartier neighborhood initiative



ZIA – German Property Federation – regulatory and economic lobby group for the entire real estate industry

- > Vice President and Chairman of the Housing Committee: Rolf Buch
- > Regular participation in meetings of the Management Board/committee and in working groups
- > Membership of the CSR Committee
- > Participation in academic expert opinions (e.g., WohnenPlus position paper on accessible housing)

Establishment of Country-specific Participation and Consultation Processes

Vonovia only operates in European countries. Based on the German laws on co-determination, we are also in the process of establishing corresponding processes for employee participation and co-determination in Sweden and Austria. Our aim is to strengthen our employees' involvement in shaping our corporate management throughout the Group. In the 2019 reporting year, we took further steps to harmonize the various Group and works agreements of Vonovia, Victoria Park and BUWOG.

Climate and Environmental Protection

Goals

- > Vonovia contributes to compliance with climate protection targets and carbon reductions in its existing portfolio.
- > Vonovia is building new homes featuring energy-optimized design.
- > Vonovia is expanding its innovations in the area of renewable energy systems.
- > Vonovia promotes the diversity of flora and fauna in its portfolio locations.

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51	Environmental Protection in Connection With Conversions and New Construction
54	Environmental Protection in the Portfolio
58	Company Environmental Protection and the Impact of Transport and Logistics

Our Approach to Climate and Environmental Protection

☒ 102-13, 103-1, 103-2, 103-3

Management Approach 103-1

The topics of climate and environmental protection are becoming much more important – and not just in the eyes of the public. In Germany, the federal government responded to this by implementing a climate action package in late 2019 designed to allow the country to meet the objectives set out in the 2015 Paris Agreement. The package creates a statutory basis for sector-specific climate targets and carbon pricing from 2021 onwards for the very first time. As far as the buildings sector is concerned, this means slashing greenhouse gas emissions in Germany by around 40% from 118 million tons in 2018 to 70 million tons in 2030. Vonovia intends to live up to its responsibility in this area and supports these climate protection targets. The long-term aim is to achieve virtually climate-neutral buildings by 2050. At the same time, however, economic viability, reliable supply and financial acceptance by tenants have to be taken into account.

We are aware that the landlord can only influence energy and resource consumption in the operation of residential buildings to a limited extent. After all, it is up to tenants to decide how they consume electricity, water and heat. Nevertheless, we have a number of measures that we can implement to improve buildings from an energy perspective and equip them so that they meet the latest climate protection standards. We consider energy-efficient building refurbishment to be one of the biggest levers we have at our disposal.

Within this context, the topic of biodiversity is also becoming increasingly important – be it with regard to species protection, adjusting to the implications of climate change or regarding the responsible use of natural resources. This is another area in which Vonovia is actively committed to creating an ecologically valuable residential environment.

We have identified five material environmental topics and have integrated these into our materiality matrix:

- > Energy efficiency and reducing greenhouse gas emissions
- > Environmental protection in connection with conversions and new construction
- > Environmental protection in the portfolio

What we achieved in 2019

- > Modernization rate of 3.7% and carbon savings of around 16,000 t achieved through modernization and the replacement of heating systems
- > “Energiesprong” pilot project launched for climate-friendly series modernization
- > 870 new apartments completed for the portfolio in Germany
- > Over 20% of all development projects completed in 2019 awarded sustainability certificates (e.g., DGNB Gold)
- > 84 new photovoltaic (PV) systems erected, a total of 289 in operation and generating around 10,000 MWh of solar power
- > Corporate headquarters in Bochum switched over to green electricity supply
- > Cooperation with the Fraunhofer Society launched for energy sector coupling in the neighborhood
- > Cooperation with NABU to launch pilot projects involving wildflower meadows and insect habitats/the planting of trees implemented

- > Company environmental protection
- > Impact of transport and logistics

Energy efficiency and reducing greenhouse gas emissions

(→ p. 46 et seqq.): The options available to date already provide considerable scope for reducing energy consumption and the greenhouse gas emissions that buildings are responsible for. In order to reduce emissions, exciting and innovative technical solutions are ready to be implemented as soon as they are commercially viable. Reducing the third and final lot of emissions, on the other hand, will require considerable technological leaps which have yet to be made. Vonovia works with various partners from the worlds of business, civil society and academia on all of these three levels to achieve the objective of a climate-neutral building stock.

Environmental protection in connection with conversions and new construction

(→ p. 51 et seqq.): New construction and dismantling, too, have an effect on the climate and environment through the materials that are used and the construction and recycling process. Our new construction activities give us the opportunity to think holistically about environmental and climate protection issues from the very start of the planning process. We are paying increasing attention to the implementation of high energy efficiency classes and KfW standards, the planning of alternative mobility concepts, and the use of sustainable building materials and comprehensive waste management solutions on our construction sites.

Environmental protection in the portfolio

(→ p. 54 et seqq.): We also never lose sight of other aspects of building operation, such as the residential environment. We address other possible negative effects on the environment through measures in areas such as waste management and prevention, water management, recycling waste, green waste and recyclable materials, or by using regional products – for example, certified wood from local stock. We take measures to promote biodiversity and to protect insects, such as the planting of wildflower meadows.

Company environmental protection and transport and logistics

(→ p. 58 et seqq.): Our normal operations, too, require us to consume resources and energy, and release emissions. We therefore focus on keeping the negative environmental impacts of our internal processes as low as possible. The main factors in ensuring we keep these impacts low are general improvements in resource efficiency and targeted reductions in energy and water consumption. The area where we can have the greatest influence is our vehicle fleet, which is responsible for three-quarters of the emissions from our business operations. We manage this through continual process optimization and by considering how we can reduce damaging environmental effects. We take care to ensure

that new office buildings are environmentally friendly, e.g., by using green electricity to operate them or obtaining sustainability certifications.

These are all things that we do not do alone (see chapter Open Dialogue With Society → p. 34 et seqq.). We perform many of the activities along our entire value chain in partnership with others, especially in cases involving research projects, but also in projects to promote biodiversity with the German Nature And Biodiversity Conservation Union (NABU) and on climate issues as part of the Initiative Wohnen.2050 housing initiative. We are involved in associations such as the DENEFF energy efficiency initiative and organize our own climate conferences with the German Energy Agency (dena) and the Fraunhofer Society. We involve tenants in measures relating to the design of the residential environment, e.g., by organizing workshops. We also discuss and shape these issues as part of our dialogue with our shareholders.

In the following chapters, we will cover these topics in detail and explain their relevance to Vonovia. The relevant challenges, opportunities and risks, and the objectives, measures and indicators are outlined for each topic.

The Management Board is responsible for environmental and climate protection issues, which are implemented by the specialist departments. It takes ecological effects into account when making decisions that are relevant to the company. Controlling is responsible for the company's risk management. This includes all risks, i.e., also the transitory and physical risks associated with climate change.

Challenges, Opportunities and Risks 103-1

The implementation of climate and environmental remediation in residential properties is closely interlinked with analyses of potential and economic feasibility studies. We take into account the interests of our customers as well as those of our company. This creates various challenges, opportunities and risks for our company.

Challenges

- > Increasing and more stringent regulation can make it a challenge for Vonovia to implement necessary climate and environmental protection measures in a cost-effective manner and to keep the financial burden on its tenants at a minimum. This is because social acceptance of energy-efficient modernization measures/the allocation of modernization costs is low.
- > Increased construction costs can result in materials that make ecological sense, but are possibly more expensive, not being purchased for cost-related reasons.

Opportunities

- > Refurbished buildings are more resource-efficient, meaning that rising energy costs, e.g., as a result of carbon pricing, will also increase the cost-saving effects. This will make it possible to achieve a neutral impact at the level of rent including ancillary expenses for refurbished properties.
- > The expansion of renewable energies and the decentralization of the energy revolution via the development/use of renewable energy sources on site offer huge potential, e.g., via PV systems, hydrogen and sector coupling. The Landlord-to-Tenant Electricity Act (Mieterstromgesetz), however, which makes it difficult to implement the measures, presents a challenge in this respect.
- > There is an opportunity for Vonovia to expand the sale of green products and services and to make our neighborhoods even more appealing, e.g., green electricity sales via our subsidiary VESG as well as a more ecologically-friendly residential living environment thanks to the creation of wildflower meadows, insect habitats and trees.

Risks

- > Regulatory and legal risks: The introduction of carbon pricing, for example, could result in these costs being shouldered entirely by the landlord if they cannot be passed on to tenants. The resulting costs could affect the availability of financial resources for measures designed to promote environmental and climate protection. The tightening of requirements for new construction and energy-efficient refurbishment could push construction prices up, meaning that the measures may no longer be economically viable. The rent freeze in Berlin in 2019, for example, cut Vonovia's refurbishment rate from 4.0% to 3.7%.
- > Reputation: Green residential environmental design has to meet mounting requirements. It is not, however, always possible to convince tenants of measures that make ecological sense.
- > Physical risks: Heavy rainfall and heat waves are becoming increasingly common and are having an impact on our building stock, the well-being of our tenants, and animal and plant life. These developments are associated with increasing insurance and investment costs for Vonovia as well as risks to biodiversity. One positive aspect from our perspective is the fact that the majority of Vonovia's properties are not located in areas at risk of water shortages or flooding, meaning the physical risks here are on the low side. Risks caused by heavy rainfall and associated costs are already being addressed in isolated cases and could become increasingly important in the future. In addition, the regulatory requirements that apply in this area are increasing, meaning that

Vonovia is incurring additional financial expenses in order to implement them.

Objectives, Measures and Indicators

103-2, 103-3

For a residential real estate company like Vonovia, our size gives rise to a special ecological responsibility. Vonovia aims to live up to this responsibility by taking numerous measures in the area of climate and environmental protection. We achieve this by:

- > Making a contribution to meeting climate protection targets and reducing CO₂ in the existing portfolio
- > Taking a holistic approach to new and converted buildings
- > Implementing ecologically valuable measures in our portfolio
- > Optimizing the ecological footprint of our business operations

Making a Contribution to Meeting Climate Protection Targets

Our measures are our way of supporting the federal government's aim of making the building stock in Germany virtually climate neutral by 2050. The main strategies aimed at achieving this target and reducing carbon emissions consist of energy-efficient building refurbishment measures, the expansion of renewable energies and measures to promote and use technological innovation.

Since 2017, we have been aiming to achieve an annual refurbishment rate of at least 3%. We will continue to pursue this target, even though we are currently restricting energy-efficient refurbishments due to economic considerations in order to avoid placing extra burdens on our tenants. We are also focusing increasingly on replacing oil heating systems and using hybrid heating systems.

Target: Annual refurbishment rate of at least

3%

Achieved in 2019:

3.7%

Another major lever that can be used to reduce greenhouse gas emissions is the expansion of renewable sources of energy. Vonovia is aiming to continuously increase its use and proportion of renewable energies, which is why it is expanding its energy production and sales via its own energy sales company, VESG. We also

launched the “1,000 roofs” program in 2019, the aim being to equip at least 1,000 roofs – potentially increasing to 5,000 roofs – with photovoltaic modules over the coming years. The energy generated is to be used directly as tenant electricity in our properties in the future – as soon as the legislation allows.



“1,000 roofs”
photovoltaic program

We are aware, however, that these measures – even considered altogether – will not be sufficient to achieve the target of a climate-neutral building stock by the year 2050. The limits of energy-efficient refurbishments are already visible – both in terms of tenants’ acceptance and the efficiency gains they achieve. This is why Vonovia’s objective is to promote innovation and use new, cost-effective technologies to improve energy efficiency, substitute energy sources and reduce greenhouse gases in existing buildings. We are actively initiating and participating in numerous research and development projects, providing momentum and driving innovation. We work with partners such as dena and the Fraunhofer Society. The Bochum-Weitmar innovation hub that we are in the process of establishing is a good example of our systematic approach.

We are also gearing our investment programs toward achieving the maximum carbon savings. When it comes to selecting the buildings to be refurbished, we will be paying more attention to the impact of carbon savings in the future. In everything that we do, our aim is always to ensure comfortable, contemporary and affordable homes for our tenants.

Taking a Holistic Approach to New and Converted Buildings

We want to make our new buildings future-proof. By adopting a holistic approach, we can influence the low-emission realization of construction projects and later energy-efficient operation right from the planning stage. Considerably higher benchmarks and requirements apply in this area compared with refurbishing existing stock. We are therefore placing increasing value on optimized energy-efficient building designs and aiming for construction methods that conserve resources.

* Energy efficiency class A or better based on primary energy analysis.

In both our energy-efficient modernization projects and in the construction of new properties, we take care to use building materials that are as ecologically friendly as possible and to meet the high requirements set out in individual KfW standards. In 2019, we received a sustainability certificate (DGfNB/TQB (ÖGNB)) for over 20% of the 2,092 new apartments that we built across the Group. Looking ahead to 2020, we have set ourselves the target of building at least 85% of our new buildings in line with energy efficiency class A* (or better). Alternative mobility concepts are also part of our plans.

More than 20%

of new buildings certified

Implementing Ecologically Valuable Measures

We want our properties to offer liveable spaces not only for our tenants but also for the local flora and fauna. This is why we are aiming to achieve resource-efficient, low-carbon property management that helps to safeguard and promote biodiversity. The idea behind these measures is to prepare our portfolio for the possible implications of climate change at an early stage and make it more resilient. We will achieve this, among other things, through a partnership with NABU that was launched in 2019 and by taking numerous measures to preserve and maintain natural areas in our portfolio locations, for example, by setting up wildflower meadows and insect habitats. Our efforts also, however, include measures such as waste management to increase the amounts that our properties recycle and avoiding unnecessary soil sealing.

Optimizing the Ecological Footprint of Our Business Operations

Climate and environmental protection is also a factor in our operating processes, albeit a lesser one. We continuously seek out opportunities to increase our level of resource efficiency and reduce any negative impact on the climate and the environment in our internal processes. An important starting point here is our fleet of vehicles, for which we intend to reduce our fuel consumption/ consumption intensity. We also keep an eye on the energy consumption of our office buildings and are expanding the use of green electricity. Moves to digitalize our work processes also contribute to these activities.

“Initiative Wohnen.2050” 102-13

“Initiative Wohnen. 2050” is a climate policy alliance of more than 30 German residential real estate companies. The aim is to create strategic cooperation and a forum for expert dialogue as well as to address commercial and financial issues in order to achieve climate neutrality in the housing industry by 2050. The initiative is based on an open source approach that involves the joint development of, and sharing of knowledge on, solutions and tools for the resource-efficient development of company-specific strategies for achieving climate neutrality. Vonovia is a founding member of the initiative.



Outlook for 2020

We will continue with our environmental and climate protection efforts in 2020. This will involve:

- > Keeping the modernization rate at around 3% and achieving carbon savings of around 13,000 tons
- > Developing a steering concept for focusing on CO₂ in the portfolio
- > Making increasing use of hybrid heating systems
- > Completing around 900 units for the portfolio in Germany
- > Completing 85% of new buildings in line with efficiency class A or better*
- > Continuing and expanding the “1,000 roofs” photovoltaic program
- > Reducing carbon emissions by 60% in the Bochum-Weitmar innovation neighborhood
- > Starting to develop public charging points for electromobility
- > Expanding wildflower meadows to cover an area of 100,000 m² and 100 insect habitats

* Energy efficiency class A or better based on primary energy analysis

Energy Efficiency and Reducing Greenhouse Gas Emissions in the Portfolio

☒ 102-13, 103-1, 103-2, 103-3, 302-3, 302-4, 302-5, 305-5, CRE1

Management Approach 103-1

The operation of buildings is responsible for around 30% of Germany's total carbon emissions, which is why the German government is aiming to achieve a climate-neutral building stock by 2050. The idea is for the building sector to reduce carbon emissions by around 40% in the period from 2020 to 2030. By then, the entire building sector in Germany will be allowed to emit no more than 70 million tons of CO₂. The government's climate action package is accompanied by the introduction of a CO₂ price starting at € 25/ton in 2021 before gradually rising in the years that follow. The price will be reassessed in the middle of the decade. Furthermore, from 2026 onwards, the installation of oil-fired heating systems will no longer be permitted, but subsidies for energy-efficient building refurbishment will be increased. With its Taxonomy Regulation, the European Union (EU) is also reinforcing the approach of promoting energy-efficient refurbishment as the most important lever in the building sector.

A long road lies ahead in the quest to achieve a climate-neutral building stock. What is clear, however, is that reducing energy consumption in buildings, i.e., boosting energy efficiency, and substituting conventional energy sources for renewable energies are the decisive levers. Since 2015, Vonovia has already saved approx. 96,000 tons of CO₂ (> 9%), an annual CO₂ reduction of as much as 2-3%.

Modernization

Energy-efficient building refurbishment and the replacement of inefficient heating systems remain the biggest levers we have at our disposal for reducing energy consumption – and, as a result, greenhouse gases – for our company. This is why Vonovia is sticking to the target set in the 2017 Annual Report of renovating at least 3% of its own portfolio every year to bring it into line with the latest energy standards. The main focus of the energy-efficient modernization measures is on heat-insulating facades, basement ceilings and attics, and replacing windows. The

replacement of heating boilers – and, going forward, also the use of hybrid heating systems – will also allow us to achieve a marked reduction in the consumption of resources. We pursue a needs-based approach to these measures and make sure that the degree of modernization that we opt for is the best option for the individual building concerned. Partial modernization, i.e., the decision to only perform certain modernization measures, is often a better way of achieving an efficient cost/benefit ratio than a full modernization project. Public subsidy programs are used for many of our energy-efficient modernization projects in order to ensure that the modernization work remains affordable for our tenants. Due to the planned rent freeze, modernization projects in Berlin that were planned for 2019 have been postponed, reducing our originally planned refurbishment rate from 4.0% to 3.7%. This means that Vonovia's modernization rate is still well above the German national average of around 1%, which shows that we are on the right track. Political incentives and subsidy systems are, however, still needed to make energy-efficient refurbishment commercially viable and affordable for tenants.

Energy Supply

The second big lever for improving our environmental footprint is the expansion of decentralized energy supplies using renewable energies, a key component of the energy revolution in Germany. Our connected neighborhoods – particularly in urban conurbations – and the expanse of roof surface provides us with interesting opportunities for using and expanding renewable energies in our real estate portfolio. With this in mind, we had already conducted a solar cadastre analysis in 2018, discovering considerable potential for solar energy on around 5,000 roofs in our portfolio. Our "1,000 roofs" program was rolled out in the summer of 2019, the aim being to equip at least 1,000 roofs with photovoltaic facilities over the next few years. The "1,000 roofs" program will allow Vonovia to produce around 10,000,000 kWh of solar power annually and feed it into the public grid. In the medium to long term, Vonovia is seeking to decentralize the energy supply to its own

neighborhoods using tenant electricity concepts. Our aim is to maximize the proportion of energy we produce ourselves for the benefit of our customers and the environment and also to use this energy for our housing-related services, such as e-mobility.

Vonovia is offering its customers the opportunity to purchase electricity from renewable energy sources via its own energy distribution company. This offer is aimed primarily at new customers when they sign a lease agreement. By supplying certified green electricity, we are expanding the options available to us for promoting climate protection and helping our customers to avoid greenhouse gas emissions.

Innovation

Our modernization and energy supply activities are important levers for making our existing buildings – in addition to new energy-efficient buildings – fit for the future. These measures will not, however, be enough, as focusing on individual buildings does not take into account the potential offered by the neighborhood. This makes innovation and the exploration of new technical possibilities for groups of buildings all the more important. Our neighboring housing stocks allow us to test a large num-

ber of technologies in practice and to research how they can best be used in combination with each other. We want to use the experience gleaned from this process to develop blueprints for concepts allowing the greatest possible degree of scaling.

Establishment in the Organization 103-2

The portfolio and tenant management department is responsible for planning and managing planned modernization measures in the portfolio. Planned new constructions are partly organized by BUWOG/our new constructions department and partly through the regions, and the portfolio and tenant management department provides support functions.

The product management department is responsible for energy supply issues. Energy sales, through which our customers can sign green electricity contracts directly with Vonovia, take place via the company’s own Vonovia Energie Service GmbH.

Innovation research is also the responsibility of the product management department. A separate area of this department dealing with neighborhood systems forms the interface with research projects within the company.

Challenges, Opportunities and Risks 103-1

Challenges	<ul style="list-style-type: none"> > Striking a balance between energy efficiency requirements and rising costs for customers > The regulatory landscape is becoming increasingly stringent, narrowing down the options available for innovative and sustainable action > Reduced profitability of tenant electricity models due to cost-intensive techniques and billing processes
Opportunities	<ul style="list-style-type: none"> > Innovative ways of improving building performance > Use of buildings to produce renewable energy and expand Vonovia’s own energy supply > Introduction of tenant electricity models > Digitalization in building operation and energy supply
Risks	<ul style="list-style-type: none"> > Lack of acceptance within society for allocating modernization costs to tenants, as is allowed under the current legislation, and for rent increases following energy-related modernization measures > Modernization work not profitable due to regulation and rising costs > Statutory regulations stand in the way of implementing sustainable energy projects, e.g., tenant electricity models > Continual changes in funding principles is eroding trust in the planning security of the projects, and thus in investment security

Objectives, Measures and Indicators 102-13, 103-1, 103-2, 302-3, 302-4, 302-5, 305-5, CRE1

Description of objective	Description of objective
Implementation of energy-efficient modernization measures	<p>Implementation of energy efficient modernization measures (at least 3% of the building stock a year) to boost energy efficiency and reduce greenhouse gas emissions</p> <ul style="list-style-type: none"> > Building shells/energy-efficient refurbishment: new windows, facade insulation, attic and basement insulation <ul style="list-style-type: none"> - Around 860,000 m² refurbished in 13,200 apartments and approx. 12,700 tons of CO₂ saved > Heating systems: replacement of outdated systems, installation of new gas condensing boilers <ul style="list-style-type: none"> - Around 7,800 heating systems replaced and approx. 3,000 tons of CO₂ saved > Objective for 2020: development of technical concepts for the replacement of oil heating and use of hybrid heating systems > Reduction in energy intensity (heating and electricity/final energy demand): 172 kWh/m² (2017) -> 166 (2018) -> 163 (2019) thanks to energy-efficient refurbishment, further savings effects expected to come from further building modernization measures

Average Energy Intensity in the Portfolio

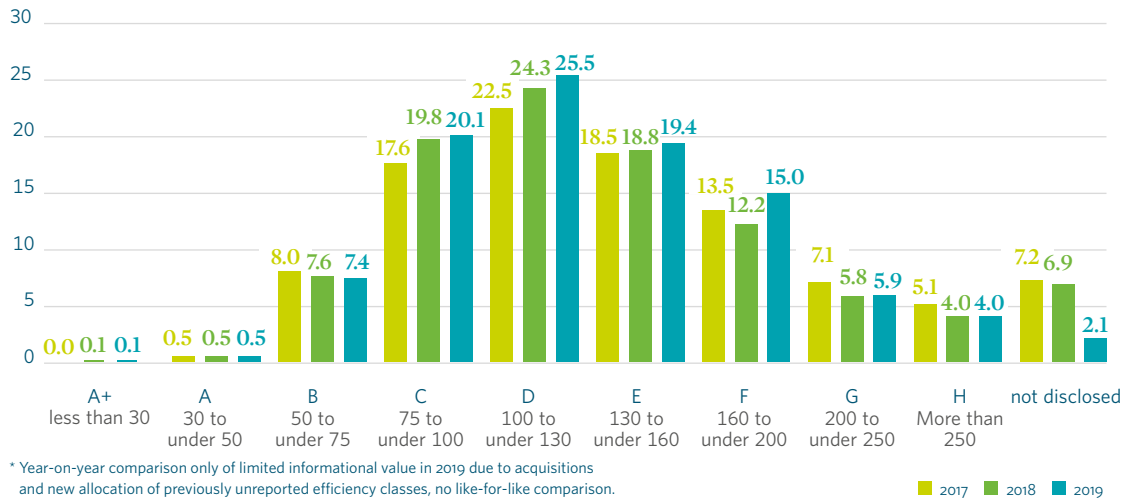
(KWh/m²)



Energy Efficiency Standards in the Portfolio – 26.8% in Efficiency Class C or Better*

Portfolio share in %



Energy efficiency classes in kWh/(m²a)



Use of KfW subsidy opportunities for energy-efficient refurbishment measures

Support for the “Energiesprong” initiative

- > New refurbishment standard that represents a high level of living comfort, minimal refurbishment times and an innovative financing model
- > Target: refurbishment to net zero (energy production = energy consumption)
- > First few pilot projects started
- > Extensive involvement in dena’s “Volume Deal,” a declaration of intent released by the housing and construction industry regarding its commitment to the serial refurbishment of more than 11,600 apartments over the coming four years (as soon as the corresponding legal framework is in place)

Description of objective	Description of objective
	Participation in further cooperation projects to identify new solutions for alternative, cost-efficient building refurbishment options >  "BaltBest" to research the impact of operation on the efficiency of legacy heating systems > "CoSoWin" project for the development and demonstration of a smart, efficient, aesthetically appealing and multi-functional photovoltaic system that can be integrated into existing buildings (funded by the German Federal Ministry of Economic Affairs and Energy)
Implementation of alternative options for energy generation	Comprehensive review and implementation of the technical and economic feasibility of alternative energy supply options > Use of photovoltaic (PV) systems and cogeneration units > Implementation of the "1,000 roofs" program <hr/> "1,000 roofs" program > 2018 solar cadastre analysis: potential for PV use on around 5,000 roofs identified > Objectives: generate 10,000,000 kWh of solar power every year, equip 1,000 roof areas with PV modules, save around 4,300 tons of CO ₂ a year > Currently: fed into the public grid due to legal hurdles. Objective: use directly in the home or for e-mobility > Planned investments (2020/21): € 9 million > Launched in Dresden and Munich > More than 800 roofs already equipped with 289 PV systems > Objective for 2020: >60 new PV systems installed > Cooperation with regional installation partners for the installation of PV systems
Positioning as an energy service provider	Expansion of energy sales by Vonovia Energie Service GmbH (VESG) > Sale of 23 GWh of certified green electricity to tenants > Certificates from predominantly Norwegian hydropower plants > 20,000 customers in 2019
Promotion of sector coupling and neighborhood approaches	Research into new technologies focusing on networked neighborhood approaches > Cooperation launched with Fraunhofer Society on energy sector coupling in the neighborhood - Bochum's Weitmar district developed as an innovation neighborhood: cooperation with Fraunhofer institutes UMSICHT, FIT and IOSB and the company Ampeers Energy GmbH - Objective: Bochum-Weitmar innovation neighborhood to reduce carbon emissions by 60% - Networked, decentralized supply system that allows the neighborhood to be as self-sufficient as possible in the supply of electricity and heating (sector coupling) - Implementation of the "Power House of the Future" involving the practical application of power-to-gas technology - Subsidy from the federal state of North Rhine-Westphalia: € 6.2 million > Dedicated association established: Open District Hub e. V.; Fraunhofer Society, Vonovia and twelve other partners
	Participation in  MATCHUP > Project subsidized by the European Commission > Implementation in Dresden-Johannstadt > Objective: to develop the district into a smart and energy-efficient neighborhood - Collaboration involving city authorities, industry and citizens to identify solutions and development of new business models to promote energy and resource efficiency > Modernization of a building complex comprising 560 apartments > Operation of a PV system > Installation of charging points for electric cars



Targets:

Generate 10,000,000 kWh of solar power a year

Equip 1,000 roofs with PV systems

Save around 4,300 tons of CO₂ every year

In 2019, 20,000 customers purchased approx.

23 GWh

of green electricity from Vonovia

Objective for 2020:

60%

reduction in carbon emissions in innovation neighborhood

Climate Protection Through Innovation in the Bochum-Weitmar District

In partnership with renowned Fraunhofer institutes, Vonovia will be implementing a three-year hands-on innovation project as part of Open District Hub e. V. in our neighborhood in Bochum-Weitmar. The aim is to develop and test new technologies in ongoing operations. The aim of the project is to supply the neighborhood with electricity and heating that is as carbon-neutral as possible. We aim to achieve this by linking the energy sectors via a central platform. A smart, self-learning energy management system then ensures that the right energy is distributed to tenants when they need it – at electric charging stations, in the form of electricity for tenants’ own households or in the form of heating.



Measures at apartment level:

- 01 Implementation of measures that do not involve any structural intervention, e.g., optimized heating system settings
- 02 Digitalization of buildings and apartments, e.g., to feature smart meters

Measures at building level:

- 03 Energy-efficient refurbishment, e.g., measures relating to the building shells and heating systems
- 04 Infrastructure for e-mobility, e.g., charging stations and e-wall sockets
- 05 Sustainable energy supply, e.g., photovoltaic systems for tenant electricity

Measures at neighborhood level:

- 06 Building digitalization and networking
- 07 Sector coupling (heat, electricity, mobility, etc.) in the neighborhood via digital platform
- 08 Storage and distribution of energy generated in a decentralized structure enables on-site consumption
- 09 Promotion of biodiversity

Environmental Protection in Connection With Conversions and New Construction

☒ 102-9, 103-1, 103-2, 103-3, 203-2, 204-1, 308-1, 308-2

Management Approach 103-1

As well as the optimization of our existing properties, the construction of new apartments and residential complexes offers particular potential for approaches that conserve resources. Low-emission construction and energy-efficient operation are already taken into account during the planning and implementation phase of these projects, be it through the use of sustainable materials, the addition of greenery or through efficient and – wherever possible – renewable energy supply. As a result, our new construction projects focus more on optimization from an energy efficiency perspective – e.g., good energy efficiency classes and KfW standards – and on using environmentally-friendly construction methods aimed at preserving resources – also with regard to interior design. When embarking on very large development projects, we also check whether sustainability certification makes sense. Building certification plays a key role in demonstrating to investors, owners, tenants and interested members of the general public how sustainably a property is planned, built and managed. Key providers of such certification include, for example, the German Sustainable Building Council (DGNB) or its Austrian counterpart, the ÖGNB. The latter uses the TQB evaluation system. More than one-fifth of the ☒ **development projects** completed in Germany and Austria in 2019 are already DGNB or TQB-certified.

The Group can benefit from further expertise in this regard thanks to BUWOG Group GmbH, a long-standing partner of the ambitious “klimaaktiv pakt2020” launched by the Austrian Federal Ministry for Sustainability and Tourism (see chapter Austria – Sustainability at BUWOG → **p. 101 et seqq.**). BUWOG has an ISO 50001-certified energy management system for its own administrative buildings, which features both established processes and a written energy policy.

In addition to the energy efficiency performance of the new buildings, other factors also play a role when it comes to ensuring a construction process that is ecologically

valuable. The use of sustainable materials in construction, for example, is extremely important. Good waste management and the expansion of recycling processes can help to conserve valuable resources.

It is also becoming increasingly important to consider whether buildings offer state-of-the-art infrastructure that enables innovative mobility concepts. We aim to incorporate these aspects into the planning processes and, in doing so, make a contribution not just to the energy revolution but also to the transport revolution.

Vonovia believes that sustainability and cost-efficiency can go together in construction processes, too. We intend to seize the opportunities of sustainable procurement available to us through efficient and centrally organized procurement processes and cooperative supplier relationships.

Establishment in the Organization 103-2

New construction measures are organized and managed by our new construction department in cooperation with the regions. The portfolio and rent management department provides support functions. The central procurement department at Vonovia is responsible for procuring construction materials and services, and thus also supply chain management.

With the acquisition of BUWOG and its development division, Vonovia has gained significant potential in the new construction field. Further comprehensive development projects will continue to be conducted under the brand name and responsibility of BUWOG – partly for sale and partly for the portfolio. Further information on this topic can be found in the chapter Austria – Sustainability at BUWOG (→ **p. 101 et seqq.**) and in the 2019 Annual Report in the chapter Portfolio in the Development Business (☒-☒ **AR 2019, p. 81 et seqq.**).

Challenges, Opportunities and Risks 103-1

Challenges	<ul style="list-style-type: none"> > Increasing requirements regarding the energy rating of individual buildings due to the German government's climate target for 2050 > Increasing requirements regarding materials vs. low acceptance for higher rents > Overall conditions for electromobility are not consistent with the goal of nationwide expansion – need for statutory changes and the expansion of grid capacities
Opportunities	<ul style="list-style-type: none"> > Systematically demanding and implementing higher environmental requirements for production processes and building materials ingredients at supplier level due to economies of scale
Risks	<ul style="list-style-type: none"> > Higher construction costs due to future pricing of carbon-intensive building materials, e.g., cement, or sustainability certificates > Higher construction costs due to more sustainable building methods pose a risk to the objective of providing housing for broad sections of the population

Objectives, Measures and Indicators 102-9, 103-2, 103-3, 203-2, 204-1, 308-1, 308-2

Description of objective	Description of measures
Implementation of state-of-the-art, innovative new construction methods with energy-optimized design	<p>Increasing focus on high energy efficiency classes and KfW standards</p> <ul style="list-style-type: none"> > 2019: 870 new apartments completed for the portfolio in Germany > Target for 2020: around 900 completions for the portfolio (to hold); 85% in efficiency class A or better (based on primary energy requirements) > Systematic implementation of the requirements set out in the 2016 German Energy Saving Ordinance (EnEV 2016); intelligent construction methods allow us to come in under the base standards stipulated by the EnEV by up to 10% > Use of renewable energies wherever possible: currently planned for almost 22% of new buildings, otherwise mainly connection to district heating networks that use the most ecological energy sources possible > For KfW efficient house standards: use of KfW financing opportunities <div style="text-align: right; margin-top: 20px;"> <p>Target for 2020:</p> <h1 style="color: green;">85%</h1> <p>of new buildings completed in line with efficiency class A or better</p> </div>
	<p>Environmentally friendly construction</p> <ul style="list-style-type: none"> > Use of wood hybrid, steel skeleton and precast concrete construction for densification and vertical expansion using prefabricated parts
	<p>In some cases, performance of life cycle assessments during the construction process</p>
	<p>Intelligent construction methods and alternative energy supply, e.g.:</p> <ul style="list-style-type: none"> > Timber panel construction > Core insulation > Solar thermal and PV plants
Implementation of waste management/recycling	<p>Implementation of in-house environmental health and safety regulations</p> <ul style="list-style-type: none"> > Numerous environmental protection issues covered by regulations that Vonovia has imposed on itself <p>Ensuring the proper and professional disposal of (contaminated) materials</p> <ul style="list-style-type: none"> > Via specialized subcontractors > Full documentation regarding the amounts disposed of and the waste fractions, along with proof of disposal and landfill measures > Certified laboratory analyzes construction components and materials for potential pollutants before they are used > Coordination of waste disposal schemes with the responsible firms and the authorities > Monitoring execution on the construction site by qualified expert staff, health and safety officers

Description of objective	Description of measures
	<p>Employee training on correct disposal</p> <ul style="list-style-type: none"> > Integral part of training for technicians > Regular training sessions with experts and managers on the proper separation and correct disposal of materials and construction materials <hr/> <p>Recycling, especially with regard to windows</p> <ul style="list-style-type: none"> > Via external service provider > For more than ¾ of all window replacement programs, plastic windows are collected from the building site and processed industrially to make new windows > Approx. 500 tons disposed of > Carbon savings through recycling: approx. 800 tons
<p>Procuring environmentally friendly materials</p>	<p>Ensuring compliance with common European standards and regulations in procurement</p> <hr/> <p>Consideration given to sustainability criteria/the environmental friendliness of raw materials and production processes</p> <ul style="list-style-type: none"> > Use of environmentally friendly insulation materials > Increased use of mineral fiber as an insulation material, pilot project looking at insulation with hemp > Group-wide introduction of a chlorine-free substance for eliminating mold > Quality assurance via product manual <hr/> <p>Application of the Business Partner Code (see chapter Corporate Governance, Compliance and Anti-corruption → p. 27 et seqq.)</p> <ul style="list-style-type: none"> > Among other things, compliance with environmental protection criteria, traceability of material origin through long-term supplier declaration > Ensuring that suppliers' business operations minimize any environmental impact <hr/> <p>Involving suppliers to increase quality and transparency in the supply chain</p> <ul style="list-style-type: none"> > Direct communication on product characteristics > Joint product development > Auditing with regard to sustainability aspects <hr/> <p>Installation of energy-efficient electrical appliances in renovation and new construction work</p> <ul style="list-style-type: none"> > Electrical appliances for kitchens (stove, refrigerator) meet at least energy efficiency class A standards > Safeguarded by central purchasing and specifications in product manual
<p>Certification of "green buildings"</p>	<p>As well as focusing on good efficiency classes (A or better), also certification of development projects</p> <ul style="list-style-type: none"> > DGNB or TQB certification for selected larger-scale development projects > Total of approx. 22% of all development projects realized in Germany and Austria awarded a DGNB/TQB label
<p>Consideration of state-of-the-art mobility concepts</p>	<p>Promotion of alternative forms of mobility by:</p> <ul style="list-style-type: none"> > Reducing the number of car parking spaces > Expanding car sharing for tenants at various locations in Germany > Expanding the number of bicycle parking spaces: average of 1.5 parking spaces per newly built apartment > Creating connections to public transport > Expanding electromobility <hr/> <p>Electromobility</p> <ul style="list-style-type: none"> > Every third new construction project provides for the construction of charging stations; another 37% feature empty cable conduits for the future construction of charging stations > Construction of 30 public charging stations

**Approx.
800 t CO₂**
saved thanks to window recycling

> 20%
of all new building units completed throughout the Group in 2019 are DGNB/ÖGNB-certified (>500 units)

Charging stations for
every third
new construction project

Environmental Protection in the Portfolio

☒ 103-1, 103-2, 103-3, 203-2

Management Approach 103-1

Vonovia influences the local climate and the ecological environment of the buildings through the construction of new apartments and the rental of its own 356,000 or so residential units. We aim to minimize this influence, or turn it into a positive one – for the benefit of the environment and in the interests of our tenants’ well-being. A housing company such as Vonovia can act as a role model and source of impetus in matters relating to climate and environmental protection. The main aim in this context is to reduce harmful greenhouse gas emissions and develop the residential environment so as to make it climate and environmentally friendly. This is an area in which we believe there is particular scope for greater sustainability due to the size of our portfolio and the green spaces surrounding our properties.

Within this large framework, the implementation of ecological measures alongside our rental and maintenance activities and fulfillment of our duty to comply with public safety provisions in order to protect people and the environment pose a considerable challenge for us. The task we have to rise to involves striking a balance and ensuring environmental design that is both ecologically valuable and commercially viable at the same time, and carefully selecting the appropriate measures. We have to remember that buildings and their surroundings have to be prepared for changes in climatic conditions, because the implications of climate change, such as longer periods of warm weather and a higher incidence of downpours and storms, will become visible in the future. Although Vonovia’s portfolio is not affected too much by these developments in relative terms, we are preparing for the possible consequences and aim to help counteract these trends. To this end, we are continuing to work on measures that help mitigate extreme weather conditions at microclimatic level or, for example, have the capacity to cool urban heat islands.

Insects, too, play an essential role in ensuring an ecological balance, although biodiversity is already on the decline today due to increasing impervious surface coverage. We can use the way we design green spaces and areas earmarked for practical purposes to promote its development and contribute to greater biodiversity in our cities.

The management of our portfolio also includes the management of water and waste. Our aim is always to implement all of the applicable provisions and fulfill all of our obligations in full. We design the corresponding measures in such a way as to keep their impact on people and the environment to a minimum.

Establishment in the Organization 103-2

Lead responsibility for the maintenance and design of the green spaces lies with the residential environment organization and the approximately 800 employees who are responsible for, and implement, gardening and landscaping projects. These projects have been implemented by our own employees since 2016.

Public safety obligations and compliance with them are managed by our central technology department, while the corresponding communication measures are the responsibility of Corporate Communications.

Cooperation With NABU

At the end of 2019, Vonovia agreed a cooperation partnership with the German Nature And Biodiversity Conservation Union (NABU) with the aim of upgrading the design of the residential environment in our neighborhoods by turning green spaces into urban living spaces and refuges for animal, plant and fungus species and at the same time promoting nature-friendly gardening. This makes Vonovia the first residential real estate company in Germany to take this step. The size of our company and the associated reach mean that the potential for cooperation is considerable. The partnership is limited to North Rhine-Westphalia for now.



The project is structured on two levels:

1. Practical implementation in the pilot neighborhood in Bochum-Weitmar (around 1,200 apartments)
 - > Status assessment and concept development by NABU experts and development of recommendations
 - > Development and implementation of a new design approach for open spaces, insect habitats and nesting sites
 - > Development and implementation of measures to promote biodiversity on buildings and building greenery, e.g., installation of swift nesting boxes and habitats for bats
 - > Evaluation of strategies for the efficient use of space in neighborhoods
 - > Eco-educational support for the project
 - Involving and informing tenants, e.g., about tenant campaigns and neighborhood tours relating to the project and measures to promote biodiversity
 - Creation of semi-natural gardens as meeting places in the neighborhood
 - Creation of a social neighborhood designed in harmony with nature for the benefit of residents and local institutions alike, e.g., schools
 - > Planting of wildflower meadows using regional seeds
2. Scaling of ecological products
 - > Advice from NABU experts on the development of standardized products
 - > The aim is to achieve the documentation and transferability of quality characteristics, e.g., of insect habitats, seed mixtures, nesting aids, etc., and then to incorporate them into a Vonovia-wide product manual for nation-wide product scaling
 - > Joint project to create species-appropriate insect habitats on the site of Vonovia properties

Challenges, Opportunities and Risks 103-1

We want to use and design our areas in the best possible way and in keeping with the natural environment. As our portfolio spans a very large area in total, we are faced with challenges, opportunities and risks.

Challenges	<ul style="list-style-type: none"> > Municipalities, associations and tenants expect us, as a landlord with 40 million m² of outdoor space, to create "green habitats" in urban areas. The local population, however, often fails to understand the logic behind the necessary measures, such as cutting down trees or professional pruning. As a result, there is a need for more intensive process monitoring and continuous adjustments.
Opportunities	<ul style="list-style-type: none"> > The company's own areas and skilled workers offer a considerable lever for making the portfolio more eco-friendly and resilient. > Efficiency and cost advantages can be realized by developing standardized residential environment modules, such as playgrounds and waste disposal sites. The same applies to the standardization of procurement processes. > Support for positive neighborhood development and greater awareness of climate protection among fellow citizens is encouraged. Moves to make neighborhoods and buildings more visually appealing as well as measures to rid the neighborhood of areas that feel unsafe lead to more customer satisfaction.
Risks	<ul style="list-style-type: none"> > Changing environmental conditions, for example, the increase in longer periods of warm weather and a higher incidence of downpours and storms, could lead to damage to vegetation, infrastructure failure and an increase in the associated insurance costs. > Greater public and political awareness could lead to more stringent property management regulation, making construction work more expensive and time-consuming. > The personnel outlay and financial expenditure involved in maintaining green spaces are on the rise.

Objectives, Measures and Indicators

103-2, 103-3, 203-2

Vonovia has set itself the goal of becoming a market and innovation leader when it comes to designing sustainable residential environments. We see it as our role to provide impetus for eco-friendly action. In practical terms, this means:

- > We build and manage our residential environment in a safe and commercially viable manner, making sparing and efficient use of resources
- > We reduce and eliminate harmful greenhouse gas emissions wherever possible
- > We safeguard and promote the diversity of flora and fauna in our portfolio

- > We are already preparing for the potential impact of climate change and focusing on resilience
- > We involve the people in our neighborhoods in the design of the residential environment and aim to raise awareness, inspiring them to become ecologically aware

For this strategy we have defined five areas of activity and related measures:

1. Responsible use of resources
2. Increasing biodiversity
3. Adapting to the consequences of climate change
4. Participation
5. Safety in our properties

Description of objective	Description of measures
Responsible use of resources	<p>Reduction in energy consumption</p> <ul style="list-style-type: none"> > Use of LED lighting and motion sensors on paths and squares > Use of energy-saving tools <hr/> <p>Increase in the recycled waste/the amounts recycled</p> <ul style="list-style-type: none"> > Establishing waste management in our portfolio to reduce the volume of waste and promote waste separation <ul style="list-style-type: none"> - Commissioning of a service provider to sort through domestic waste - Design of refuse collection points > Testing of closed-loop systems <ul style="list-style-type: none"> - Converting green waste into plant soil - Recycling of horticultural waste for energy production in biomass power plants > Reuse of leftover wood pieces as lumber <hr/> <p>Reduction in water consumption</p> <ul style="list-style-type: none"> > Use of rainwater for irrigation > Use of water-efficient irrigation systems > Water reprocessing <hr/> <p>Use of construction and natural materials</p> <ul style="list-style-type: none"> > Various pilot projects involving more eco-friendly building materials, for example, using insulation material made of hemp > Reduction in building material waste thanks to improved procurement management <hr/> <p>Avoiding soil sealing</p> <ul style="list-style-type: none"> > Brownfield development: vertical expansion and densification on sites that have already been developed > Reduction in parking area by introducing alternative mobility concepts such as car-sharing and electric charging stations
Increasing biodiversity	<p>Animal welfare</p> <ul style="list-style-type: none"> > Establishment of 100 insect habitats in 2020 > Installation of nesting aids for bats and birds on buildings and in individual trees > Ad hoc resettlement of species endangered by construction projects in compensatory areas > Creation of vegetation strips to provide a habitat for microbes <hr/> <p>Promotion of plant diversity</p> <ul style="list-style-type: none"> > Creation of wildflower meadows spanning around 100,000 m² by 2020 > Reforestation using native types of wood and climate-resistant plants, e.g., 1,000 climate-resilient large trees > Maintenance of around 14 million m² of green spaces and hedges covering a total length of more than 300 km and around 220,000 trees



14 million m² of green spaces, 300 km of hedges, 220,000 trees

Target for 2020:

around 100,000 m² of wildflower meadows and 100 insect habitats

Description of objective	Description of measures
	<p>Creation of compensatory areas</p> <ul style="list-style-type: none"> > Reforestation of semi-natural compensatory areas after deforestation or impervious surface coverage as mixed cultivation areas
<p>Adapting to the consequences of climate change</p>	<p>Data collection</p> <ul style="list-style-type: none"> > Establishing and improving the corresponding data pool based on Vonovia's geographic data and information system > Recording of data on the contribution to reducing CO₂ and use of this data for management purposes
	<p>Implementation of a rainwater management system</p> <ul style="list-style-type: none"> > Use of backwater installations and roof greenery to absorb large quantities of water > Preparation of flooding information for drainage planning > Planning of possible rainwater management measures such as reservoirs, trenches and run-off troughs > Implementation of retention areas as flooding areas
	<p>Improving the urban climate</p> <ul style="list-style-type: none"> > Installation of roof trenches and other evaporation surfaces for air humidification and cooling > Promotion of shading using facades, roof greenery and large canopy trees > Increasing the abundance of plants in urban neighborhoods using roof gardens and mobile raised flowerbeds
<p>Participation</p>	<p>Information for tenants</p> <ul style="list-style-type: none"> > Customer information on efficient heating and saving energy in the customer magazine "zu Hause" (At home) and in various flyers
	<p>Tenant participation</p> <ul style="list-style-type: none"> > Consultation procedures for community development, such as open space planning competitions involving tenant participation > Initiation and implementation of tenant projects: <ul style="list-style-type: none"> - Tenant gardens, urban gardening - Tree sponsorships - Self-sufficiency cooperatives
	<p>Educational cooperatives</p> <ul style="list-style-type: none"> > Establishment of cooperation with ecological stakeholders (NABU) and schools/daycare centers > Pilot project trialling the Gemüseackerdemie food education concept developed by Ackerdemie e. V. at eight locations in 2020
<p>Safety in our properties</p>	<p>Design of outdoor spaces</p> <ul style="list-style-type: none"> > Creating spaces for well-being > Ridding the neighborhood of areas that feel unsafe by ensuring sufficient lighting on paths, parking spaces and in foyers and halls
	<p>Airborne and noise pollution</p> <ul style="list-style-type: none"> > Installing soundproof windows on streets with heavy traffic > Acting as mediators in noise disputes between neighbors > Distributing house rules in different languages
	<p>Safety inspections</p> <ul style="list-style-type: none"> > Cataloging the tree stock to ensure public safety > Physically inspecting all open spaces and playgrounds every two years > Immediately taking corrective action when defects or risks are identified to prevent accidents in open spaces > For key figures, see the chapter Key Figures (→ p. 113 et seqq.)

Company Environmental Protection and the Impact of Transport and Logistics

☒ 103-1, 103-2, 103-3, 301-1, 301-2, 302-1, 302-4

Management Approach 103-1

Compared with the impact that climate and environmental protection measures relating to our existing buildings have, changes to our business processes have much less of a potential impact – they are only responsible for just under 3% of our carbon emissions. Nevertheless, we continuously seek out opportunities to increase our level of resource efficiency and reduce our impact on the climate and the environment in our internal processes as well. This is easier to achieve with our own office properties, in particular, which is why we completed our new corporate headquarters in Bochum, which have been awarded a Gold standard certificate by the German Sustainable Building Council (DGNB Gold), in 2018, and the new customer and administration center in Vienna (which has also already been awarded DGNB pre-certification in gold) in 2020. We supply our corporate headquarters with 100% green electricity and intend to extend this concept to other company locations in the medium term – where possible. In addition, digitalization is supporting our efforts to save resources, which is why we are continuing to forge ahead with the digitalization of our processes.

A large part of our in-house work takes place in our own or rented office spaces that are spread throughout Germany as well as in our headquarters in Bochum. Around ten percent of our employees are based here. The other largest individual locations are used by our customer service department and are based in Duisburg and Dresden. A total of roughly 1,000 employees work at these two locations, attending to the needs of our customers. Due to the decentralized organizational structure and the internationalization of our business activities, the number of business trips is also on the increase. However, we are committed to employees using modes of mobility that conserve resources and are environmentally friendly as far as possible. We are thus constantly optimizing our pro-

cesses in the field of transport and logistics and looking for alternative solutions.

In addition, a lot of the work we perform for our customers is done on site – for example, renovating apartments, maintaining green spaces and providing direct support to our customers. This calls for a high degree of mobility and availability, which is particularly important in the technical service, because its availability and reaction times have a direct impact on our customers' satisfaction levels. Our logistics system focuses on avoiding downtimes in the maintenance of apartments. The technical service therefore provides a vehicle for virtually each technician.

Vonovia's fleet consists of a total of around 5,200 vehicles. Due to the high level of fuel consumption, the fleet is responsible for the majority of carbon emissions caused by our internal business processes. This is why optimizing our vehicle fleet is our top priority when it comes to making an operational contribution to environmental and climate protection. By modernizing the fleet of vehicles and attempting to reduce the number of kilometers driven, we therefore aim to ensure that the increase in fuel consumption and carbon emissions is lower in proportion to the growth in the technical service.

Establishment in the Organization 103-2

The facility management department is responsible for building management. This primarily concerns the corporate headquarters in Bochum where around 1,000 people are based, but also includes activities across the Group, such as the energy audit. In addition, the managers of individual Vonovia companies are responsible for the decentralized locations.

Vonovia's central procurement department is responsible for fleet management throughout the company. As the vehicles in the fleet are primarily minivans used by our technicians and gardeners, the technical service and

residential environment companies are included in the management of the fleet – particularly when it comes to user behavior.

The central procurement department also records business travel in partnership with HR management.

Challenges, Opportunities and Risks 103-1

Challenges	<ul style="list-style-type: none"> > Obligation to conduct an energy audit every four years according to the Energy Services Act (EDL-G): <ul style="list-style-type: none"> - Complete overview of all data and consumption - Covering all locations and all companies (challenge: detailed, and locations often only of very small size) > Long-term planning is required to ensure sensible and sustainable changes to the structural and energy efficiency features of office buildings > Aim to switch to electric vans vs. actual range and reliability of the vehicles
Opportunities	<ul style="list-style-type: none"> > Reduction in operating costs thanks to more efficient mobility and a reduction in the energy required > Resource consumption can be controlled better via the company's own office properties (e.g., corporate headquarters in Bochum or new customer and administration center in Vienna)
Risks	<ul style="list-style-type: none"> > Rising energy and fuel prices push up the operating costs of offices and the costs of the vehicle fleet > Waning social acceptance of diesel vehicles – could even result in a possible ban on these vehicles

Objectives, Measures and Indicators 103-2, 103-3, 301-1, 301-2, 302-1, 302-4

Description of objective	Description of measures
Optimization and digitalization of work processes	Review of work processes to determine their optimization potential and options available for digitalizing processes <ul style="list-style-type: none"> > Digital tenant and HR files and digital technician portal > Switching numerous other processes to digital processes > Cooperation with companies that recycle IT > Introduction of a works agreement on mobile working > Use of digital collaboration tools and video conferencing
Measures to reduce resource consumption in offices	Planning and implementation of site-related measures to reduce the consumption of resources <ul style="list-style-type: none"> > Provision of information via the intranet > Implementation of departmental training sessions <hr/> Performance of a Group-wide energy audit <ul style="list-style-type: none"> > Increasing the share of electricity consumption attributable to renewable energy from 42% to 53% > Reduction in energy consumption (electricity and heat) by more than 20% <hr/> Corporate headquarters in Bochum: <ul style="list-style-type: none"> > Approx. 1,000 employees > DGNB Gold-certified > Energy savings compared to old corporate headquarters: approx. 20% > 100% green electricity used to operate the building > Supplemented by in-house PV system > Company electric charging points for employees: 18 charging points > Water filter and reusable packaging system to avoid mineral water purchases and plastic

53%

Proportion of electricity consumption attributable to renewable energy

DGNB Gold

certification for corporate headquarters

Description of objective	Description of measures
<p>Use of a modern, low-cost fleet of vehicles</p>	<p>Optimizing fleet efficiency</p> <ul style="list-style-type: none"> > Using modern and fuel-efficient vehicles > Regular maintenance > Using fleet software to record and evaluate fuel consumption > Reducing the average fuel consumption from 8.3 l/100 km to 8.2 l/100 km
	<p>Steering away from diesel vehicles and testing alternative drive systems and other means of transportation</p> <ul style="list-style-type: none"> > No use of diesel vehicles in the small car segment > Testing alternative drive systems such as hybrid, natural gas and electric drives in the company car fleet > Company bikes and e-bikes, especially in the neighborhoods (creates additional visibility)
<p>Reducing the number of kilometers driven</p>	<p>Reducing the number of kilometers driven by way of process optimization and the use of new technologies</p> <ul style="list-style-type: none"> > Centralizing processes and job processing > Increasing the volume for direct delivery: overnight and "empty apartment deliveries" system to avoid trips to building material depots > Using a route planning tool to reduce the number of kilometers driven > Equipping apartments with smart meters during modernization work to enable remote reading and save on travel
	<p>Reducing (air) travel by employees</p>



Reduction in fuel consumption

from 8.3 l/100 km
to 8.2 l/100 km

Society and Customers

Goals

- > Vonovia fulfills its service promise and achieves a high level of customer satisfaction.
- > Vonovia provides needs-based living space for broad sections of the population and continuously improves the standard of comfort that its properties offer.
- > Vonovia uses community development measures to create vibrant and future-fit neighborhoods.

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Our Approach to Society and Customers

☒ 103-1, 103-2, 103-3

Management Approach 103-1

The success of our company is based on the satisfaction of our customers, the quality of our portfolio and the ability to provide new homes that meet people's needs. The social aspect of the rental business is currently attracting increased public and political attention. This is due to the high demand for affordable housing, particularly in metropolitan areas, and concerns that people may no longer be able to afford their homes. This trend reinforces our commitment to responsible, needs-based residential rentals for broad sections of the population as well as to holistic community development. We set this commitment out in our Business Philosophy and other voluntary commitments at the beginning of 2019. We are responding to the demand for new living space with Vonovia's new construction projects as well as through development measures implemented by the BUWOG companies.

In order to feel at home, many people want to be involved in decisions that will have an impact on the environment around them. For us, this means involving tenants and residents in community development measures and construction projects and letting them have their say. These participation measures are becoming increasingly important in order to foster acceptance of our projects.

This results in the following material topics for Vonovia related to society and customers, which are visually depicted in our materiality matrix. We have summarized individual key topics:

- > Tenant satisfaction
- > Creating living space & affordable rents
- > Portfolio maintenance & tenant health and safety
- > Community development & corporate citizenship and philanthropy

What we achieved in 2019

- > Introduction of a new online tool developed by the service provider "AktivBo" to measure customer satisfaction
- > € 482 million invested in (capitalized) maintenance, € 997 million in modernization and around € 60 million in 13 community development projects
- > Modernization cost allocation limited to max. € 2/m² - 2019 average: € 1,36/m²
- > Around 15,000 apartments (partially) modernized to make them senior-friendly; almost 50% of the 33,600 newly rented apartments
- > Over 70s arrangement: ensuring affordable housing for tenants aged over 70; help for 176 customers
- > Hardship management: 1,600 customers provided with assistance in connection with 13,200 modernization measures
- > Grants for social projects and facilities totaling more than € 900,000 and new funding concepts put in place for this purpose

Tenant satisfaction → p. 66 et seqq.: We systematically pursue solution-oriented approaches that address the needs and means of our tenants. We aim to work with them and for them to create a contemporary residential environment that offers a high standard of living by taking a holistic approach and exploiting new options for shaping this environment, allowing them to remain in their Vonovia property in the long term.

Creating living space and affordable rents → p. 70 et seqq:

We are helping to ease the tense situation on the housing markets by creating needs-based, and most importantly affordable, housing using a combination of new construction measures, vertical expansion and densification. We use efficient building management processes to ensure that our homes remain affordable. We find individual solutions for all of our tenants thanks to our numerous voluntary commitments, customer-centric hardship management and rent-controlled homes.

Portfolio maintenance and tenant health and safety

→ p. 73 et seqq.: We develop our homes to meet our tenants' requirements, for example, through maintenance and modernization measures and senior-friendly apartment conversions. For us, safety and healthy living are fundamental elements in the design of our apartments and the surrounding area. We make sure that we use environmentally friendly and safe materials, and offer our tenants additional services for more comfortable homes.

Community development and corporate citizenship and philanthropy → p. 76 et seqq.:

We are committed to being good corporate citizens, especially in our neighborhoods, for example, by cooperating with social, educational and cultural facilities. We take social, ecological and economic circumstances into consideration in our approaches. We also initiate participation concepts in order to purposefully include the people living in our neighborhoods and to increase acceptance of the measures we intend to take. As a company, we benefit and learn from their suggestions.

In the following chapters we will deal with these topics in more depth and explain their importance to Vonovia. We will describe the management approach, challenges, opportunities and risks, targets, measures and indicators for each topic.

Challenges, Opportunities and Risks 103-1

Challenges

- > Our top priorities at the moment are the affordability of housing and the quest to promote climate protection. The challenge for us lies in reconciling these two aspects and turning the resulting conflict into a positive outcome – also in view of the waning social acceptance for modernization measures.
- > The public debate has had a marked impact on how society sees Vonovia. It is a challenge for us to gain acceptance of the benefit for the community that Vonovia offers through its varied areas of activity.

Opportunities

- > We use needs-based and sustainable construction and liveable neighborhoods to make our homes more attractive and to enhance Vonovia's reputation as a landlord. Our neighborhood measures as well as our property caretakers and neighborhood managers bring us closer, and allow us to strengthen our ties to our tenants, which has a positive impact on our public image. This also allows us to enable tenants to stay in their apartments for the long term.
- > The size of our company and the standardization of processes such as serial construction allows us to generate cost and quality advantages for our customers in a large number of areas, and also to increase efficiency, shorten construction and processing times and compensate for capacity bottlenecks more easily.

Risks

- > The discussions in the political and public arena highlight the fact that our business and our activities are generally associated with the risk of a loss of reputation, e.g., resulting from the allocation of costs for modernization measures to tenants. This risk can have a detrimental impact on tenant satisfaction and on the demand for our apartments.
- > A trend in which rents do not develop in line with people's incomes can make housing too expensive for a large number of people. For Vonovia, this translates into a risk of payment defaults and an increasing number of individual hardship cases.
- > Extensive construction measures are increasingly associated with rising construction costs and longer construction times, e.g., due to long administrative processes. These measures are also often rejected by residents ("not in my backyard"). This development can reduce the incentive to create new housing, as it entails financial risks for Vonovia and the risk of reduced commercial viability.
- > The statutory requirements that building contractors and landlords have to meet are becoming more stringent and more complex to implement. In addition, the rent freeze in Berlin considerably restricts the financial leeway available for rents and modernization measures, and the locations protected by the "rent ceiling" are being expanded in other federal states, too. Increased costs can mean that planned measures are not cost-effective.

Objectives, Measures and Indicators 103-2, 103-3

We are working continually to ensure long-term tenant loyalty in order to safeguard the basis for our commercial success. We leave nothing to chance in this area and purposefully align all measures that we take to generate positive effects for our customers.

Our overriding objective is to make our homes more attractive in the long term and ensure that they remain affordable. We achieve this by:

- > Continuously boosting customer satisfaction by offering a diverse portfolio of services and improving the quality of service we offer
- > Creating and offering affordable housing that meets the needs of broad sections of the population and continuously increasing the standard of comfort of our properties by carrying out senior-friendly apartment conversions, making voluntary commitments to protect tenants, and modernizing our properties in line with a measured approach
- > Creating vibrant and sustainable neighborhoods by working hand-in-hand with players from urban society in extensive community development programs and by collaborating with social and cultural institutions

Boosting Customer Satisfaction

Our activities focus on our customers and their needs. We are working to boost levels of customer satisfaction in the long run by taking targeted measures. One example is our work to continuously expand our range of housing-related services, i.e., our value-add services. We are also making ongoing improvements to the customer service we offer. Our service centers, caretakers as on-site contacts and the residential neighborhood organization have a decisive role to play in this respect. Our digital customer platforms (customer portal and tenant app) offer numerous self-service functions to complement Vonovia's personal customer service offering. We are also expanding our hardship management system further to improve the support available to customers in challenging situations.

1,600

customers assisted by hardship management team in 13,200 modernization projects

Ensuring Affordable Housing

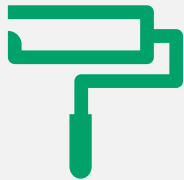
We have further strengthened our new construction activities by integrating the BUWOG companies and expanding our technical service. The size of our company gives us advantages in a large number of areas. We can achieve economies of scale and save on costs, allowing us to contribute to the provision of affordable, high-quality housing. Another key success factor is the serial/modular approach to new construction work that we are pursuing and continuously optimizing.

At the same time, regulatory requirements are increasing. The rent freeze introduced in Berlin, the debate there on the expropriation of large residential real estate companies and the debate on the allocation of modernization costs have highlighted a considerable drop in acceptance – even in cases involving improvements that society as a whole wants to see, such as climate protection and measures to improve living standards. The carbon tax that the German government is planning to introduce in 2021 (with a starting price of € 25/ton CO₂) will – as important as the move may be in terms of the signal that it sends out regarding climate protection – make housing even more expensive. This makes innovative, jointly developed solutions all the more important.

We want to ensure that housing also remains affordable for customers with limited financial means. This is why we are working with city and municipal authorities to develop individual commitments for subsidized housing in existing buildings. We also made a commitment in 2019 to limiting the costs for modernization work that can be passed on to our customers, and to ensuring affordable housing for people over 70 years of age.

Ensuring High Residential Quality and Maintaining the Building Stock

We make sure that we keep the well-being of our tenants at the forefront of our minds in everything we do. We do this, for example, by making sure that we use safe materials selected on the basis of stringent quality requirements, by implementing safety concepts to rid neighborhoods of areas that feel unsafe, and to ensure that playgrounds and green spaces can be used worry-free, and by minimizing the disruption to tenants caused by construction work. The maintenance and improvement of our existing properties are also key aspects. We achieve this first and foremost by implementing maintenance and modernization measures to increase energy efficiency and standards of comfort. In 2017, we set ourselves the target of a refurbishment rate of more than 3% a year for the first time. We achieved a value of 3.7% in the reporting year, allowing us to outstrip our target yet again. We take the needs of our



15,000 apartments
(partially) modernized to make them
senior-friendly

customers into account in the context of these measures, too, e.g., to create senior-friendly (barrier-free or accessible) homes. Particularly in cases involving new buildings or the renovation of vacant apartments, we upgrade our apartments to make them senior-friendly.

Making Our Neighborhoods Vibrant and Sustainable

Our stakeholders’ ideas, opinions and suggestions are an important element of Vonovia’s community development work. We have put corresponding processes in place to ensure that this input is taken into account in our plans and decisions at an early stage using various participation concepts. This allows us to work with our stakeholders to find the best solutions for our neighborhoods and to considerably strengthen acceptance of our measures.

In addition, our activities focus on the expansion of construction measures, as they have a significant impact on the quality of living that our homes offer. These include measures for infrastructure links, the design of green spaces and mobility concepts, e.g., to promote e-mobility. Vibrant neighborhoods are characterized by diversity and a good social mix. As a result, we provide support for social and community activities in the neighborhoods by cooperating with local facilities. This also includes taking integration measures, for example, to respond to the migration flows witnessed in recent years and offering people arriving in Germany for the first time a new home.

> € 900,000

invested in social projects

Outlook for 2020

We will continue to pursue and expand our customer focus. This will involve:

- > Further improving the quality of our communications and service with the tenant app
- > Boosting customer satisfaction by implementing measures developed based on the customer survey on an ongoing basis
- > Pressing ahead with our senior-friendly apartment conversions and converting at least one in three newly rented apartments to make them accessible
- > Continuing to implement our voluntary commitments to protect tenants in cases involving modernization work and hardship
- > Continuing with community development projects in collaboration with city and municipal authorities and launching new community development projects
- > Further expanding our funding framework and social projects

Customer Satisfaction

☒ 102-44, 103-1, 103-2, 103-3, 203-2

Management Approach 103-1

Vonovia’s activities are centered around its customers and their needs. Their satisfaction with, and appreciation of, our products and services are directly linked to the company’s success in the long term. Our customers expect to have an affordable home offering contemporary living standards, which is why proximity to our customers and making it convenient for them to contact us are key elements of our customer service philosophy. Every Vonovia employee is called upon to actively contribute to improving customer satisfaction and to fulfilling our service promise. We support this by:

- > Offering excellent customer service
- > Expanding the range of self-service functions available, e.g., on the tenant app “Mein Vonovia” (My Vonovia)
- > Expanding the range of value-add services that we offer

Establishment in the Organization 103-2

While, strategically, customer satisfaction falls within the sphere of responsibility of our customer service team, it is a matter that concerns all operational departments that have contact with customers, and is ensured by each and every Vonovia employee. The customer services department commissions a service provider to conduct a random survey to measure customer satisfaction once a quarter. The results are processed by all of the specialist departments using an online analysis tool, and suitable measures are developed and their implementation closely monitored.

In mid-2018, we established a hardship management organization at our headquarters in Bochum. In order to provide even better support for our tenants in such cases, our hardship management team has been supported by our neighborhood managers, working on site in the individual regions, since 2019. The team consists of four hardship managers in Bochum who work closely with the 24 neighborhood managers on site. When they receive notification of a case of hardship, the hardship managers perform an initial preliminary review and hand the matter over to the neighborhood management team for further processing, with the neighborhood team assuming responsibility for further personal contact with the tenants concerned. We aim to find the best possible solution for our tenants that suits their individual circumstances.

Challenges, Opportunities and Risks 103-1

Challenges

- > Impact of the public debate, e.g., relating to the correct invoicing of ancillary costs and the allocation of modernization costs, on how Vonovia is seen and on the company’s reputation
- > Channeling customer communication via numerous contact points (online and in person on site) – decentralization a communication challenge
- > Seasonal workload fluctuations in customer service due to peak periods (e.g., dispatch of ancillary expense bills)

Opportunities

- > Positioning in the market by offering excellent service and fast response times in an environment subject to increasing demands regarding the quality of housing and customer service and rising rents at the same time
- > Improving availability to customers by digitalizing processes and services

Risks

- > Impact on the company’s success and reputation due to Vonovia’s failure to respond to the limited support for rent increases
- > Possible quality losses – and, as a result, increased customer complaints – due to cost pressure

Objectives, Measures and Indicators 102-44, 103-2, 103-3, 203-2

Description of objective	Description of measures	
<p>Measuring customer satisfaction</p>	<p>Quarterly calculation of the Customer Satisfaction Index (CSI) using customer surveys as a key performance indicator</p> <ul style="list-style-type: none"> > Survey regarding overarching topics such as image, loyalty and overall satisfaction > Topic-related feedback on customer loyalty, maintenance and modernization measures > Feedback on repairs, residential buildings and external areas > Results are included in the calculation of Management Board remuneration <hr/> <p>Introduction of a new online tool developed by the service provider "AktivBo" to measure customer satisfaction</p> <hr/> <p>Collection of information on other indicators such as the vacancy rate or tenant fluctuation</p>	<div style="text-align: center;">  <p>Customer satisfaction an important criterion for the remuneration paid to the Management Board and employees</p> </div>
<p>Ongoing improvements in customer service</p>	<p>Expansion and improvement of customer service through service centers, caretakers, the residential neighborhood organization and the multilingual central customer service center</p> <ul style="list-style-type: none"> > Direct and personal communication with tenants > Reduction in time needed to process customer queries <hr/> <p>Expansion of self-service functions for 24/7 availability</p> <ul style="list-style-type: none"> > Customer platform > Further development of the tenant app allowing online access to ancillary cost documents, expanded to include an area for interested parties, customer satisfaction survey and energy agreements <hr/> <p>Implementation of measures developed based on customer surveys</p> <ul style="list-style-type: none"> > Increase in telephone availability > Improvement in email communication with Vonovia > Optimization of ancillary costs bills 	<div style="text-align: center;">  <p>Extensive self-service functions on the tenant app</p> </div>
<p>Ongoing expansion of the range of housing-related services (value-add services) (see chapter Value-add Strategy AR 2019, p. 61)</p>	<p>Expansion of value-add offering to complement our core activities</p> <ul style="list-style-type: none"> > Services that offer greater convenience and added value for customers > Services that are cost-effective and remain affordable > Services that are suitable for standardization and implementation on a large scale <hr/> <p>Expansion of the range of energy services on offer</p> <ul style="list-style-type: none"> > Smart meter solutions for the digitalization of meter-reading processes > Landlord-to-tenant electricity concept using the installation of additional photovoltaic plants > Expansion of green electricity offering to new customers <hr/> <p>Expansion of the portfolio of services for the residential environment</p> <ul style="list-style-type: none"> > Caretaking services and cleaning work > Maintenance of green spaces > Digital assistance systems for living in old age and cooperation with social institutions and care services 	

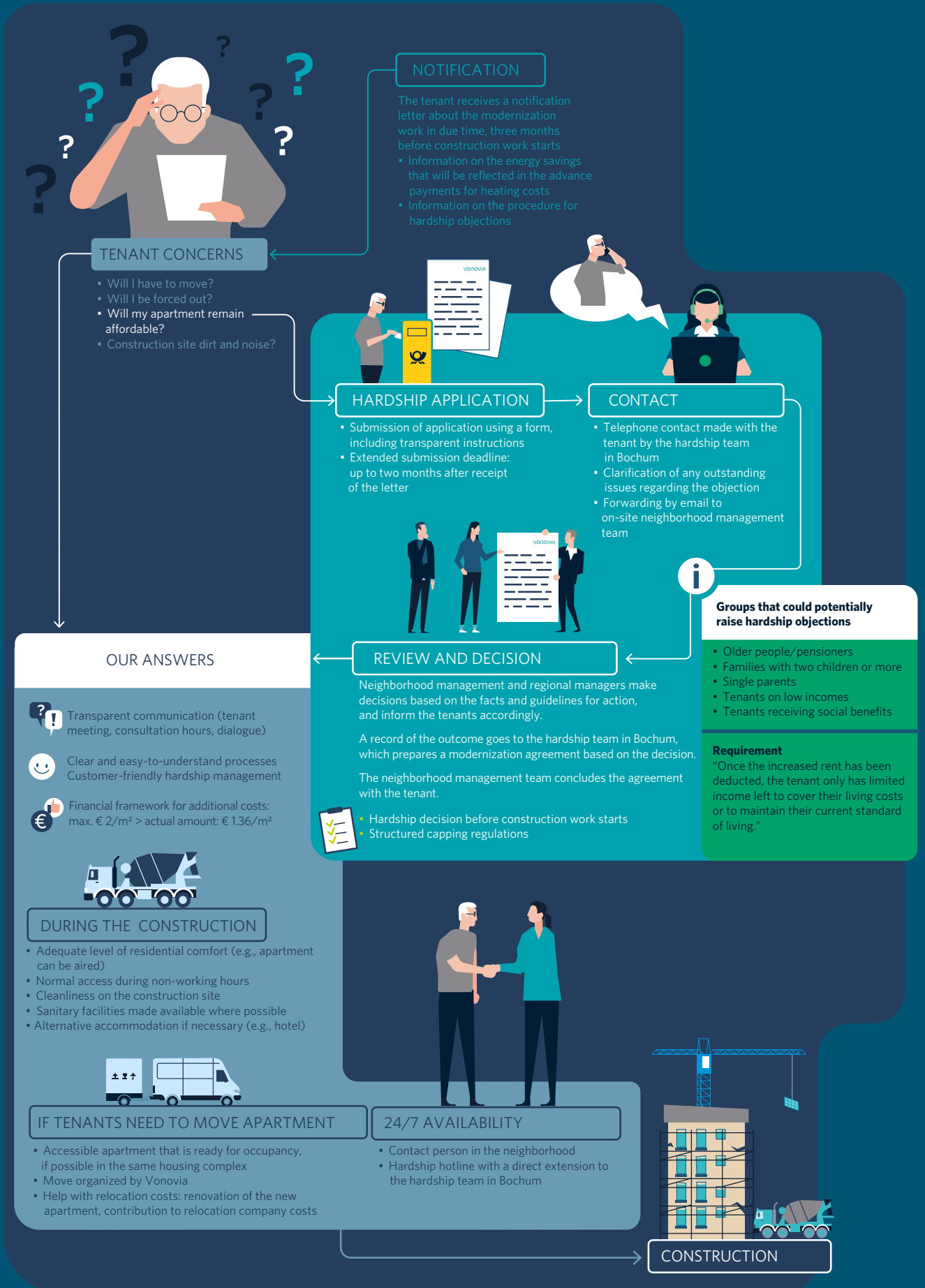
Description of objective	Description of measures
<p>Expansion of hardship management to improve customer service in difficult situations</p>	<p>Implementation of a uniform nationwide process for hardship management</p> <ul style="list-style-type: none"> > Expansion of internal guidelines and additional staff > Definition of a financial framework for additional costs not exceeding € 2/m² > Better individual support for customers in difficult situations provided by the hardship team in Bochum (hardship managers) and the neighborhood managers > Hardship team available 24/7 > Adaptation of processes to ensure personal contact and to allow joint solutions to be identified, e.g., moving to a different apartment, staggering of rent increases or reduction in the modernization cost allocation for a certain period of time > Addition of over 70s arrangement: guaranteeing affordable housing for tenants aged over 70 > Decision on financial/personal hardship before construction work begins > Structured application of financial and personal hardship objections based on a standard form; transparent description of the documents to be submitted
	<p>Number of hardship arrangements:</p> <ul style="list-style-type: none"> > 1,600 cases of hardship in around 13,200 modernization projects > 315 cases among over 70s processed, with positive decisions in 176 cases (rent increases were not implemented)

1,600

customers assisted by hardship management team in 13,200 modernization projects -

individual support provided by hardship and neighborhood managers

Support in Modernization Projects



Creating Appropriate Living Space and Affordable Rents

☒ 102-15, 103-1, 103-2, 103-3, 413-1

Management Approach 103-1

The problem surrounding the availability of affordable housing attracted considerable media attention in Germany in 2019. The question of publicly subsidized housing arises, in particular, in tense housing markets in metropolitan areas. The shortage of housing and, as a result, the development of property prices and rents are creating a subjective feeling of injustice across all sections of society. As a result, policymakers are coming under increasing pressure. Vonovia finds itself caught between the poles of society and politics, as social discussions on affordable housing are shaping the political agenda.

Vonovia sees itself as part of the solution by offering affordable housing for broad sections of our society. Within this context, we are committed to using densification measures in existing settlements, vertical expansion and the development of newly designated building land. In doing so, we use a modular approach to new construction work over and above conventional construction methods. This allows Vonovia to create new living space more quickly. The development business of the BUWOG companies and the expansion of the new construction and conversion projects realized by our technical service are allowing us to forge ahead with our new construction measures on a large scale. Vonovia will offer affordable homes first and foremost through efficient processes and economies of scale, and alleviate the situation on the housing market by building new homes. This is the only way to ease the pressure on the housing markets – especially in metropolitan areas and in central and urban locations.

One aspect that is of decisive importance to us is being able to offer existing and new tenants alike the prospect of being able to stay in their homes in the long term. Nobody should have to move out of a Vonovia apartment due to their financial resources, especially not because of modernization work. This is why we are going beyond our statutory requirements and taking numerous measures to protect the people living in our properties. We are limiting

the costs of modernization measures that can be passed on to tenants to a maximum of €2/m². An active hardship management system supports tenants who are experiencing financial difficulties and finds individual solutions. We offer tenants over the age of 70 a guarantee that their apartments will continue to remain affordable even if the standard local comparative rents change. We have laid all of these aspects out in our voluntary commitments. In collaboration with city and municipal authorities, we offer subsidized and independently financed housing for people on low incomes. In many cities, social charters provide additional protection in this regard. Our rental prices are based on the usual local rents and – if available – on the qualified rent indices.

Establishment in the Organization 103-2

Vonovia's new construction business, which operates under the BUWOG name, and the technical service plan the construction of new apartments. The technical service is generally also responsible for expansions and conversions. In the field of portfolio and rental management, rent is calculated in coordination with the regions and hardship management processing.

Challenges, Opportunities and Risks 103-1

Making new homes available while at the same time ensuring affordable rents is associated with both opportu-



nities and risks for Vonovia. This is because Vonovia is operating in an area of tension, which is subject to intensive public debate on social housing as well as tenancy law and sociopolitical issues.

Challenges	<ul style="list-style-type: none"> > Public discussions on affordable housing and the right to affordable housing > Subjective feeling of injustice due to rent developments > Widespread “not-in-my-backyard” stance with regard to densification
Opportunities	<ul style="list-style-type: none"> > Possible increase in support for new construction and densification by taking a serial/modular approach to construction work and ensuring shorter construction times > Reduction in construction and follow-up costs > Increase in quality thanks to standardization of construction and procurement processes > Tenants can remain in their apartments in the long term thanks to needs-based construction > Increased trust and attractiveness by limiting the allocation of modernization costs > Implementation of consultation and participation procedures
Risks	<ul style="list-style-type: none"> > Mounting construction costs, longer construction times and financial burden for Vonovia due to the construction boom and increasing regulations > State-specific building regulations hinder the implementation of modular construction in some cases > Less financial incentive to create new housing due to tightened regulations

Objectives, Measures and Indicators 102-15, 103-2, 103-3, 413-1

Description of objective	Description of measures
Implementation of new construction measures	<p>Expansion of development measures (see chapters Environmental Protection in Connection With Conversions and New Construction Measures → p. 51 et seqq. and Portfolio in the Development Business → AR 2019, p. 81 et seqq.)</p> <ul style="list-style-type: none"> > Newly built apartments: 1,220 (2,092 Group-wide), 870 of which were built for the company's own portfolio (1,301 Group-wide)
	<p>Implementation of serial/modular construction, densification and vertical expansion, also in existing locations</p> <ul style="list-style-type: none"> > Reduction in construction costs and construction times while maintaining high quality standards > Ensuring affordable housing > Reducing noise pollution and dirt that the residents are exposed to
	<p>Achieving economies of scale</p> <ul style="list-style-type: none"> > To reduce costs when purchasing services and materials > For standardized processes and materials used (construction measures, property management)
	<p>Implementation of participation measures (see chapter Community Development → p. 76 et seqq.)</p> <ul style="list-style-type: none"> > Involvement of tenants and other stakeholders in the planning of new construction measures or vertical expansion measures > Talks with local advisory boards and tenant representatives > Organization of regular information events > Use of mediators where appropriate

**More than
1,200
new apartments
completed in 2019**

Description of objective	Description of measures
<p>Rental of affordable housing to broad sections of the population</p>	<p>Ensuring moderate and socially acceptable rent development</p> <ul style="list-style-type: none"> > Monthly in-place rent for the rented (living) space: € 6.79/m² <hr/> <p>Rental to broad sections of the population</p> <ul style="list-style-type: none"> > Around 33,600 new rentals > New customers from 140 countries > 35% of apartments rented out to people with migration backgrounds > 10% of new customers are students <hr/> <p>Commitment to avoiding speculation involving land earmarked for construction</p>
<p>Continuation of voluntary commitments in place to protect tenants' existing rights</p>	<p>Implementation of the  voluntary commitment to cap the costs of modernization measures that can be passed on to tenants</p> <ul style="list-style-type: none"> > Commitment not to conduct modernization work that would add more than € 2 per month to the tenant's basic rent per square meter > Individual review of hardship cases <hr/> <p>Implementation of individual and voluntary commitments (subsidized housing) for existing buildings in cooperation with city and municipal authorities</p> <ul style="list-style-type: none"> > Protection for vulnerable tenant groups: older senior citizens, low-income households/families that have no legal entitlement to publicly subsidized housing, people with lower chances of success in the housing market, migrants and refugees <hr/> <p>Implementation of uniform nationwide hardship management (see chapter Customer Satisfaction → p. 66 et seq.)</p> <hr/> <p>Implementation of  over 70s arrangement: guaranteeing affordable housing for tenants aged over 70</p> <ul style="list-style-type: none"> > Guarantee that apartments will remain affordable even if the standard local comparative rent changes > 315 requests processed > Positive decision for 176 customers - rent increases not implemented
<p>Provision of housing for those in need</p>	<p>Cooperation with federal states and municipalities to accommodate vulnerable individuals</p> <ul style="list-style-type: none"> > Participation in the "Endlich ein Zuhause" (A home at last) initiative in North Rhine-Westphalia to combat homelessness > Participation in the "Essener Standard für unterstütztes Wohnen" (Essen standard for supported housing), to provide disadvantaged people with permanent housing > Provision of 400 apartments for refugees in Dresden > Support for the Berlin homeless center ("Haus Strohalm") <hr/> <p>Specific measures</p> <ul style="list-style-type: none"> > Cooperation with the city of Osnabrück to support the Frauenhaus Osnabrück women's refuge > Cooperation with the protestant "Lichtblick" foundation (Frankfurt am Main) to help find homes for people who find it difficult to find accommodation > Donation to the Ingrid Ritter foundation for two mother and child shelters



€ 6.79/m²

Average monthly in-place rent



315

over-70 requests processed

Help for 176 customers

Portfolio Maintenance and Tenant Health and Safety

☒ 102-15, 103-1, 103-2, 103-3, 413-1

Management Approach 103-1

Vonovia pursues a strategy of profitability and sustainability in order to continuously increase the value of the company. We want to manage our portfolio efficiently, while maintaining high living standards for customers. As a result, maintaining and increasing the quality of our housing is of particular importance. After all, we can only gain long-term loyalty and be successful in the future if our tenants are safe and healthy in their homes and enjoy a high quality of living. This is why we renovate and modernize our buildings on an ongoing basis and take measures to increase standards of comfort in our residential properties.

We offer conversion measures to meet specific tenant needs via our housing-related services – for example, senior-friendly apartment conversions – and make mobility and security solutions available. In Germany, we convert at least one in three of our apartments that are newly rented or partially modernized to make them suitable for senior citizens. When we renovate vacant apartments and redesign spaces, we make sure that they are accessible or barrier-free. In addition, we build and design our apartments so that groups with special needs – e.g., people suffering from dementia – also feel at home in our properties. This systematic focus on senior-friendly conversion and refurbishment is our way of responding to the process of demographic change within our society.

Portfolio quality means:

- > Ensuring the sound structural condition of our buildings through maintenance and modernization work
- > Guaranteeing our tenants' safety and health
- > Focusing on the residential environment
- > Achieving value and return from the portfolio, which we aim to improve through new constructions, holistic community development and targeted acquisitions and sales

By maintaining and upgrading older properties, Vonovia is helping to solve one of the biggest social challenges of our time: ensuring key housing in urban areas.

Establishment in the Organization 103-2

Changes affecting the structural condition of our buildings are usually conducted by the technical service, while the residential environment service takes care of the area directly surrounding our apartments. Sustainability aspects are taken into account in procurement (of building materials) thanks to close collaboration between the portfolio management, technical service and procurement departments.

Challenges, Opportunities and Risks 103-1

Challenges	<ul style="list-style-type: none"> > Increasing demand for sustainable building materials > Attention drawn to energy-efficient modernization measures has an impact on the public perception of Vonovia (e.g., modernization cost allocation) > Tenant-landlord dilemma can stand in the way of investments
Opportunities	<ul style="list-style-type: none"> > Building a reputation by maintaining and providing attractive housing
Risks	<ul style="list-style-type: none"> > Cost-effective implementation of construction measures hindered by the scarcity of craftsmen's capacities and an increase in construction costs as a result of the construction boom in recent years > Construction measures taking longer to implement and becoming more expensive due to drawn-out construction approval procedures > Insufficient information regarding the materials used in construction or the implementation of construction regulations > More stringent construction and tenancy law provisions > Increase in construction costs due to mounting requirements for senior-friendly homes > Increase in cost of building materials with regard to sustainability requirements > Lack of tenant acceptance for construction measures

Objectives, Measures and Indicators 102-15, 103-2, 103-3, 413-1

Description of objective	Description of measures
<p>Maintaining and improving the quality of the portfolio through purchase and sale, maintenance and modernization/ measures to increase standards of comfort</p>	<p>Maintaining and improving the structural condition of buildings based on operational and strategic considerations</p> <ul style="list-style-type: none"> > Maintenance: long-term preservation of the building stock <ul style="list-style-type: none"> - Regular economic expenses planned over the long term - Planning oriented toward long-term and short-term needs - Employing economies of scale to reduce costs - Around € 482 million invested > Modernization: increasing the standards and value in use of buildings <ul style="list-style-type: none"> - Measures to improve the standard of living in 15,000 apartments - Energy efficiency measures on building shells or supply infrastructure - Around € 997 million invested
	<p>Continuation of the 3% target for energy-efficient modernization</p> <ul style="list-style-type: none"> > 2019: 3.7% modernization rate achieved
	<p>Implementation of measures to ensure tenant health and safety inside and outside the home</p> <ul style="list-style-type: none"> > Ongoing minimization of hazards thanks to stringent compliance with all public safety provisions > Ridding neighborhoods of areas that feel unsafe, e.g., unlit parking lots or paths > Ensuring sufficient lighting on paths, parking spaces and in foyers and halls > Improved protection against burglary in cooperation with the State Office of Criminal Investigations in North Rhine-Westphalia > Regular inspections of all open spaces and playgrounds to identify possible dangers > Regular checks on building safety, taking all statutory construction regulations into consideration > Developing fire protection concepts > Measures to reduce noise and avoid dirt, e.g., by installing soundproof windows on streets with heavy traffic or announcement of construction work early on at tenant meetings and during consultation hours > Preventing and combating mold
	<p>Maintenance and improvement of structural facilities in the residential environment (see chapter Key Figures, sections on Governance → p. 114 et seqq. and Social - Occupational Health and Safety → p. 130)</p> <ul style="list-style-type: none"> > Repairing and replacing playground equipment > Healthy, viable tree stock thanks to professional tree care operations > Increasing the quality of living by creating more green spaces outdoors > Ensuring safety by performing safety inspections on (un)developed open spaces, trees and playgrounds at defined intervals

**Almost
€ 2 billion**

invested in buildings

(capitalized maintenance, modernization,
new construction)

Description of objective	Description of measures
Use of safe materials in construction work	<p>Use of building materials – also by subcontractors – that enable customers to live healthily</p> <ul style="list-style-type: none"> > Careful selection of the materials used in construction by procurement and portfolio management based on state-of-the-art standards and stringent quality requirements that are set out in our product manual > Definition of stringent internal standards for material selection, including the performance of various quality tests and adherence to applicable health, safety and environmental standards
Conversion and refurbishment measures to meet changing housing needs	<p>Implementation of needs-based new construction, refurbishment and conversion going beyond the statutory standards</p> <ul style="list-style-type: none"> > Review of potential for making facilities in the neighborhood and existing buildings accessible during modernization measures > Aim to refurbish at least one in three existing apartments that are newly rented/partially modernized to make them accessible, e.g., by installing elevators, flat thresholds, walk-in showers and anti-slip floors > Adjusting apartment sizes > Care and support services for elderly tenants and the establishment of residential communities supervised by nursing assistants, e.g., shared living facility for dementia sufferers, 85 voluntary supplementary conversion measures (e.g., ramps, handrails) for people with disabilities > Around 15,000 apartments (partially) modernized to make them senior-friendly (almost 50% of the 33,600 newly rented apartments)



Quality assurance

thanks to stringent procurement requirements set out in product manual

**Approx.
15,000
apartments**

were (partially) modernized in 2019 to make them senior-friendly

There was no need to conduct any special health and safety checks in connection with the materials used in the reporting year.

Expenses for Maintenance and Modernization

Vonovia is maintaining its high level of investment. We made the following investments in 2019:

Maintenance and Modernization

in € million	2018	2019	Change in %
Expenses for maintenance	289.7	308.9	6.6
Capitalized maintenance	140.7	172.7	22.7
Modernization measures	904.7	996.5	10.1
New construction (to hold)	234.3	493.0	>100
Total modernization, new construction and maintenance measures	1,569.4	1,971.1	25.6
Maintenance expenses and capitalized maintenance (€/m ²)	17.7	19.0	7.3
Intensity of modernization (€/m ²)	37.0	39.4	6.5

Community Development

☒ 103-1, 103-2, 103-3, 413-1

Management Approach 103-1, 102-15

Terms such as “living neighborhoods” or “neighborhoods worth living in” show that quality of living is increasingly being associated with life at a neighborhood level. As a result, neighborhoods are moving into the spotlight of the real estate industry. This can influence urban development by taking a holistic view of the neighborhood – and at the same time create value and improve the housing situation for local residents. Long-term planning and tailor-made construction solutions can help to ensure that living in developed neighborhoods is, and remains, affordable for broad sections of the population. This allows sustainable citizen and tenant-focused urban development to be combined effectively with value creation for the company.

As a result, the development of contiguous housing stocks is a top priority for Vonovia. In our view, they offer particular potential for structural and social design measures – allowing Vonovia to contribute to sustainable urban development.

Community development includes several key measures. In addition to renovation measures with socially acceptable, low modernization cost allocations, the comprehensive review of financial and social hardship cases (see chapter Creating Affordable Living Space → p. 70 et seqq.) and measures to improve energy efficiency in the portfolio (see chapter Environment → p. 40 et seqq.), these measures include the creation of living space by adding additional stories to existing buildings and new construction on unused open spaces. They also include measures to shape the residential environment, which not only involve upgrading and optimizing existing green spaces, but also creating new recreational and meeting places. We also take account of infrastructure issues, which we address, for example, by way of holistic mobility concepts or the establishment of local amenities.

In addition to construction measures, social infrastructure also plays a key role. In addition to special forms of housing, such as senior-friendly apartments, services and

neighborhood meeting places are also being established with community-focused cooperation partners and children’s day care centers are being set up. The integrated neighborhood philosophy is underpinned by needs-based and functional cooperation projects with social institutions. This allows us to promote a sense of peaceful coexistence, integration and interaction within the neighborhood. We use various tools for this purpose, e.g., making premises available. Conventional donations to social institutions and projects also help to foster community spirit within a neighborhood. Group guidelines on how to deal with social support measures provide a framework within which the responsible individuals are free to operate on a decentralized level, selecting and implementing suitable and needs-based cooperation projects.

Acceptance by the tenants and residents concerned is an absolute must for all changes in the neighborhood. This is why we rely on comprehensive participation formats that give tenants a say and allow them to influence the design of the projects concerned. Participation processes designed for active involvement and civic participation initiatives help us to overcome differences and develop solutions for the neighborhood hand-in-hand with each other. By involving citizens and tenants in project planning and implementation, we can increase the quality of the solutions and their acceptance. Typical involvement formats include fireside chats, planning pop-up offices and tenant workshops allowing tenants to actively contribute to facade and playground design, mobility issues and route/pathway design. Participation and extensive communication involving all partners is a key component for the successful implementation of large community development projects in particular.

The variety of measures proves that it is possible to take a holistic approach that goes beyond merely increasing the value of a property and has the potential to create completely new types of residential environments worth living in. We use our community development projects to play an active role in urban development and to live up to our responsibility for ensuring social harmony.

Establishment in the Organization 103-2

Responsibility for community development projects – once they have been approved by the Management Board – lies with the regional organization, which is responsible for both the planning of, and provision of commercial support for, the individual projects. When it comes to executing the projects, we increasingly use our own on-site community developers in the neighborhoods, which allows us to deal with any special issues that arise as needed.

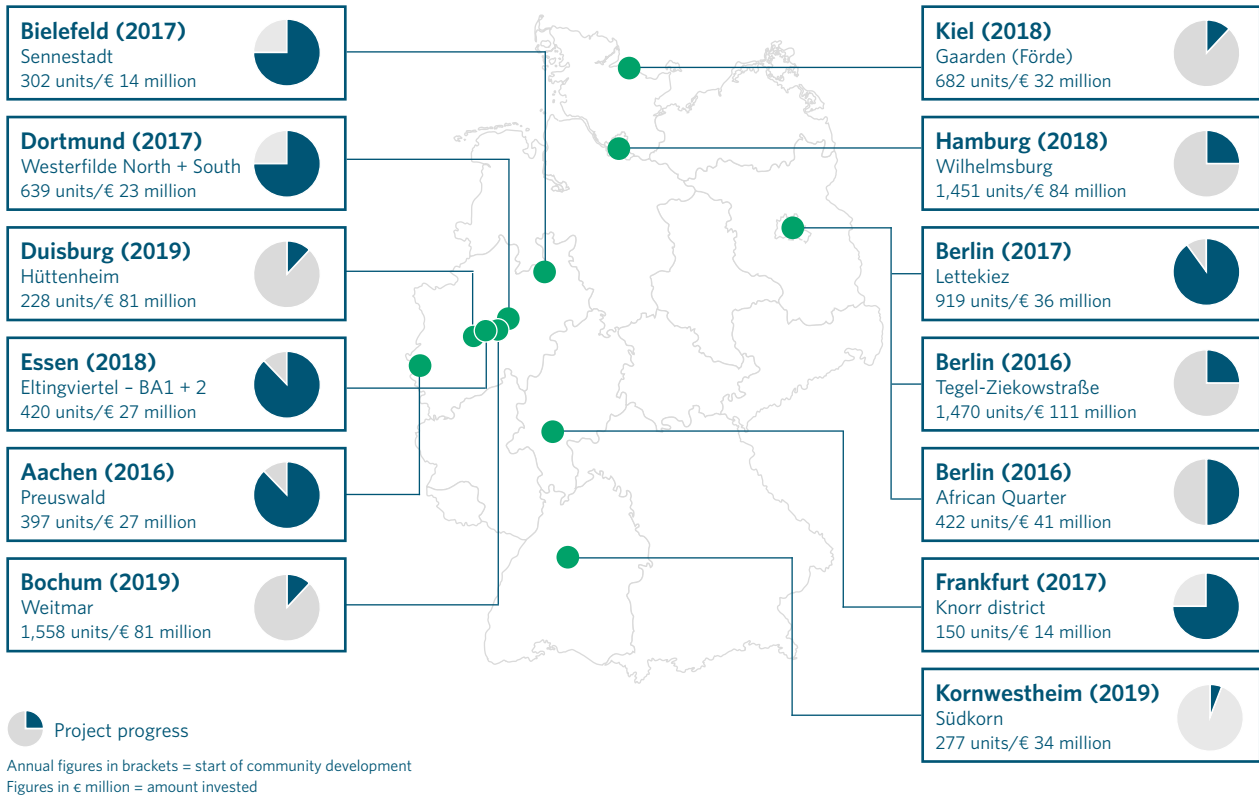
The participation formats are also the responsibility of, and are managed by, the regions, as are our corporate citizenship and philanthropy activities. The latter are supplemented, and their quality assured, by social engagement approaches that are centrally managed via Corporate Communications.

Challenges, Opportunities and Risks 103-1

Challenges	<ul style="list-style-type: none"> > Mixed acceptance of modernization and densification measures; "not in my backyard" stance > Involvement of stakeholders, especially tenants and municipal politicians > Time-consuming participation procedures mean that construction measures take longer
Opportunities	<ul style="list-style-type: none"> > Strengthening acceptance of our measures and improving customer satisfaction by involving stakeholders in planning and decision-making processes > Use of small-scale formats to get tenants involved and to minimize their concerns and worries > Enhancing the quality of the solutions developed by tailoring the measures to suit local conditions and requirements > Creating more attractive living space thanks to the voluntary commitment shown by customers and residents > Increasing quality of living by creating new green spaces, playgrounds and neighborhood centers as places for residents to communicate (recreational areas) > Strengthening neighborhoods and a sense of community spirit between people from different backgrounds by taking measures to foster integration
Risks	<ul style="list-style-type: none"> > Greater obligation to take requests that are expressed into account due to increased participation > Possible negative impact on credibility if competing interests cannot be given adequate consideration

Objectives, Measures and Indicators 103-2, 103-3, 413-1

Vonovia is currently implementing 13 major community development projects nationwide:



Components of Community Development Based on the Example of Dortmund-Westerfilde

- > Holistic community development project based on the City of Dortmund's integrated action plan
- > Investment volume of € 23 million in the implementation period from 2016 to 2020
- > Socially acceptable energy-efficient modernization of 640 apartments focusing on the needs of customers and the portfolio and using public funds
- > Rent restrictions for 110 units following completion of the measures
- > Development of a concierge project to improve accessibility and rid the neighborhood of areas that feel unsafe and creation of a new neighborhood center
- > Creation of attractive housing for senior citizens and families
- > Upgrading of open spaces and neighborhood squares as well as facade renovation featuring artistic designs
- > Social services and support for residents (e.g., games and sports, social counseling)
- > Extensive tenant information and involvement, e.g., via workshop participation

More information is available at www.vonovia.de/de-de/vor-ort/west

Description of objective	Description of measures
<p>Involving stakeholders in planning and decision-making processes</p>	<p>Implementing measures for participation/consultation procedures</p> <ul style="list-style-type: none"> > Strengthening acceptance of construction measures and community development projects > Promoting holistic community development > Creating diverse, open and liveable spaces that people can identify with > Measures including tenant workshops allowing tenants to actively contribute to facade and playground design, mobility issues or route/pathway design <hr/> <p>Participation measures</p> <ul style="list-style-type: none"> > Information: in writing and at information events > Tenant/senior citizen advisory boards and neighborhood offices as a central port of call for tenants with concerns > Tenant participation: workshops to define measures, information exchange through meetings, discussions, surveys and pop-up offices > Individual communication measures such as "door-step chats" and neighborhood tours > Long-term participation concepts to facilitate ongoing involvement > If necessary, mediation procedure > More than 8,000 tenants reached out to at tenant meetings and in consultation procedures
<p>Implementing approaches to create vibrant and liveable housing stocks</p>	<p>Implementation of community development projects</p> <ul style="list-style-type: none"> > Three new community development projects launched in 2019: Bochum-Weitmar, Duisburg-Hüttenheim and Stuttgart-Kornwestheim > 13 community development projects in 2019 covering approx. 9,000 units with an investment volume of around € 60 million (over the entire term > € 500 million) <hr/> <p>Supplementing investments in construction measures (refurbishment, densification, vertical expansion) with further measures aimed at upgrading homes and increasing the value of the portfolio in the process</p> <ul style="list-style-type: none"> > Infrastructure improvements (mobility offers, local amenities, day care centers, etc.) > Creation of recreational areas, green spaces, playgrounds and communal gardens > Realization of holistic energy concepts <hr/> <p>Incorporation of mobility concepts into the construction work involved in developing residential surroundings</p> <ul style="list-style-type: none"> > Car sharing > Bicycle parking spaces, cargo bikes > E-mobility
<p>Supporting social and community activities in neighborhoods</p>	<p>Expanding cooperation initiatives with local social and public institutions as a strategic component of community development</p> <ul style="list-style-type: none"> > To upgrade neighborhoods and the portfolio > To promote social cohesion > To make neighborhoods more eco-friendly <hr/> <p>Needs-based support for specific projects and initiatives on site</p> <ul style="list-style-type: none"> > Financial support/donations based on the requirements set out in the donations and sponsorship guidelines > Donations in kind, making premises available > Personal commitment of employees (particularly in clean-up and greening campaigns) <hr/> <p>Provisions of rent-free or discounted commercial premises to social/charitable organizations</p> <ul style="list-style-type: none"> > 5,911 m² in 59 commercial units <hr/> <p>Initiation of a central funding program for social projects</p> <ul style="list-style-type: none"> > Funding volume: € 200,000 (€ 400,000 from 2020 onwards) > 131,383 units targeted with 94 projects = 37% of the total of 355,708 residential units

179

tenant meetings and consultation procedures in 2019

(81 tenant meetings, 20 tenant advisory boards, 78 consultation procedures)

13

community development projects

covering approx. 9,000 units with an investment volume of around € 60 million (in 2019)

Description of objective	Description of measures
	<p>Implementation of "Vonovia bewegt" (Vonovia: making a difference) from July 1, 2019, onwards by the customer service department to support non-profit organizations operating locally in Duisburg and Dresden (€ 1,000 per location and month for one local organization in each case); projects selected based on employee votes</p> <hr/> <p>Foundation work</p> <ul style="list-style-type: none"> > Support measures to benefit tenants or the rental environment > Support for tenants facing social hardship > Involvement in four foundations: Vonovia Stiftung, Vonovia Mieterstiftung e.V., Stiftung Mensch und Wohnen and Stiftung Pro Bochum > Total funds distributed: € 198,852 <p>More information is available at www.vonovia-stiftung.de</p> <hr/> <p>Overview of financial contributions made to social projects and institutions in 2019:</p> <ul style="list-style-type: none"> > Locally through regional contributions: € 223,220 in 77 projects > Centrally via the funding program for social projects: € 185,598 in 94 projects > "Vonovia bewegt": € 12,000 in 12 projects > Via the foundations: € 198,852 > Via central cooperation projects: € 297,600 (Stifterverband, Jewish Museum in Frankfurt, Teach First Germany) > Total financial contributions: € 917,270

> € 900,000
invested in social projects

You can find further information on our community development projects and our local activities at www.vonovia.de/de-de/vor-ort

An overview of our construction measures can be found in this Sustainability Report in the chapters Portfolio Maintenance and Tenant Health and Safety → **73 et seqq.** and Creating Appropriate Living Space and Affordable Rents → **70 et seqq.** You can find out more about energy-efficient refurbishments in the chapter Energy Efficiency and Reducing Greenhouse Gas Emissions → **46 et seqq.**

Through its Corporate Communications departments, Vonovia implements other centrally managed projects with a cultural or location-specific focus, including:

The Vonovia Photo Award

- > Annual photo competition with the theme of "Zuhause" (at home)
- > Prize money of € 42,000
- > For professionals and up-and-coming new photographers alike
- > Established as one of the leading photography competitions in Germany

More information: <https://award.vonovia.de>

VfL Bochum

- > Sponsorship with naming rights for the stadium of the second-league soccer team VfL Bochum: Vonovia Ruhrstadion
- > Support for VfL Talentwerk, the club's youth organization
- > Implementation of numerous soccer camps for children

More information: www.vfl-bochum.de

Employees

Goals

- > Vonovia is an attractive employer for current, potential and former employees.
- > Vonovia is committed to employee development and produces outstanding specialists and managers.
- > Vonovia puts a shared culture of diversity, performance and appreciation into practice in an agile organization that is open to change.

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91	Occupational Health and Safety
96	Work-Life Balance
98	Diversity and Equal Opportunities

Our Approach to Employees

☒ 102-8, 102-41, 103-1, 103-2, 103-3, 401-1, 402-1, 407-1

Management Approach 103-1

Vonovia is growing, successfully continuing with the expansion witnessed in recent years. This is a strategy that we remain committed to – both in Germany and throughout Europe. In order to grow, we need qualified and motivated employees throughout the company to accompany us as we progress along this path in the long term. Due to the shortage of skilled workers, the demand for employees is high, especially in the trade and creative areas of the Vonovia technical service (VTS) and the residential environment. This is why we are positioning ourselves as an attractive employer that responds to, and addresses, the changing requirements of the up-and-coming generations. This sort of focus can be a decisive factor as we compete for qualified skilled workers. We are investing in digitalization in order to adapt our HR management structures and processes to reflect these current developments. Digital transformation comes hand-in-hand with a whole range of new tasks and challenges for our HR management. This is a challenge that we have to master, because a modern communications approach and HR work that focuses on the long term are essential factors in the success of our growth strategy. By way of example, our works agreement on mobile working – introduced in 2019 in some areas of the Group – is already bearing fruit, and during the coronavirus pandemic, it was possible to apply the system to other areas at very short notice.

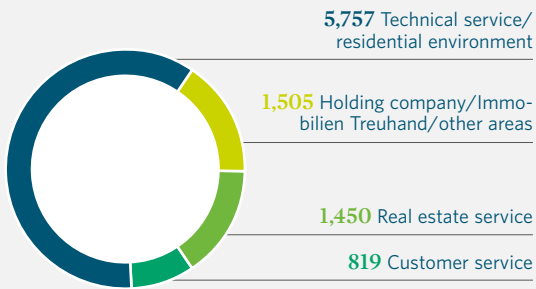
The process of integrating the BUWOG Group and Victoria Park into Vonovia SE has now been completed. This merger is creating new tasks for our HR management – for example, the need to develop a common corporate culture and foster it in the long run. In this Sustainability Report, we have reported on the measures taken by BUWOG in Austria and Victoria Park in Sweden in two separate chapters, but will be integrating them more closely into our Group reporting in the future.

What we achieved in 2019

- > High employee satisfaction rate of 72% confirmed in employee survey
- > (Senior) management development programs and management training scheme implemented
- > Measures to integrate refugees into the training system continued
- > Works agreement on mobile working introduced at the holding company
- > Increase in the proportion of women at the first level below the Management Board

At Management Board level, the CEO is responsible for our HR work, which is centrally established as a shared service within the HR Management department. Austria reports to the HR Management department in Germany through dotted lines, while Sweden – as the company there was listed separately until only recently – has not been formally incorporated into the reporting line, but rather submits reports and other information as and when required. The management of occupational health and safety is described in the chapter Occupational Health and Safety (→ [p.91 et seqq.](#)).

Employee Numbers by Area (Vonovia Germany)



The number of people we employ in the Group as a whole (excl. Hembra) rose by 136 in 2019, from 9,923 (December 31, 2018) to 10,059 employees (December 31, 2019) – an increase of approximately 1.4%. The staff turnover rate came to 17.8%. 102-8, 401-1

10,059

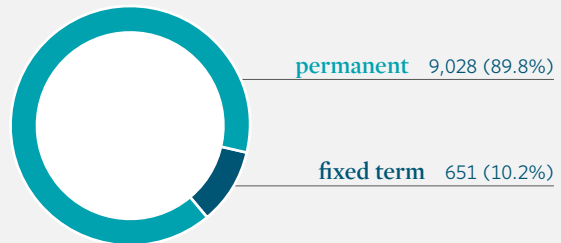
employees in the Group as a whole (+ 1.4%)

We aim to assign every employee to the field of activity in which their strengths lie. It is also our objective to systematically develop our employees' skills. The elements of performance, appreciation, responsibility and team spirit are at the forefront of our HR work and our corporate culture. Vonovia's working environment is based on the core labor standards of the International Labour Organization (ILO convention) and the principles of the UN Global Compact (UNGC). Within the company, the general principles are laid down in the Code of Conduct, a key component of Vonovia's business ethics. As our business activities are limited to the housing and, as a result, the labor markets in Germany, Austria and Sweden, the company is also subject to the stringent national legislation that applies in each case, such as the German General Act on Equal Treatment (AGG).

The Management Board of Vonovia SE has also published a [Declaration of Respect for Human Rights](#). This declaration highlights the importance of diversity and equal opportunities as well as our zero tolerance approach to discrimination of any kind. At the same time, it strengthens our commitment to recognized human rights standards. These requirements also apply to companies that we acquire and incorporate into our Group structures.

We are continuously expanding the range of services that we offer our customers. We offer many of these services using our own resources. This "insourcing" approach helps us to meet our social responsibilities at all of our locations. In times of uncertain labor markets, we create stable and reliable employment with fair wages for various qualification levels. The majority of our employees (90%) work under permanent employment contracts. We do not outsource positions abroad and we only employ temporary workers in exceptional cases. We aim to fill vacant positions as quickly as possible. As a result, we endeavor to position ourselves as an attractive employer (in the sense of an employer brand) for applicants on the labor market and to boost this image internally with our existing employees.

Employees by Contract Type*



* Fixed-term employment contracts excluding interns, trainees, students, temporary staff, marginal employees, employees with pre-retirement part-time work arrangements, those on leave of absence, part-time employees, those on parental leave, members of executive bodies and external staff

This results in material topics for Vonovia in relation to employees. These have been added to the materiality matrix according to their relevance:

- > Training and education
- > Occupational health and safety
- > Work-life balance
- > Diversity and equal opportunities

Training and education (→ p.87 et seq.): We search for applicants both within and outside of the company in order to fill vacant positions with the right employees. We particularly encourage existing employees to fill specialist and management positions and provide specific training for this.

Occupational health and safety (→ p.91 et seq.): We aim to retain employees in the long term and protect them from health hazards at work. This means that implementing comprehensive occupational safety programs to prevent occupational accidents is a top priority.

Work-life balance (→ p. 96 et seq.): Employees increasingly want to strike a healthy balance between their professional lives and life outside of work. We have taken numerous supportive measures to help them do so.

Diversity and equal opportunities (→ p. 98 et seq.): Diversity is a key topic at Vonovia; we respect and encourage diversity in the company as it has a positive impact on our business operations in all areas. We thus ensure equal opportunities for our employees and a working environment that is free of discrimination, where appreciation, tolerance and respect are the underlying principles.

In the following chapters we will deal with these topics in more depth and explain their relevance to Vonovia. We will describe the management approach, challenges, opportunities and risks, targets, measures and indicators for each topic.

Co-determination is also a material topic. Corporate co-determination and employee surveys conducted throughout Vonovia help us to evaluate our internal corporate approach and achieve continuous improvements in employee satisfaction. We ensure that all applicable laws are adhered to at all of our locations; for example, laws relating to individual and collective employment law. Employees at Vonovia have the right to elect their own representatives. Employees appointed as employee representatives are not disadvantaged or favored in any way. Employees are also free to associate themselves with trade unions and to exercise their freedom of association in accordance with the law. No corresponding breaches were determined at any of our locations in 2019. 102-41

In all of Vonovia's business areas, we ensure constructive dialogue between management and employees based on trust, for example, through the works council members. In the event of significant changes within the company, we inform our workers within the legally prescribed notice periods. 402-1, 407-1

Challenges, Opportunities and Risks 103-1

Challenges

The ongoing construction boom and the steady influx of people into urban areas have been dominating the real estate sector for some time now. These social developments also present Vonovia's HR management with continually changing duties. The transformation of the company also brings new challenges along with it, such as the integration of new subsidiaries. In particular, the high annual recruitment figures that we are aiming to achieve in order to be able to cover our need for staff require a great deal of commitment.

Opportunities

- > The diversity in our employee structure, which is shaped by the many different cultural and social backgrounds of our employees, helps to strengthen our employer brand, supports our customer orientation and enables us to provide better support for our tenants – for example, in their native language.
- > Compared to other large companies, especially the DAX 30 companies, Vonovia's training rate in Germany (we do not provide training in Austria or Sweden) is well above average at 5.0%. This high training rate allows us to respond comparatively well to the tense situation on the labor markets.

5%

training rate

Risks

- > The number of applications is falling, while the quality of applicant profiles is declining and applicants do not meet our requirements. This can result in increased financial and staff outlay to recruit suitable employees.
- > Tense labor markets, especially in the trades, mean that there is no guarantee that skilled and management positions can be filled to meet the demand and provide the services we offer. It is becoming even more important for Vonovia to position itself as an attractive employer.

Public debates on Vonovia's business model have as yet only affected isolated cases of employee recruitment.

Objectives, Measures and Indicators 103-2, 103-3

Our aim is to meet the mounting and constantly changing requirements of the working world, harness synergy potential and find employees who are a perfect fit for the positions on offer. This means that one of the most important HR tasks is to attract new and qualified employees – and to make sure that they stay at Vonovia in the long term. The work of our HR management team also focuses on targeted training and education.

An employee survey conducted in 2019 shows that we are on the right track: 72% of the survey participants rate their own job within the company as very good. 81% say that they want to stay with Vonovia for a long time to come. We engaged the independent service provider Great Place to Work to conduct the extensive employee survey in order to find out just how satisfied our employees are, and to be able to develop as needed in a targeted manner. We received around 6,300 responses out of a total of almost 8,800 surveys sent out – a participation rate of 72%. Great Place to Work allocated all of the questions to five key aspects, and Vonovia achieved a good score with regard to “credibility,” “respect,” “fairness” and “team spirit” and only fell slightly behind the benchmark with regard to “pride.” The survey also revealed that the rapid growth experienced in recent years has been a challenge. This serves as motivation for us to improve our performance even further. We are using the results of the survey to achieve this and are developing measures as part of a structured follow-up process.

We recruited numerous new employees in 2019 using both internal and external recruitment measures. We intend to continue with this approach in 2020 based on the employer branding concept initiated in 2018, which serves as a guideline for our recruitment activities. Target group-specific communication with candidates was expanded in 2019 as part of the employer branding concept, which includes the use of new images and text for our various business areas. We have decided to particularly highlight our company’s innovative ability, the importance of team work and workplace safety. Ensuring that our new hires get off to a good start with us is a top priority. This prompted us to start developing an onboarding process in 2019. The process will be further expanded, consolidated and digitalized in the period leading up to 2021.

Our overriding objective is to implement a long-term approach to HR work that promotes corporate growth and covers personnel requirements to the greatest extent possible. We confront this issue through targeted recruiting, training and education, health management and occupational health and safety measures as well as measures to improve work-life balance and to ensure equal opportunities by:

- > Developing and expanding the skills of employees in a targeted manner using needs-based training courses and programs
- > Ensuring long-term employee performance by doing our best to protect our people from health hazards at work
- > Allowing our employees to strike a work-life balance
- > Using the opportunities offered by diversity to give us a competitive edge and ensuring equal opportunities at all levels

Developing and Expanding Skills of Employees in a Targeted Manner

We are stepping up our training activities in a targeted quest to find up-and-coming young talents. We aim to use this approach to cover Vonovia’s need for employees, especially in the trades. We are constantly enhancing our training schemes because training allows us to manage the qualifications that our young employees have and to plan according to our requirements.

In addition, we are continuing to focus on human capital development and expanding our range of further training courses to provide our employees with the best possible support in increasing their professional and personal potential. Our work focuses on the targeted development of (up-and-coming) managers and the structured expansion of succession planning.

Preserving Employee Performance

We aim to offer our employees a safe and healthy working environment. In order to achieve this, we continually put into practice and expand our Group-wide occupational health and safety standards and measures. The aim is to use personal protective equipment and recurring safety briefings to keep the number of occupational accidents at a minimum. We have made a conscious decision not to set quantitative targets in this area, as there are numerous factors that cause occupational and commute-related accidents that are impossible to control (e.g., force majeure, accidents caused by third parties or also misconduct). We also help our employees to stay in good health as part of a comprehensive health management program and by offering numerous preventative measures.

Allowing Our Employees to Strike a Work-Life Balance

Our employees are attaching increasing importance to being able to strike a balance between work and home life. This is why we are committed to promoting family life in order to develop a range of services that meets our employees' needs. We also now offer various working hours models that even trainees can make use of.

33

**refugees
in training**

Making the Best Possible Use of the Opportunities Offered by Diversity

We see the diversity of our workforce as a huge strength for our company and also as an opportunity. We are therefore doing our best to promote diversity and, for example, are making targeted moves to recruit female employees to our traineeships. We are working on continuously increasing the proportion of women in management. We have also expanded our commitment to include refugees in our training program even further, and in the period under review, 33 refugees underwent training at Vonovia. The proportion of trainees with migration backgrounds is also high throughout the company.

Outlook for 2020

We will continue to strive to recruit new employees and retain them over the long term. This will involve:

- > Maintaining the high training rate
- > Adopting a zero tolerance approach to discrimination by adhering to codes of conduct, systematically investigating misconduct and ensuring equal pay
- > Implementing measures from the structured bottom-up process between now and the time of the 2021 employee survey
- > Forging ahead with digitalization, in particular through the expansion of the IT landscape in human resources management and the introduction of SAP Success-Factors in order to provide holistic and digitally supported backing for the employee life cycle
- > Establishing and expanding management development programs and leadership training schemes at all levels
- > Using structured succession planning to further increase the proportion of women in management, with a target of 30% by December 31, 2021, for the two management levels below the Management Board

Training and Education

☒ 103-1, 103-2, 103-3, 404-3

Management Approach ¹⁰³⁻¹

Vonovia's business success is based to a decisive degree on the work of its qualified employees. We develop and expand key skills by taking targeted measures to train our employees. This is the only way that Vonovia can guarantee high-quality work for its customers.

Traineeships

Vocational training is a key pillar of Vonovia's recruitment strategy, which we use:

- > To safeguard the company's competitive standing
- > To ensure the availability of qualified up-and-coming young talents, especially in the trades, over the long term
- > To further expand the technical service by focusing on vocational training in the trades
- > To keep key expertise within the company and build new knowledge, e.g., on digitalization
- > To make the company independent of the external labor market, particularly in the trades/technical service

We believe that this commitment has a positive impact on Vonovia's public image, because it allows us:

- > To create secure jobs
- > To take social responsibility
- > To make ourselves more attractive as an employer

Further Training

Doing our best to foster our employees' potential, ensuring that our top performers remain loyal to the company and promoting systematic succession planning are top priorities for us. Consequently, targeted further training is a central component of our HR management system.

We want:

- > To provide our employees with the ideal qualifications for their work with regard to their technical, methodological and personal skills
- > To support employees with their current tasks
- > To prepare them for future tasks

Important aspects of our human capital development work are:

- > Leadership
- > Succession planning
- > Talent management
- > Further training
- > Assessment and feedback

We are systematically developing and expanding our work in these areas. This will allow us to secure our existing workforce of employees and managers, as required by our operations, identify junior managers and prepare them for future management responsibilities.

The Vonovia Academy and our HR development instruments are important tools in this respect. Within this context, training courses and programs are tailored to suit our needs and goals and include training and specialist seminars, management development courses and certified qualification schemes. This allows us to fill positions with internal candidates wherever possible and help every employee find the position that is right for them. This approach also helps improve the motivation and satisfaction of our employees. Structured human capital development also helps to improve the company's efficiency and profitability and prepare Vonovia for future tasks and challenges.

Establishment in the Organization 103-2

The training & HR development department is responsible for training and education at Vonovia. This department maintains close contact with other business areas and with our external training providers to ensure the best possible quality.

Challenges, Opportunities and Risks 103-1

Challenges	Initial training	<ul style="list-style-type: none"> > Declining numbers of applicants and increasing training obstacles such as lacking educational qualifications of applicants > Increasing demands that new generations of employees are placing on their employers
	Further training	<ul style="list-style-type: none"> > Constantly changing tasks and challenges for Vonovia employees due to the diverse nature of the business model and continuous growth > Rising number of employees > Different requirements of individual markets in terms of employee skills
Opportunities	Initial training	<ul style="list-style-type: none"> > Setting ourselves apart from the competition on the market by offering an attractive working environment > Implementing innovative recruitment methods to address additional target groups, e.g., those who have left a course of study before completing it > Long-term expansion of the HR structure, preservation of key expertise and securing our own competitive standing by offering very good employment prospects for trainees > New perspectives and approaches by integrating refugees > Development of individual solutions to support individual trainees, for example, by using training measures to prepare them for professional life or by offering training and tutoring services for dual study courses
	Further training	<ul style="list-style-type: none"> > Using trends such as digitalization to boost competitive standing and promote the development of new skills and products > Individual support for employees in the form of suitable further training
Risks	Initial training	<ul style="list-style-type: none"> > Increased financial and staff outlay due to traineeships being terminated prematurely, e.g., due to a lack of targeted career advice for young people
	Further training	

Objectives, Measures and Indicators 103-2,

103-3, 404-3

14

traineeships and study courses are available at Vonovia

Traineeships

Vonovia offers a wide range of vocational traineeships. In Germany, we are currently offering training in 14 different occupations and dual-degree programs at 22 locations.

	Unit	2019	2018	2017
Trainees as of December 31 (in Germany)	Number	473	470	462
of which commercial	Number	145	137	144
of which technical trade	Number	328	333	318
Share of trainees in total workforce (in Germany)	in %	5.0	5.3	5.5
Proportion taken on (in Germany)	in %	68.8	81.1	72.7

Since our employee numbers are currently growing faster than our trainee numbers and we do not offer training in Austria or Sweden, the training rate declined by 0.3 percentage points against the previous year. Nevertheless,

we remain one of the few companies in the DAX 30 increasing their training rate further.

We are using numerous training measures to make Vonovia more attractive as an employer:

Description of objective	Description of measures
Expansion of the traineeship program	<p>Further development of the traineeship concepts</p> <ul style="list-style-type: none"> > Adaptation to reflect current developments and requirements of the working world, e.g., digitalization > Focus on the skills and qualifications actually needed
	<p>Development and strengthening of the employer brand through intensive and innovative commitment to training marketing</p>
	<p>Promoting diversity in the workforce</p> <ul style="list-style-type: none"> > Targeted recruitment of girls and women for technical occupations, e.g., "trainee speed dating" and Girls' Day > Target-group-oriented measures to recruit trainees, e.g., young parents, athletes, those who have left a course of study before completing it > Measures to integrate refugees into the training system > Filling 10% of the training roles with the children of our tenants (Aktion Mieterkind)
	<p>Internal succession planning</p> <ul style="list-style-type: none"> > Offering attractive prospects and awarding permanent contracts to trainees who have completed their training

Target:
10%
of trainees
are children of tenants

Further Training

When it comes to further training, we offer our employees training sessions and specialist seminars, management development courses, talent management schemes and

certified qualification courses that are tailored to suit our needs and objectives. The aim of these measures is to provide our employees with the best support for their everyday work and to enable personal development through on-the-job training.

Description of objective	Description of measures
Updates to the further training scheme	<p>Target group-specific adaptation of the further training scheme to reflect changes in the requirements of the working world and the needs of various employee groups</p> <ul style="list-style-type: none"> > Training courses and programs, blended learning programs, e-learning seminars > Training on the topics of communication, cultural diversity and dealing with difficult situations, sustainability > Specific training courses, including effective rhetoric for women and women in leadership positions, motivational leadership, communication training for gardeners and technicians
	<p>Expansion of internal further training for the customer service department</p> <ul style="list-style-type: none"> > Regular training and coaching sessions, including onboarding and basic training, department-specific specialist and communication training and training for specific systems
	<p>Further development of the tools and methods used to convey content, e.g., e-learning</p>

3,069
employees
took part in further training
in 2019

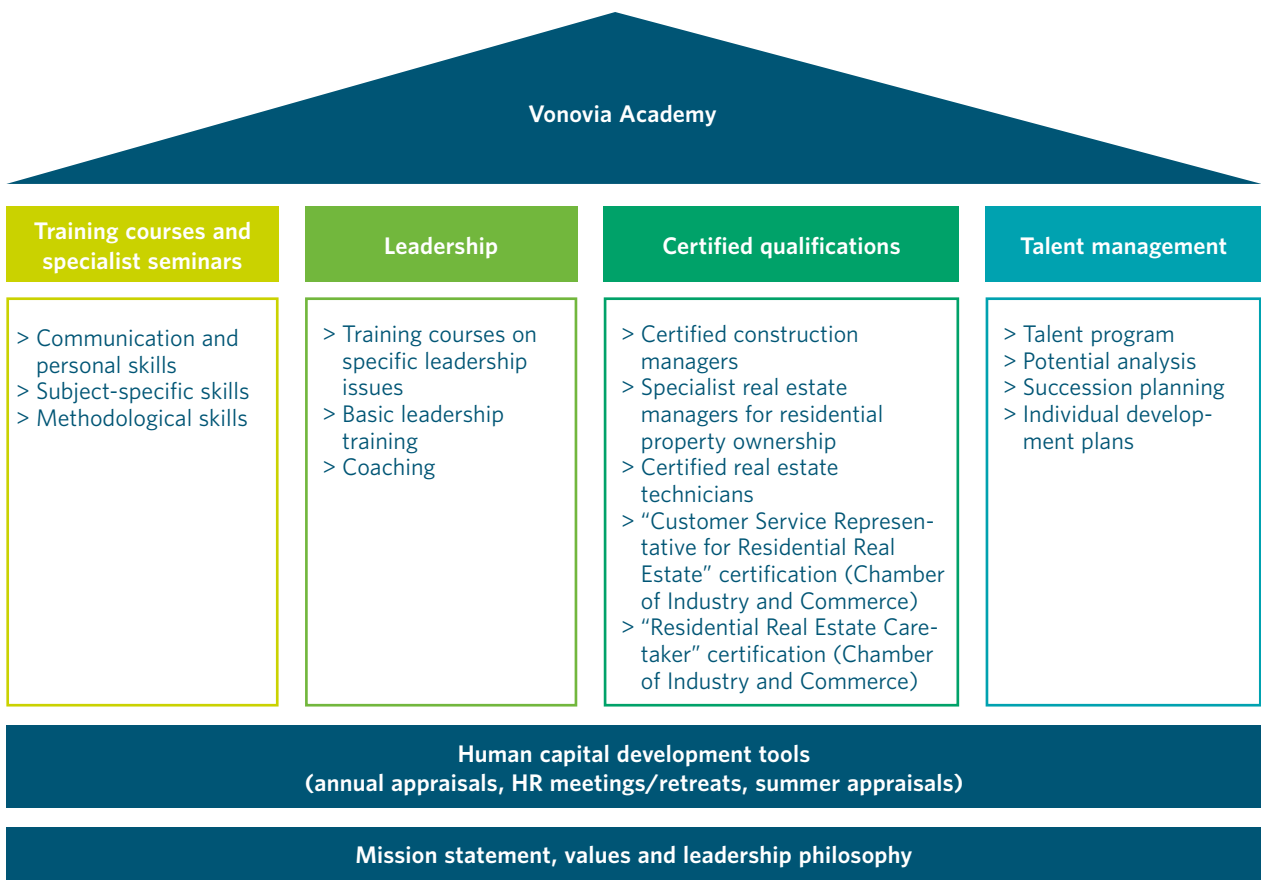
Description of objective	Description of measures
	<p>Raising employee awareness of sustainability issues</p> <ul style="list-style-type: none"> > Certified real estate technician course covering aspects such as the causes of, preventing and eliminating mold and damp, heat insulation and the German Energy Saving Ordinance (EnEV) > Incorporation of cultural and social issues into the further training courses, e.g., demographic change, energy efficiency and renewable energies
	<p>Group-wide implementation of human capital development instruments to support employees and managers in their further development</p> <ul style="list-style-type: none"> > Annual employee appraisals with a manager: discussing performance and assessing potential for further development; agreeing on specific development measures and targets > HR routines/meetings between managers and their supervisors/the Management Board: discussing annual results and identifying high-potential employees; agreeing individual development plans and planning succession guidelines > Summer employee appraisal with a manager: confidential feedback sessions and discussing cooperation; deriving measures to improve cooperation where necessary
<p>Targeted development of (up-and-coming) managers and expansion of succession planning</p>	<ul style="list-style-type: none"> > Giving managers the human capital development skills they need > "Fit für Führung" (Fit for leadership) program to develop a shared understanding of leadership in the entire value-add area (blended learning) > Support programs for all levels of management: senior management support program on social responsibility, management talent for middle management, basic leadership training for up-and-coming managers
	<ul style="list-style-type: none"> > Identification of suitable employees in HR meetings and routine work

The Vonovia Academy

The Vonovia Academy forms a key element of our human capital development measures. It continuously offers employees a range of training and coaching opportunities, specialist and management seminars and certified qualifi-

cations – such as dual study courses or master craftsman training – adapted to meet the specific needs of our departments. Special in-house training courses include "the starter pack for successful entry into management" and the training series "basic leadership training."

The Pillars of the Vonovia Academy



Occupational Health and Safety

☒ 103-1, 103-2, 103-3, 403-2, 403-4, 403-5, 403-6

Management Approach 103-1

Vonovia employees work in a variety of fields – ranging from office work to installation and gardening. They face physical and mental stressors that can influence their performance. This is why we ensure that potential threats to our employees are minimized through comprehensive health management and professional occupational health and safety structures so that they can work in a healthy environment. After all, Vonovia’s economic success depends on the long-term performance of its employees. Our health management efforts also focus on the well-being of older employees, as their performance is becoming increasingly important due to the shortage of skilled workers.

Health Management

As part of our comprehensive health management system, we systematically design work processes and structures in such a way that they promote the health and well-being of our employees and maintain their performance and motivation over the long term so that we can keep them in the company.

Establishment in the Organization 103-2

The Health and Social Affairs team is responsible for developing and implementing health management measures.

Occupational Health and Safety

We want to create a working environment for our employees in which they are protected to the best degree possible against risks, hazards and occupational accidents – regardless of the time, place or type of work. The risks that our employees at the headquarters face are relatively low compared to the employees working in our technical service or residential neighborhood organization in craftsmen and gardening positions. We conduct regular risk assessments in order to identify possible hazards and minimize risks by taking targeted, and primarily preventive

measures. These include regular safety instructions and the frequent updating of instructional documents and operating manuals, as well as adherence to applicable laws and guidelines. Each individual employee and each manager bears responsibility for their own safety and that of their colleagues. 403-2

Establishment in the Organization 103-2

We use our occupational health and safety organization to ensure that our high safety standards are maintained throughout the company. We ensure the extensive transfer of knowledge through a process of regular specialist dialogue between the Group companies. We take the existing occupational safety structures of the companies that we integrate and transfer them into our own organization. We expand processes, for instance reviews and instructions, to cover new employees and locations and document this. 403-2

Facility management is responsible for coordinating occupational health and safety and initiates and supports measures at the holding companies.

Internal coordinators for occupational health and safety have been appointed in each of Vonovia’s Group companies and manage occupational safety issues. They also attend scheduled on-site visits conducted by the Employer’s Liability Insurance Association *Verwaltungsberufsgenossenschaft* or the occupational health and safety authorities.

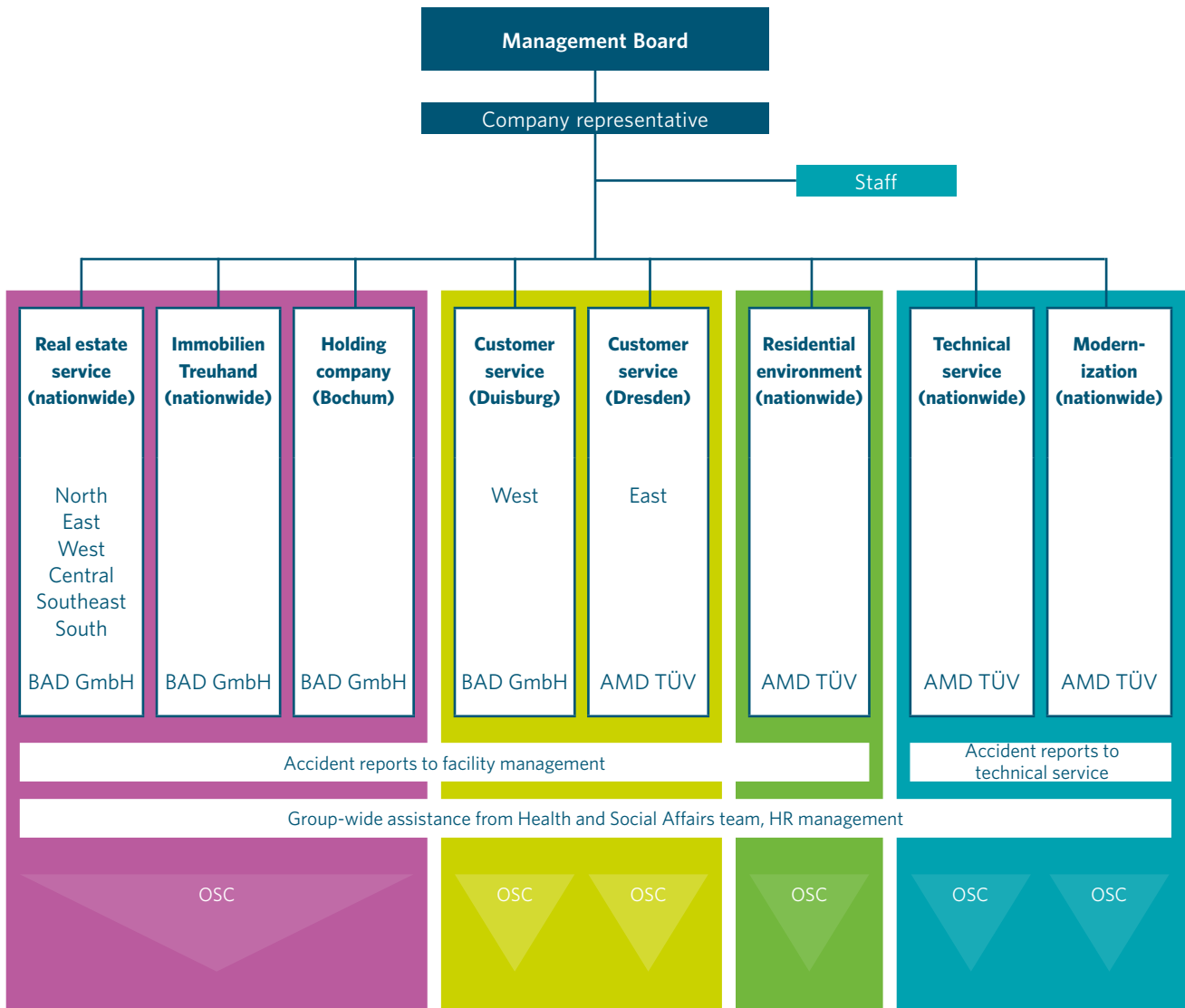
Company representatives are appointed by the Management Board and act as the central point of contact for all employees. Company representatives exchange information with the internal coordinators on a regular basis and work with them on central occupational safety issues.

Occupational safety committees (OSC) meet regularly at the Group companies and investigate occupational safety optimization opportunities. They work closely with external occupational safety and occupational health experts and adapt occupational safety measures to

current developments, such as workplace requirements, applicable laws, (accident prevention) guidelines, technical requirements and legal acts. Once a quarter the company representatives discuss new developments and the implementation of measures with occupational safety experts, occupational medical officers, safety officers and the works councils at the OSC meetings. 403-4

The technical service and residential environment service have their own occupational health and safety organization due to the large number of trades at Vonovia and the special occupational health and safety requirements that apply to these trades.

Occupational Safety at Vonovia



Challenges, Opportunities and Risks 103-1

Challenges	Health management	<ul style="list-style-type: none"> > Introduction and implementation of a Group-wide program in Germany, e.g., massages and membership of fitness center chains
	Occupational health and safety	<ul style="list-style-type: none"> > Changes in occupational health and safety requirements > Country-specific differences > Raising awareness of occupational health and safety in day-to-day work > Increasing a sense of responsibility for occupational health and safety at all levels of the hierarchy > Technical transformation of machinery and equipment, e.g., moving to battery-powered devices
Opportunities	Health management	<ul style="list-style-type: none"> > Making Vonovia more attractive as an employer by ensuring a comprehensive health management program and offering a wide range of options, e.g., for work-life balance > Improved management of the challenge of satisfying employee needs for sports activities and relaxation opportunities at a large number of locations by entering into various fitness partnerships > Expanding the range of services on offer by making use of digital platforms, e.g., web-based fitness exercises, our health portal and sending information out via email
	Occupational health and safety	<ul style="list-style-type: none"> > Reducing or preventing occupational accidents by raising awareness of how to deal with potentially dangerous situations and "safe behavior" > Reducing possible time lost > Ensuring more environmentally friendly ways of working and minimizing emissions with the aid of electronic devices > Optimizing existing work equipment, e.g., solutions for working in an (even) more dust-free environment > Strengthening Vonovia's positive image both internally and externally by demonstrating competence and authority in the area of occupational health and safety
Risks	Health management	<ul style="list-style-type: none"> > Loss of valuable skills and experience as a result of employees having to leave the company prematurely due to the physical strain of the trade profession, which Vonovia can only reacquire in a time-consuming and costly process
	Occupational health and safety	<ul style="list-style-type: none"> > Possibility that processes and procedures could be extended by excessive caution and that productivity could fall as a result > High-risk activities could be misjudged as they become routine

Objectives, Measures and Indicators 103-2, 103-3, 403-5, 403-6

Protecting and maintaining our employees' health and boosting their satisfaction are matters that are very important to us. In order to achieve this, our health management system offers various measures – from ergonomic stations to a health portal and preventative medical check-ups. The colorectal cancer prevention and fitness center membership services are very popular.

Occupational safety requirements are continually developing at Vonovia as a result of the changes to work flows and activities as well as work/operating equipment and materials. We constantly analyze safety instructions and operating manuals on dealing with and how to behave in dangerous situations, and update these when necessary. These requirements are necessary to raise awareness among our employees about safety in the workplace and to protect them.

Health Management

Description of objective	Description of measures
Implementation of a comprehensive health management system	Development and implementation of (preventative) measures to maintain our employees' performance, health and motivation in the long run <ul style="list-style-type: none"> > Preventative medical check-ups such as colorectal cancer prevention > Vaccinations > Massages > Partnerships with fitness centers > Service hotline providing advice and coaching to employees and managers (psychosocial counseling)
Promoting healthy lifestyles	Training sessions, e.g., seminars at the Vonovia Academy <ul style="list-style-type: none"> > On dealing with stress > On preventing burnout > On dealing with complaints, conflict and difficult situations involving customers > For managers to help them promote the health of their employees
	Health tips <ul style="list-style-type: none"> > "Zeit für Gesundheit" (Time for Health) portal for health-related information, e.g., nutritional advice, BMI calculator, fitness exercises for the office and advice for the next medical checkup > Company sports events such as internally organized running events and soccer competitions
	<ul style="list-style-type: none"> > Corporate integration management following longer absences from work due to illness to slowly get employees accustomed to day-to-day working life again
	<ul style="list-style-type: none"> > Ergonomic workstations and nutrition > State-of-the-art office equipment in Bochum, e.g., including electric standing desks > Free water and extended range on offer in the canteen to promote a balanced diet at the company headquarters in Bochum



Vonovia's "Zeit für Gesundheit" (Time for Health) portal

Occupational Health and Safety

Description of objective	Description of measures
Implementation and updating of Group-wide occupational health and safety standards	Adapting occupational health and safety standards and management to reflect new developments > E.g., changes in legislation, accidents, new areas of activity or integration measures > Performing mandatory safety inspections, for example, on portable electrical operating equipment and ladders, on a regular basis > Optimizing the portfolio of personal protective equipment on an ongoing basis > Introducing a skin protection scheme
	Raising employee awareness of safety at work > Training courses > Initial and follow-up briefing sessions > Training sessions on “Occupational Safety for Managers - corporate duties and liability risks” > Expansion/adjustment of the training on offer to reflect the activities actually performed in practice in the company > Annual meeting of safety officers (Vonovia SE, real estate service and Immobilien Treuhand) to discuss implemented and planned measures > Optimizing standards for the storage of hazardous substances in the residential environment organization to achieve higher operational safety and to improve protection for employees and the environment
Implementation of risk assessments conducted by external service providers	Event-driven repeat risk assessments on specific locations and activities VTS: > Preparation of the risk assessment for mental stress > Nationwide comparison of a total of 16 trade-specific risk assessments involving technical managers at all locations > Gradual development/switch from trade-related risks to activity-based risk assessments > Establishment of an expert team with the service provider AMD TÜV Rheinland to facilitate even closer coordination with occupational health and safety specialists and occupational medical officers > Effectiveness checks conducted by the occupational health and safety specialists to optimize occupational health and safety directly on location on construction sites in joint discussions with technicians and their managers Residential environment: > Mental strain, biological substances ordinance, interior and glass cleaning, hazardous substance management Real estate service and Immobilien Treuhand: > Activities as managers, landlords, technicians, caretakers, sales personnel and residential property managers, and at new locations across Germany, as well as in connection with work on flat roofs

50

managers

throughout the Group trained on occupational health and safety

Work-Life Balance

☒ 103-1, 103-2, 103-3, 401-3

Management Approach ¹⁰³⁻¹

Vonovia’s economic success depends on the performance and motivation of its employees. Developments in recent years show that employees and applicants are increasingly interested in a good work-life balance. We have therefore been particularly committed to promoting family life for several years, and allow our employees to strike a balance between work and home commitments by offer-

ing a range of tools designed to meet their specific needs. As we compete with other companies to attract qualified employees, this is a key success factor for attracting and retaining staff over the long term.

Establishment in the Organization ¹⁰³⁻²

The Health and Social Affairs team is responsible for coordinating measures for balancing work and home life.

Challenges, Opportunities and Risks ¹⁰³⁻¹

Challenges	> Increasing work-life balance expectations and working time models have an influence on employee motivation and applicants
Opportunities	> Work-life balance arrangements strengthen the company’s reputation as an attractive employer as it competes for qualified employees > Retaining employees in the company for the long term
Risks	

Objectives, Measures and Indicators ^{103-2, 103-3}

We develop company-wide and location-specific measures to help our employees with childcare or caring for family members. We are underscoring our commitment in this area with our membership in “Erfolgsfaktor Familie” (Success Factor: Family), a corporate program organized by the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth.

We are certain that these measures to help employees balance their work and family commitments have a positive impact and that our employees are keen to make use of them. This is evident, for example, from the large number of male employees who took parental leave (in Germany) in 2019: around 60% of a total of 272 employees. ⁴⁰¹⁻³

Description of objective	Description of measures
<p>Development of a needs-based system</p>	<p>Childcare</p> <ul style="list-style-type: none"> > Cooperation with family service providers and external service providers for childcare: day care center, vacation schemes, day care > Cooperation with day care centers > Establishment of parent-child offices in Bochum and Duisburg <hr/> <p>Caring for family members</p> <ul style="list-style-type: none"> > Cooperation with family service providers > Arranging home-based and hospital care assistants and services > Advice regarding financing care and senior-friendly living > Arranging assisted living > Information on legal aspects of care > Psychosocial counseling on how to deal with illness and the need for care in the family
<p>Making work more flexible</p>	<p>Expanding the range of working time models</p> <ul style="list-style-type: none"> > Introducing different working time models and part-time agreements that can also be used by trainees > Individual work schedules for athletes > Greater flexibility in the working hours framework <hr/> <p>Making working conditions more flexible</p> <ul style="list-style-type: none"> > Works agreement on mobile working at the holding company

Full-time employees:

9,121



Part-time employees:

938

Employees on parental leave:

272 in total

of which 164 are male

Diversity and Equal Opportunities

☒ 102-8, 102-12, 103-1, 103-2, 103-3, 405-1, 405-2, 406-1

Management Approach 103-1

Vonovia is explicitly committed to a plural society in which diversity is respected and applied in practice. We offer our employees a work environment in which appreciation, tolerance and respect are fundamental values and which is free from prejudice. Remuneration at Vonovia is based on performance-related and market-related factors and does not take the gender of the employee into account.

In the chapter Employee Key Figures (→ p. 125 et seqq.), we report the ratio of men’s to women’s salaries at Vonovia. The gender pay gap, which results in women earning more, is due to the disproportionately large proportion of men in technical occupations and a more balanced gender split in the commercial occupations. 405-2

We employ people from all age groups and genders, various nationalities and cultures and with a whole range of educational backgrounds. We also employ people with varying levels of disability. Ensuring that all people are treated equally and their individuality is respected is an integral part of the way we operate. This allows us to benefit from the different perspectives and ways of thinking which result from our employees’ social, cultural and linguistic backgrounds in a respectful and open atmosphere. This means that for us, diversity is also a clear competitive advantage. Our employees come from 74 different countries – testimony to the diversity that we are committed to. This international workforce is also a good fit for the diversity among our customers and has a positive effect in our interactions with them.

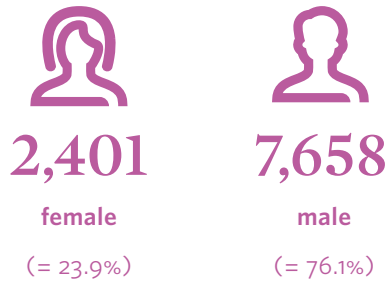
There were no incidents of discrimination at Vonovia in 2019. 406-1

In 2013, we also signed the Diversity Charter and underscored our company’s commitment to diversity.

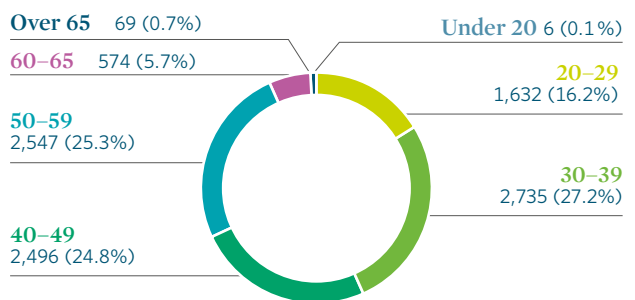
Employees by Gender and Age Group

102-8, 405-1

Employees by gender



Employees by age



Establishment in the Organization 103-2

The Recruitment & HR Marketing and Training & Human Capital Development departments are responsible for promoting diversity within the company.

Challenges, Opportunities and Risks 103-1

Challenges

Opportunities

- > Diversity in the workforce (e.g., cultural background, languages, religion, etc.) facilitates communication with customers
- > Diverse experience and outlooks allow employees to learn from each other and foster the company's continuous development

Risks

Objectives, Measures and Indicators 102-12, 103-2, 103-3

Description of objective	Description of measures
Compliance with (inter)national regulations	International guidelines <ul style="list-style-type: none"> > ILO core labor standards > UN Global Compact > Diversity Charter National guidelines (Germany) <ul style="list-style-type: none"> > General Act on Equal Treatment Voluntary commitments <ul style="list-style-type: none"> > Code of Conduct > Declaration of Respect for Human Rights
Targeted recruitment of female employees	Targeting of women and girls specifically for occupations in the trade profession and offering a low entry threshold <ul style="list-style-type: none"> > Internships/introductory training > Girls' Day > "Ausbildungsbotschafter" (training ambassador) program organized by the Chamber of Commerce (IHK)
Recruitment of refugees	Inclusion of refugees in the recruitment process <ul style="list-style-type: none"> > Cooperation with the German Federal Employment Agency > Application days as part of a pilot project
Increasing the proportion of women in management	> Implementing the diversity concept in the composition of management and control bodies (Declaration on Corporate Governance, Corporate Governance Report AR 2019, p. 36 et seqq.) <ul style="list-style-type: none"> > Target: to have 30% women at the first and second management levels below the Management Board by the end of 2021
Anti-discrimination training	> Mandatory training for all employees on the General Act on Equal Treatment and the Code of Conduct

Target:

30%

women

in first and second management levels by the end of 2021

Inter- national Business Activities

101	Austria – Sustainability at BUWOG
104	Sweden – Sustainability at Victoria Park

Austria – Sustainability at BUWOG

About BUWOG

BUWOG Group GmbH has been a wholly owned subsidiary of Vonovia SE since November 2018. With its Asset Management, Property Sales and Property Development divisions, it covers the entire residential real estate value chain and manages a real estate portfolio comprising around 22,500 units in Austria.

As of December 31, 2019, around 2,700 units were in the development pipeline in Vienna – these properties are either already under construction or preparations are under way to commence construction work in the near future. Roughly equal proportions are to be sold as condominiums and included in the rental business. 842 new units were completed in 2019. In the medium term, the development pipeline is currently scheduled to comprise around 6,300 units. This means that the company is making an important contribution to alleviating the shortage of housing. The BUWOG brand is associated with a high level of customer satisfaction in the real estate development business (see chapter Corporate Structure [AR 2019 p. 58 et seq.](#)).

In terms of the sustainability performance of Vonovia's Austrian business, which operates under the name of BUWOG, we consider climate and environmental protection both in the development business and in the portfolio, the energy management system and our employees to be topics of particular relevance and cover them in greater detail below.

Climate and Environmental Protection in Our Development Activities

The planning and development of new residential properties takes place within a social framework in which climate and environmental protection are playing an increasingly important role. Of particular significance are the issues of:

- > Energy supply and consumption
- > Processes that conserve resources (covering areas from project development to construction to life cycle costs)
- > The use of environmentally friendly materials
- > The degree of impervious surface coverage, addition of greenery to roofs and facades
- > Mobility
- > The residential environment and neighborhood solutions

Energy supply, consumption and energy-efficient building technology are the main issues in development. As a result, we have set ourselves the objective of increasing the share of energy efficiency classes A and A+, measured based on area in square meters, in relation to primary energy requirements to over 40% for projects to be completed in 2020. Projects with construction starting in 2020 are to achieve a share of 79%.

79%

proportion of square meters with energy efficiency classes A and A+ for construction starting in 2020

One good example of our sustainable measures is the residential tower (Tower 3) which is being built as part of the project "The Marks," comprising three high-rise buildings. All of the privately financed condominiums will feature ventilation systems using heat recovery. Stale air in the home will be replaced by fresh air from outside, ensuring a pleasant interior climate. To reduce heat loss associated with ventilation, the heat contained in the used air will be stored in a heat exchanger and added back to the incoming air. In another major project, heat in the completed buildings will be generated using a combination of three heat pumps and a condensing gas boiler in order to heat the water supply. In addition, photovoltaic systems with a total output of approximately 77.5 kWp are planned for

roof installation. This corresponds to a total of 250 modules with an output of 310 watts per module. The electricity generated by the photovoltaic system will be fed into the heating and cooling system, mainly to cover the power required for the heat pumps. Surplus energy is to be fed into the public grid.

Various pilot and research projects, including energy supplied from renewable energy sources and other energy-related and environmental innovations, are being implemented in new construction.

Designing ecological leisure spaces is a primary concern in all new construction projects. Numerous buildings feature green spaces that serve as natural habitats for flora and fauna at ground level, on roofs or on facades. In addition to the optical effects, these green spaces also offer a practical added value, for example, by slowing the flow of rainwater into the partially overburdened municipal sewage system and by making a considerable contribution to the microclimate, especially by preventing heat building up in densely populated urban areas. The new "Biotope City" neighborhood in Vienna will be a pioneering prime example of urban design incorporating vegetation. The joint project on real estate located on Triester Strasse that formerly belonged to Coca Cola was developed as part of a cooperative planning process. The entire planning process for the "Biotope City" was backed by scientific research. The research project aims to simulate microclimatic effects and then implement measures to create green spaces across construction zones. The establishment and use of links between the various planning teams operating at the site is crucial for the success of the project. The resulting GREENpass® tool is to be used to scale the positive effects developed as part of the project. The open space plans for the "Biotope City" include urban gardening flowerbeds in the ground floor areas, as well as the addition of greenery to roofs and facades. There are also plans to ensure an efficient water supply for the vegetation. As part of the "Biotope City," we realized the "AMELIE" project, comprising three building components featuring a total of 136 privately financed condominiums.

In order to handle valuable raw materials that we come across when dismantling old buildings in a sustainable manner, we launched a large-scale project in Vienna in 2018 for recycling and reusing entire construction elements. The former existing building on the site of the new customer and administration center at Rathausstrasse 1 was carefully dismantled in a project involving several stages and in close collaboration with BauKarussell, a cooperation network for socio-economic enterprises, and in partnership with the "Harvest Map" ReUse platform.

This allowed us to separate a considerable amount of waste and to return materials such as aluminum, copper, marble, etc., to the materials cycle for reuse. Furniture and parts of the interior fittings were also given a new lease of life. Mobile partition walls, for example, are being used in the canteen kitchen of a social business hotel in Vienna. Ultimately, around 90% of the building was returned to the materials cycle as secondary raw material via a processing plant. During the dismantling of the site in Vienna that formerly belonged to Coca Cola, we were also able to avoid around 450 metric tons of waste and recycle some of the materials, such as the roofing panels.

Intelligent mobility solutions are becoming increasingly important in urban areas and play an increasingly larger part in our urban development projects. E-mobility, bicycle solutions and local public transport connections are planned early on when designing new buildings. Future requirements for electric charging points and empty cable conduits for retrofitting are also taken into account in order to avoid increased costs later and to actively contribute to the development of more ecological forms of transport. "The Marks" project, for example, will provide space for around 2,000 bicycle parking spaces in a bicycle arcade spanning all of the building zones. The arcade will feature three stories as an architectural feature that will link the three high-rise buildings. Following its completion, the roof of the arcade will be used to house communal gardens and a walkway spanning the entire site that can also be used as a running track.

Building certification is another process used to demonstrate to investors, owners, tenants and interested members of the general public how sustainably a property is planned, built and managed. The "MARINA TOWER" project, a joint project in collaboration with IES Immobilien, was awarded the Austrian Sustainable Building Council's (ÖGNI) gold sustainability certificate, as did the "SeeSee" project. The above-mentioned customer and administration center located at Rathausstrasse 1 was awarded pre-certification in gold by the German Sustainable Building Council (DGNB), with an award from the Austrian Sustainable Building Council (ÖGNI) set to follow after the project's completion in May 2020.

Around 1/3

of new buildings completed in 2019

awarded sustainability certificates

Certified Energy Management System

BUWOG Group GmbH has had an ISO 50001-certified energy management system in place in Austria since 2013/14, which features both established processes and a written energy policy. It is a voluntary instrument used to systematically manage and continuously improve energy performance. The objectives are to increase energy efficiency, reduce energy consumption and cut energy costs. This reduces greenhouse gas emissions and has a positive environmental impact. The energy management system demonstrates a clear commitment to managing energy issues professionally and in a cost-effective and environmentally friendly manner. As a result, all energy-related issues relating to the entire portfolio of new buildings, as well as the existing portfolio, are managed as part of the certified energy management system.



Full commitment to Austrian climate targets – partner of klimaaktiv pakt2020

Since 2011, BUWOG has been one of twelve committed major companies – the only one in the real estate sector – partnering with the ambitious “klimaaktiv pakt2020” launched by the Austrian Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology. Acting as pioneers in company climate protection, the partners have entered into a voluntary but binding commitment to support the achievement of the Austrian climate targets by the end of 2020. Specifically, the targets include a reduction in greenhouse gases of more than 22%, an increase in energy efficiency of at least 20% and the use of renewable energy sources for at least 34% of total energy by 2020, compared with the baseline year of 2005. The considerable commitment made by the twelve partners can already be seen in the results, with the jointly agreed targets for 2020 being achieved ahead of schedule in 2019. Plans are under way to continue the initiative with a “klimaaktiv pakt2030.”

Employees

Responsibility, commitment, flexibility and professionalism are the defining qualities of our team. In order to ensure that this does not change in the long run, we are focusing on employees’ health, safety, performance and motivation.

We have been committed to promoting family life for years now, the aim being to allow our employees to strike a balance between family and work commitments by offering a range of tools designed to meet their specific needs. We have therefore been participating in the “beruf-undfamilie” (work and family) audit conducted by the Austrian Federal Ministry of Families and Youth since 2017. This is a voluntary government seal of quality that aims to achieve improvements in the awareness of family issues. The seal is awarded as part of a structured audit process. The objective is also to use the audit to achieve positive commercial effects on employer appeal, employee loyalty, motivation and identification, and to minimize staff turnover and absences.

In addition to a company physician, an occupational psychologist and a safety officer, our health promotion activities within the company also include a health day, held twice a year, which we use to provide our employees with information on topics such as exercise, ergonomics, nutrition and psychology. Employees can also take a medical exam or receive biofeedback. Workshops on a diverse range of topics, such as reducing stress, conflict management and relaxation, are also offered in cooperation with the occupational psychologists.

We conduct annual appraisals with the aim of developing our employees’ skills and promoting their personal development. Targets are formulated and development and training requests are discussed along with more general development options. The range of individual measures offered in the form of individual and group training includes professional courses covering topics such as non-profit housing law and tenancy law, and personal development seminars based on the Process Communication Model®. In the reporting year, the focus of our management training was on measures to support the change process for the integration with Vonovia SE. The efforts we made in the past to train employees to take on management positions have paid off once again. We were able to fill virtually all new team and department head positions internally.

Find out more at www.buwog.at/en/company/sustainability

Sweden – Sustainability at Victoria Park

About Victoria Park

Victoria Park, a subsidiary of Vonovia, has a portfolio consisting of around 16,700 apartments with a total area of 1,319,000 m² and a market value of SEK 25.7 billion. Victoria Park's business model is to acquire, develop and manage residential real estate with a high level of development potential in growing cities throughout Sweden. We also aim to constantly improve our portfolio by renovating apartments in such a way that value appreciates, and through densification.

Victoria Park focuses on socially sustainable management in order to raise the long-term attractiveness of its neighborhoods and thereby also the value of its apartments. Responsibility, profitability and sustainability are a prerequisite for us to fulfill our commitments to owners, employees, customers and other stakeholders.

Based on our portfolio of existing and acquired apartments, our management approach is as follows:

Investing in Raising Standards

- > We intend to achieve a standard that makes our apartments comparable with newly constructed condominiums through an efficient and high-quality refurbishment process. Refurbishments are always performed when apartments are vacant in order to avoid burdening existing tenants.
- > By making cost-saving investments, we also want to lower the impact our buildings have on the climate and improve their energy efficiency. For instance, by improving the ventilation systems, installing LED motion-sensor lighting, additional insulation in the attics, heating systems controlled by weather forecasts and systems for individual water meter reading.

Socially Sustainable Management

- > We actively work to increase employment and foster even better integration through our rental policy, the Victoria Park program and our relationships with residents. This also allows us to cultivate a sense of belonging in the buildings and the neighborhood, which enables us to contribute to the creation of calm, safe and attractive residential areas.
- > We strive to be included fully in the local social environment, e.g., through comprehensive cooperation with the authorities, municipalities, organizations and owners.

Socially Sustainable

Socially sustainable investments are based on commitment and good relationships. These are created primarily through presence in residential areas, allowing us to build long-lasting relationships between companies, individuals and society – through increased employment and integration, refurbishment programs and cooperation. The result is more attractive housing areas and a positive development in society.

A material element of Victoria Park's management model is our sustainability agenda. By establishing sustainable relationships between companies, citizens and society, we can cultivate commitment and promote integration, contributing toward more sustainable urban and social developments. This encourages more people to actively participate in their neighborhoods and contribute toward creating a calm, safe and attractive residential environment.

We always aim to commission companies that have a social clause covering local procurement.

Since 2013, Victoria Park has been employing long-term unemployed people – primarily residents from our own neighborhoods – to work on a temporary basis in the Victoria Park program as environment wardens or residential coaches. Environment wardens are responsible for maintenance of the residential buildings, while residential coaches deal with practical rental issues and recording refurbishment needs. In 2017, the national economist Ingvar Nilsson conducted an external study of the Victoria Park program and wrote an evaluation report entitled “Behind the Financial Statements.” The results showed the program had both economic and socioeconomic advantages. Over a period of 20 years, reintegrating long-term unemployed people into the world of work results in a social profit of around SEK 120 million. We published a comprehensive report on our social sustainability initiative in the Herrgården area of Rosengård, Malmö, in 2018. The report “Droppen som urholkar stenen” (little strokes fell big oaks) analyzes the effect of our initiatives between 2013 and 2018 and presents the direct social impacts that they have, e.g., that residents get back into work after a (longer) period of unemployment and are therefore no longer reliant on welfare. In order to create a financial parameter for measuring this effect, Ingvar Nilsson used a calculation method that employed various realistic assumptions and precautionary principles. His calculations show that the advantages that result from the social sustainability work implemented and planned by Victoria Park in Herrgården will amount to SEK 261 million over the next ten years.

Climate and Environmental Protection

In our apartments, energy is primarily used for heating, ventilation, running laundry rooms and lighting public spaces. Almost 90% of our energy consumption is from district heating and 10% is from electricity that is generated without any fossil fuels whatsoever. Tenants also use electricity for lighting, household devices and electronics, but this electricity consumption is not normally included in the rent and therefore not recorded by Victoria Park.

Our aim is to achieve a constant improvement in the portfolio’s energy efficiency. We achieve this by using new technology, better insulation and intelligent control systems, for example. In 2015, Victoria Park launched an ambitious project to regulate the heating system according to the weather forecast, thus aiming to optimize energy consumption. This technology had been fitted in the majority of our 16,700 apartments.

Thanks to comprehensive investments in energy-saving measures, energy efficiency was improved, carbon emissions were reduced and energy intensity was lowered.

This development shows that our measures to reduce the impact of climate change are working.

Another important topic is the reduction of water consumption. As part of our kitchen and bathroom refurbishments to improve standards, we regularly implement measures throughout the portfolio that contribute to reducing water consumption. For example, water-saving faucets and toilets that significantly reduce consumption are installed in 1,200 apartments per year. Our water project also includes the replacement of sanitary facilities and repairing sewage pipes. Water consumption can also be effectively reduced by installing individual water meters. This means that residents receive detailed information regarding their water consumption and can adapt their behavior accordingly.

Victoria Park also assigns refurbishment and conversion work to quality companies that take into account environmental aspects, such as energy efficiency, material selection and correct handling of hazardous chemicals.

Employees

Victoria Park strives to create an inclusive working environment that allows all of our employees, regardless of age, gender, ethnic origin or sexuality, to remain true to their character. We wish to offer our employees a progressive working environment that promotes work satisfaction and a healthy lifestyle.

Proactive health work with the aim of securing high attendance rates and promoting health factors is part of our responsibility as an employer. The health promotion work includes, among other things, health surveys, wellness grants, rehabilitation processes, a central safety committee for all issues relating to the workplace, covering social, organizational and health concerns.

Our Code of Conduct clearly condemns all forms of discrimination and includes our customers, suppliers and partners in this. As part of our endeavors to ensure that the Code of Conduct is applied correctly and to simplify the reporting of irregularities, we have had an external whistleblowing service in place since 2018.

Find out more at: <https://www.victoriapark.se/en-us/.se>

Information and Key Figures

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Ratings

We participate in a whole range of national and international sustainability ratings and benchmarks. This allows us to measure our sustainability performance and relevant key figures against recognized standards and our competitors and, if necessary, to identify optimization measures.



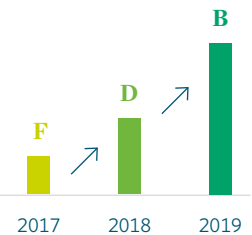
EPRA – sBPR

The European Public Real Estate Association (EPRA) evaluates the sustainability transparency of listed real estate companies based on the EPRA Sustainability Best Practice Recommendations (sBPR). In 2019, we received the Gold award for our governance, environmental and social performance for the second time running.



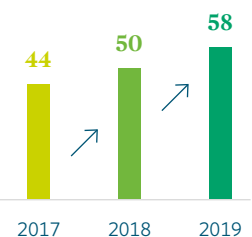
CDP – Climate Change

The Carbon Disclosure Project (CDP) helps companies to measure and manage their environmental performance and the associated opportunities and risks. Vonovia has been participating in the CDP's Climate Change Program since 2017. We were awarded a B rating for our performance in 2019.



GRESB

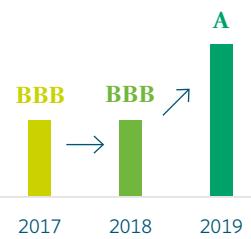
GRESB (Global Real Estate Sustainability Benchmark) is a leading investor-initiated rating system that is designed to make the sustainability performance of real estate companies and funds more transparent. The GRESB score is calculated by weighting seven different aspects. We were able to improve our score from 50 points to 58 points in 2019.





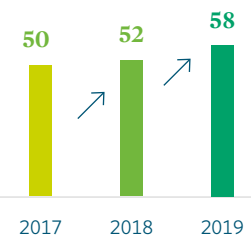
MSCI

MSCI ESG Research rates companies on a scale from AAA to CCC based on their ESG-related risk exposure and how they handle these risks compared to other companies. We were upgraded from BBB to A in the annual ranking for 2019.



Sustainalytics

Sustainalytics is an independent, innovative service provider of responsible investment services. Sustainalytics uses the ESG approach to analyze and evaluate the sustainability performance of companies and countries alike. Vonovia improved its ESG rating from 52 to 58 points.



About This Report

☒ 102-45, 102-46, 102-48, 102-50, 102-51, 102-52, 102-54, 102-56

Content and Structure of the Report

This is our fifth sustainability report, in which we are once again broadening our reporting further and, for the first time, also including Vonovia SE's fully consolidated subsidiaries – the BUWOG companies in Germany and Austria, and Victoria Park in Sweden. In the reporting period, we focused on collecting and reporting differentiated key figures for the Germany, Austria and Sweden regions. This is highlighted in the key figures section of this report. In the editorial section of the report, we focus on Vonovia SE's activities in Germany, and report on the performance of the BUWOG companies and Victoria Park in separate chapters. [102-45](#), [102-46](#)

The report presents our company's performance based on financial and non-financial information. The aim of this reporting is to create transparency and comparability for sustainability activities with other companies on the market.

The thematic focus is on the areas of sustainable corporate governance, customers and society, the environment and employees. The report is structured according to our sustainability activities, which reflect the material economic, social and ecological aspects of Vonovia SE.

Reporting Framework

This report was prepared in accordance with the core option of the GRI standards (2016 version), supplemented with selected voluntary sector-specific disclosures for "Construction and Real Estate." We have informed GRI of the application of the GRI standards and the publication of this report. [102-54](#)

Vonovia's Sustainability Report is published on an annual basis. This reporting period relates to the 2019 fiscal year (January 1 to December 31, 2019), meaning that it picks up exactly where the 2018 Sustainability Report, which was published in April 2018, left off. [102-50](#), [102-51](#), [102-52](#)

In addition, as a capital market-oriented company, Vonovia SE is obliged by the CSR Directive Implementation Act to disclose information pursuant to Sections 289 a–e HGB and 315 b–c HGB (combined non-financial declaration). The necessary reporting requirements were implemented in the management report, which forms part of the annual report, published March 7, 2019.

In order to base our report on the needs of our stakeholders, we identified our relevant stakeholders as part of the 2015 Sustainability Report and analyzed key topics for the sustainability of our business activities.

In line with the GRI guidelines, the content of the report was selected based on the criterion of materiality.

In early 2017, we used a structured stakeholder survey and expert interviews to perform a materiality analysis in order to validate these topics. The results of this process have been incorporated into this report. This means that our Sustainability Report covers all topics that either reflect areas in which Vonovia has a major economic, social or ecological impact, or could have a significant impact on our stakeholders. We plan to conduct a new materiality analysis for 2020 to take account of the changes in the overall conditions. [102-46](#)

In addition, we are following the EPRA Best Practice Recommendations on Sustainability Reporting (sBPR) (third version from 2017). The collection and calculation of environmental key figures was headed by the Controlling department and supported by Facility Management, Portfolio Management, Portfolio Controlling, Technical Service, Vonovia Energie- und Service GmbH, Customer Service, Data Management, Development/New Construction, Business Development, and the Procurement department. The key figures for employees were collected and consolidated by the HR department. The central Procurement department prepared the statements relating to supplier management (procurement).

An independent third party has not conducted an external review of the report's content. The sustainability report was, however, audited by the Internal Audit department. We are working constantly on improving the quality of the data collection processes. 102-56

Refining the Environmental Key Figures

In 2019, our fifth reporting year, we continued with the comprehensive restructuring measures that we had embarked upon in the previous year. Within this context, the "Environmental Controlling" team, which was established last year, was faced with the challenge of driving ahead with measures to expand the scope of reporting in addition to the quality improvements achieved in recent years regarding both content definition and data management. This included, in particular, recording various key figures for the New Construction/Development area, which is included in the Sustainability Report for the first time, and collecting information on the key figures to date for BUWOG and Victoria Park, which were acquired in 2018. With regard to the latter, a materiality analysis was performed to determine those parts of the report for which data should be collected for the new companies and those areas on which data will only be included in subsequent years due to their low relevance. 102-46

New calculation methods were only applied with regard to waste volumes, meaning that the previous year's results were restated. 102-48

Organizational Boundaries/ Scope of Consolidation

The key figures published focus on Vonovia SE's activities in Germany, as well as on the sites in Germany, Austria and Sweden that were acquired in 2018. This basic definition of the scope of sustainability reporting on the consolidated companies will be reviewed for the next reporting cycle and expanded if necessary. 102-45

New Construction/Development

The construction of new apartments is a new business area for Vonovia. Environmental impacts and construction emissions are caused by, e.g., the energy consumed on the building site, the manufacture of building materials and transport. In this year's Sustainability Report, an initial approach was launched to ensure the uniform recording of environmental key figures relating to construction activities within the Group. The approach involved including projects that had been granted planning permission by October 31, 2019, but had not been completed by December 31, 2019. This restriction is intended to ensure that the report only includes projects for which actual implementa-

tion can no longer be fundamentally called into question, but which were also not yet sold or put into operation during the reporting period, as this would mean that they would be taken into account either outside the company or within the portfolio. New construction activity is a field that Vonovia will be focusing on in the future as it has become more relevant with the integration of the BUWOG companies. We will thus examine to what extent environmental key figures can be expanded and CO₂e emissions that relate to new construction activity can also be reported.

Portfolio

The key figures published in relation to the portfolio focus on Vonovia SE's activities in Germany, as well as on the sites in Germany, Austria and Sweden that were acquired in 2018. This means the BUWOG companies' portfolio in Germany and Austria and the activities of Victoria Park AB are included in the sustainability reporting. Accordingly, the environmental key figures for 2019 apply to 359,686 residential and commercial units, with the Austria region comprising 23,039 rented units and the Sweden region comprising 17,357. In line with the approach taken for the companies that were acquired in 2018, Hembla AB in Sweden, which was acquired in 2019, is currently not included. In line with this approach, the environmental key figures from 2018, which mainly relate to a specific time period, remain unchanged. For reasons of consistency, acquisitions in 2018 have not been included on a pro rata basis.

Business Operations

It is Vonovia's objective to attain as complete a view as possible of the environmental impact of the Group, which is spread across a number of different locations. In addition to the company headquarters in Bochum and the large customer service centers in Duisburg and Dresden, there are a number of regional administration offices, caretakers' offices, and offices and workshops used by the technical service and the residential neighborhood services. Some of these belong directly to the Vonovia portfolio; some relate to rented space. For the latter, Vonovia can only improve the environmental performance to a limited extent, or only in agreement with the landlord. For the 2019 reporting period, the corporate headquarters in Bochum and the fourteen other locations from the previous year, the BUWOG headquarters in Berlin and the two largest BUWOG offices in Vienna and Villach are included in the report. There is no office building in the Sweden region that meets the criterion of 500 m² of office space.

The database was thus expanded in comparison with the previous year. Due to the large number of rented office spaces, recording the environmental key figures for all work locations involves a disproportionately high amount

of effort. System boundaries are due to be gradually extended once again for the 2020 reporting period.

102-46

For the purposes of this report, the key personnel and procurement figures shown have also been extended for the first time to include Vonovia SE's activities in Austria and Sweden. It was not possible to collect all of the key figures available for Germany, partly due to system-related factors. Any deviations in the definition of key figures have been indicated accordingly. 102-48

Like-for-like Assessment

Due to portfolio changes from sales and purchases there may, in part, be considerable deviations from the previous year's values. Like-for-like assessments and intensity figures are therefore more suitable when it comes to performance considerations. For the comparison between annual results we again used the data cleansing approach employed by EPRA. The changes in the portfolio were therefore considered as follows in the calculation of like-for-like key figures: Acquisitions after January 1, 2018, were excluded from the portfolio key figures for reporting years, while the portfolio key figures were adjusted for any residential units sold before the end of the 2019 reporting year. This corresponds to the reporting principles used by EPRA. It is also important to note that the acquisition of entire companies is also considered to constitute a portfolio change, meaning that the like-for-like data for 2018 and 2019 does not include any consumption by BUWOG or Victoria Park.

Carbon Emissions

The scope of consolidation relevant for calculating carbon emissions was defined in coordination with the scope of consolidation for the other environmental key figures. We deliberately had our calculation of carbon emissions audited by an external third party to ensure that these sensitive calculations were conducted independently and in accordance with the highest quality standards.

The calculations of carbon emissions were based on the greenhouse gas protocol (GHG Protocol), the internationally recognized standard for calculating carbon emissions. Carbon emissions were calculated as CO₂ equivalents (CO₂e). Carbon dioxide equivalent (CO₂e) is a standardized unit to measure the relative contributions of various gases to the greenhouse gas effect.

Emissions that harm the climate are not only caused by carbon dioxide (CO₂), although it is the most well-known. Other gases, such as methane (CH₄) and nitrous oxide (N₂O), are converted to CO₂ equivalents using a conver-

sion factor, which simplifies comparability in terms of detrimental effects on the climate. Only the carbon emissions from refurbishments were not calculated as CO₂ equivalents.

The CO₂e factors from the GEMIS database version 4.95 were applied to calculate the emissions. GEMIS (Global Emission Model for Integrated Systems) is an internationally recognized model for determining energy and material flows with an integrated database. The model calculates life cycles for all processes and scenarios, i.e., it takes into consideration all material steps from primary energy/raw material extraction to effective energy/material provision and also includes the auxiliary energy and cost of materials to produce energy plants and transport systems. The GEMIS data was selected because it is generally accepted, up to date and consistent.

Portfolio

The calculation of carbon emissions in the portfolio is conducted according to the "Financial Control Approach." Emissions produced as a result of portfolio operations are disclosed under Scope 1 and Scope 2 emissions. This takes into consideration the actual financial control exercised over the portfolio that exists for the majority of the portfolio area or rental units (DE region 97%, AT region 89%, SE region 100%). For the rest of the portfolio, in which the company holds a minority interest, the 2019 CO₂ results are reported under Scope 3.

Business Operations

CO₂e factors from the GEMIS database version 4.95 were also applied for the majority of the emissions resulting from business operations. To calculate the market-based emissions from electricity, we used the electricity providers' exact emissions and converted them to CO₂e emissions. To calculate Scope 3 emissions from rail business travel, we used the emissions factors of Deutsche Bahn/Österreichische Bundesbahnen (no data was collected for the Sweden region in 2019 due to the low level of business travel coupled with the considerable outlay involved in collecting the data). GHG Protocol factors from external travel agencies were applied for flights. These CO₂ factors were selected because they are up to date and accurate.

Data Collection and Raw Data

Portfolio

The environmental key figures relating to heat consumption in the portfolio were calculated based on the energy certificate data wherever possible. These cover heat consumption in both the residential units and communal areas. Energy certificates contain mandatory information regarding the energy rating of individual buildings. Only approved external companies (usually engineering firms

or similar) are able to perform these calculations and provide official documents to the building owner. A distinction is made between demand and consumption certificates. The majority of Vonovia energy certificates are covered by demand certificates (approx. 74% in 2019, approx. 58% back in 2017), and more demand certificates will be generated in the future.

The environmental key figures for electricity consumption in the portfolio's communal areas are based on the quantities accounted for by the Vonovia company VESG (Vonovia Energie Service GmbH).

The portfolio's water consumption is based on meter readings, which are also included in the operating and ancillary costs, and refers to the residential and communal areas.

The portfolio's waste volumes are calculated on the basis of the costs incurred, which are passed on to tenants via the operating and ancillary costs.

Business Operations

The offices' environmental key figures are partly based on water and electricity bills from the energy providers, the municipal water utilities and the waste disposal company. Extrapolations were necessary in some cases because the bills from utility companies for the reporting period had not yet been received at the time of publication.

The fuel consumed by Vonovia's fleet was evaluated based on fuel cards.

Key Figures

In this chapter, you will find selected key sustainability figures for our company. For the first time, we are reporting differentiated data for each country (Germany, Austria and Sweden) as well as consolidated data for Vonovia SE.

Governance

Company Key Figures

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden
General Key Figures							
Portfolio ¹⁾							
Number of rented units	Number	348,474	337,988	400,082	359,686	23,039	17,357
of which rented residential units	%	98.9	98.9	97.5	98.9	97.5	96.1
of which rented commercial units	%	1.1	1.1	2.5	1.1	2.5	3.9
Rentable area	m ²	22,198,880	21,506,455	25,991,328	22,865,032	1,824,224	1,302,072
of which residential area	%	97.0	97.1	93.6	97.1	91.8	91.9
of which commercial area	%	3.0	2.9	6.4	2.9	8.2	8.1
Portfolio by age category	Number	344,586	334,218	394,850	355,708	22,463	16,679
of which built before 1939	%	14.0	14.0	12.8	13.6	8.1	1.4
of which built between 1940 and 1949	%	1.7	1.7	2.3	2.0	7.0	1.3
of which built between 1950 and 1959	%	29.1	29.6	26.9	29.0	6.5	8.9
of which built between 1960 and 1969	%	21.2	20.9	21.4	20.9	11.1	45.9
of which built between 1970 and 1979	%	18.0	17.8	18.6	18.1	12.9	37.5
of which built between 1980 and 1989	%	8.7	8.5	8.7	8.3	19.6	2.0
of which built between 1990 and 1999	%	6.8	7.0	7.9	7.3	21.4	2.7
of which built between 2000 and 2009	%	0.5	0.5	0.9	0.5	7.9	0.0
of which built since 2010	%	0.1	0.1	0.6	0.3	5.5	0.4
Number of buildings listed as historical landmarks ²⁾	Number	4,405	4,415	4,456	4,437	19	-

¹⁾ Portfolio in Germany including buildings listed as historical landmarks, excluding buildings that serve only as car parks.

²⁾ No data collected for Victoria Park in the 2019 Sustainability Report.

Governance

In the Governance section, you will find selected key figures on this topic. Further key figures and policies can

be found in the 2019 Annual Report <https://reports.vonovia.de/2019/annual-report/> and on our Investor Relations website at <https://investoren.vonovia.de/websites/vonovia/English/1030/sustainability.html>

Key Figures	Unit	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region		
					Germany	Austria	Sweden
Corruption					205-3		
Proven cases of corruption	Number	0	0	0	0	0	0
Proven cases of money laundering	Number	0	0	0	0	0	0
Legal actions for anti-competitive behavior ¹⁾	Number	0	1	3	3	- ²⁾	- ²⁾

¹⁾ All legal actions relate to the issue of VESG's energy supply contracts with our tenants. The matter in dispute related to whether so-called "opt-out clauses" (tenants have to actively delete the passage on energy supply) are legally permissible. Vonovia stopped using these clauses in February 2019.

²⁾ No data has been collected for the Austria and Sweden regions for the 2019 fiscal year.

Key Figures	Unit	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region		
					Germany	Austria	Sweden
Composition of Controlling Bodies¹⁾					405-1		
Supervisory Board members	Number	11	12	12			
	Number	4	4	4			
of which female	in %	36.4	33.3	33.3			
of which independent Supervisory Board members	Number	11	12	12			
Average term of office of Supervisory Board members	Years	3.5	4.0	5.0			
Supervisory Board members with sustainability-related skills	Number	4	4	4			

¹⁾ Further information on the composition of the controlling bodies can be found at: <https://reports.vonovia.de/2019/annual-report/company-shares/corporate-governance/recruitment.html>

Key Figures	Unit	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region		
					Germany	Austria	Sweden
Discrimination					406-1		
Cases of discrimination	Number	0	0	0	0	0	0

Safety Inspections (Vonovia Germany)

416-1

	Inspection schedule	Total inspection list	Target inspections 2019 ¹⁾	Inspections carried out by Dec. 31, 2019 ²⁾
Buildings	Every 2 years	27,060	15,984	100% (+13%) ³⁾
Open spaces with buildings	Every 2 years	35,187,000 m ²	21,319,542 m ²	23,911,016 m ²
Open spaces without buildings	Every 2 years	2,746,000 m ²	1,213,810 m ²	1,239,618 m ²
Trees	Depending on type of tree and pre-existing damage every 1, 2 or 3 years	214,000	150,000	160,888
Playgrounds	One to four times a year depending on playground equipment category	1,220	2,750	2,844

During the reporting period, the inspections did not reveal any violations of regulations and/or voluntary codes concerning health and safety aspects that were not immediately remedied. Vonovia has established standard processes for handling defects discovered as a result of inspections, which provide for prompt handling. These processes continued to function perfectly during the reporting period.

¹⁾ The checks are conducted every two years from the date of the first inspection; the annual certificates are therefore not distributed exactly equally (50%-50%).

²⁾ The fact that the forecast scope of the inspections was exceeded is due to purchases made during the year (in particular, BUWOG).

³⁾ Inspections carried over from 2018: 13%

Procurement Practices

Key Figures	Unit	2019 by region			Germany	Austria	Sweden
		Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019			

Supplier Structure

102-9, 204-1

Suppliers ¹⁾	Number	4,259	4,524	8,533	4,710	1,382	2,441
of which from Germany	Number	4,179	4,509	8,493	4,695	1,362	2,436
of which from Europe (excl. Germany)	Number	80	15	40	15	20	5
of which contract partners (minor maintenance work, renovation of vacant apartments and construction) ²⁾	Number	2,530	1,354	1,518	1,138	83	297
of which suppliers of material ³⁾	Number	729	347	415	415	0	n.a.
of which ancillary costs ⁴⁾	Number	750	113	169	160	9	n.a.
of which material costs ⁵⁾	Number	250	225	409	259	150	n.a.
Amount of local suppliers as a proportion of the procurement budget	in %	95	98	98	98	97	86

No systematic supplier audits. However, when they are commissioned, suppliers commit to conforming to our standards by signing the Business Partner Code.

¹⁾ The figures include all suppliers who are actively managed by the procurement departments in the centralized procurement process. Suppliers with minimal revenue were eliminated from calculation.

²⁾ Figure reflects active contracts in construction services.

³⁾ The figures include all suppliers who are actively managed by the construction material procurement department in the centralized procurement process. Suppliers with minimal revenue were eliminated from calculation.

⁴⁾ Includes all suppliers managed by the Procurement department in SAP with the industry code "Supplier." The total number of suppliers that have rendered at least one service, the costs of which have been passed on to tenants, is 3,891.

⁵⁾ Includes tools, work uniforms, office and business equipment, IT, telecommunications.

Environmental Key Figures

The section below shows the environmental key figures – broken down into key figures for the portfolio – for development/new construction, for business operations and for the carbon footprint. While there are currently no compa-

rable figures available for Sweden for some of the key figures, the database is being expanded on an ongoing basis.

Portfolio Environmental Figures

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden
Total Energy Consumption in the Portfolio¹⁾					302-1, 302-3, BM5/6		
Total energy consumption in the portfolio ^{2) 3)}	MWh	3,791,792	3,565,044	4,195,238	3,717,936	225,589	251,713
Energy intensity							
Energy intensity per rentable area	MWh/m ²	0.172	0.166	0.161	0.163	0.123	0.193
of which from supply of heating ²⁾	MWh/m ²	0.170	0.164	0.159	0.161	0.120	0.178
of which from general electricity consumption ²⁾	MWh/m ²	0.002	0.002	0.004	0.002	0.004	0.016
Energy intensity per rented unit	MWh/rented unit	10.914	10.550	10.486	10.337	9.792	14.502
of which from supply of heating	MWh/rented unit	10.785	10.399	10.314	10.220	9.512	13.328
of which from general electricity consumption	MWh/rented unit	0.129	0.151	0.252	0.116	0.280	1.174
Heating consumption in the portfolio							
Total heating consumption in the portfolio	MWh	3,746,884	3,513,857	4,126,602	3,676,120	219,146	231,336
from non-renewable sources	%	100	100	100	100	98	99
from renewable sources	%	0	0	0	0	2	1
Natural gas	MWh	2,057,957	1,886,284	2,052,683	1,995,850	56,833	0
District heating	MWh	1,349,239	1,344,131	1,736,643	1,395,119	115,899	225,625
Heating oil	MWh	199,762	170,608	188,464	173,119	13,351	1,994
Electricity	MWh	82,513	61,340	94,760	64,360	27,668	2,731
Coal	MWh	57,413	51,494	47,672	47,672	0	0
Other ³⁾	MWh	-	-	6,380	0	5,394	985

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden

Electricity consumption in communal areas⁴⁾

Total electricity consumption in communal areas	MWh	44,909	51,187	100,990	41,816	38,798	20,377
from non-renewable sources ⁵⁾	%	59	64	44	62	23	45
from renewable sources ⁵⁾	%	41	37	56	38	77	55

¹⁾ Consists of electricity consumption in the portfolio's communal spaces and total heat consumption in the portfolio (according to energy certificates, calculated for living and communal areas).

²⁾ Rentable areas were extrapolated to full building floor space using 20% premium for communal areas in accordance with ENEC 2014 Section 19 (2).

³⁾ These include: biomass, solar thermal, heat pumps.

⁴⁾ Limited comparability due to the adjustment of the calculation method for electricity consumption in communal areas in 2017 (extrapolation of average electricity consumption per rented unit) compared with later reporting periods (evaluation of meter readings for electricity consumption).

⁵⁾ Calculation based on the share of renewable energy in the German electricity mix according to BDEW, in the Swedish electricity mix according to the Swedish Energy Agency, in the Austrian electricity mix according to the E-Control 2019 electricity disclosure report (in each case location-based approach).

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden

Refurbishment

Number of modernized buildings	Number	approx. 2,000	approx. 2,300	1,750	1,644	38	68 ¹⁾
Number of modernized rented units	Number	approx. 18,000	approx. 18,000	14,297	13,200	711	386¹⁾
Modernized rentable area	Million m ²	approx. 1.1	approx. 1.1	0.88	0.8	0.05	0.03 ¹⁾
Number of rented units with upgraded heating systems	Number	approx. 15,000	approx. 13,000	7,939	7,800	83	56 ¹⁾
Modernization rate (refurbishment rate)	%	approx. 5	approx. 5	3.6	3.7	3.1	2.2¹⁾
Expenses for maintenance and ongoing maintenance ²⁾	in € million	346	430	482	418	39	25
Maintenance intensity ²⁾	€/m ² /a	16	18	19	19	21	19
Expenses for modernization ³⁾²⁾	in € million	779	1,139	1,490	1,251	142	97
Modernization intensity ²⁾	€/m ² /a	35	37	39	41	0	63
Total investment ²⁾	in € million	1,125	1,569	1,971	1,669	181	121
Investment intensity ²⁾	€/m ² /a	51	55	58	60	23	82
Rented units modernized using KfW funds	Number	17,264	20,676	10,146	10,146	0	0

¹⁾ For the Sweden region, refurbishment and modernization measures carried out by Victoria Park with a total investment volume of more than € 500 per square meter of rentable area per economic unit were taken into account.

²⁾ Includes expenses of Hembla AB, which was acquired in 2019.

³⁾ Including expenses for new construction; 2019: € 493 million, 2018: € 234.3 million, 2017: € 65.7 million.

Key Figures	Unit	2017	2018 ¹⁾	2019	2019 by region		
					Germany	Austria ²⁾	Sweden

Energy Efficiency Standards Portfolio³⁾

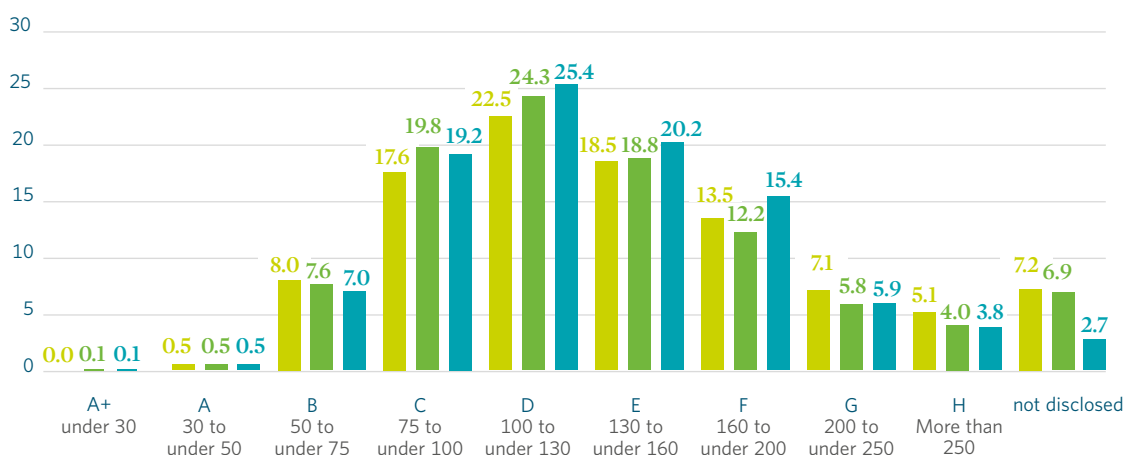
By energy efficiency rating⁴⁾							
of which energy level A+	%	0.0	0.1	0.1	0.1	-	0.0
of which energy level A	%	0.5	0.5	0.5	0.5	-	0.0
of which energy level B	%	8.0	7.6	7.0	7.4	-	0.2
of which energy level C	%	17.6	19.8	19.2	20.1	-	2.1
of which energy level D	%	22.5	24.3	25.4	25.5	-	22.9

Key Figures	Unit	2017	2018 ¹⁾	2019	2019 by region		
					Germany	Austria ²⁾	Sweden
of which energy level E	%	18.5	18.8	20.2	19.4	-	34.2
of which energy level F	%	13.5	12.2	15.4	15.0	-	21.3
of which energy level G	%	7.1	5.8	5.9	5.9	-	5.4
of which energy level H	%	5.1	4.0	3.8	4.0	-	0.8
of which not disclosed	%	7.2	6.9	2.7	2.1	-	13.1

¹⁾ Excluding the BUWOG Germany portfolio, which was acquired in 2018.
²⁾ It was not possible to evaluate energy certificates for the Austria region in the 2019 Sustainability Report.
³⁾ Portfolio including buildings listed as historical landmarks, excluding buildings that serve only as car parks.
⁴⁾ Figures for 2017 show the share by building, whereas subsequent years show the share by rentable area.

Energy Efficiency Standards in the Portfolio – 26.8% in Efficiency Class C or Better*

Portfolio share in %
 Energy efficiency classes in kWh/(m²a)



* Year-on-year comparison only of limited informational value in 2019 due to acquisitions and new allocation of previously unreported efficiency classes, no like-for-like comparison.

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria ¹⁾	Sweden ¹⁾

Fresh Water Consumption in the Portfolio 303-3, 303-4, 306-1, CRE2

Total water consumption	million m ³	42.9	43.8	45.2	45.2	-	-
Water intensity	m ³ /m ²	1.93	2.04	1.98	1.98	-	-

¹⁾ No data has been collected for the Austria and Sweden regions for the 2019 fiscal year.

Key Figures	Unit	2017 ²⁾	2018 ²⁾	2019	2019 by region		
					Germany	Austria ³⁾	Sweden ³⁾

Waste Volume Portfolio¹⁾ 306-2

Total waste volume	t	448,563	479,795	485,828	485,828	-	-
Residual waste	t	154,668	170,991	179,874	179,874	-	-
Waste paper	t	167,643	173,826	168,621	168,621	-	-
Recycling	t	33,647	36,695	38,079	38,079	-	-
Organic waste	t	92,606	98,284	99,254	99,254	-	-
Recycling ratio	%	66.0	65.5	65.0	65.0	-	-

¹⁾ The calculation is based on the waste costs from Vonovia Germany's ancillary expense bills.
²⁾ Restatement compared with 2018 Sustainability Report due to changes in the basis of calculation (see footnote 1).
³⁾ No data has been collected for the Austria and Sweden regions for the 2019 fiscal year.

Development and New Construction

Completions

Key Figures	Unit	Completions in 2019	Completions in 2019		
		Total	Germany ¹⁾	Austria	Sweden ²⁾
General Key Figures					
Rented units	Number	2,092	1,220	842	30
Rentable area	m ²	155,272	95,757	57,590	1,925
of which primary energy efficiency rating A+	%	47.4	21.4	92.3	-
of which primary energy efficiency rating A	%	37.8	56.7	7.7	-
of which unable to influence primary energy efficiency rating ³⁾	%	13.5	22.0	0.0	-
Proportion with building certification⁴⁾	%	21.5	14.7	33.7	-

¹⁾ Includes the development projects of BUWOG Baurträger GmbH that were completed in 2019 and the new construction projects of Vonovia Technischer Service GmbH (both "to hold" and "to sell").

²⁾ Data not collected in full as part of the 2019 Sustainability Report.

³⁾ Cannot be influenced by residential construction alone, as these relate to vertical expansion measures in the existing portfolio.

⁴⁾ The following building certifications were included: DGNB, TQB/ÖGNB.

Project Pipeline

Key Figures	Unit	Project pipeline	Project pipeline by region		
		Total	Germany ¹⁾	Austria	Sweden ²⁾
General Key Figures³⁾					
Rented units	Number	4,899	2,961	1,788	-
Rentable area	m ²	368,545	217,827	142,750	-
of which residential area	%	93.3	98.8	84.6	-
of which commercial area	%	6.7	1.2	15.4	-
of which scheduled for completion in 2020	%	29.0	31.4	26.9	-
of which scheduled for completion in 2021	%	32.3	25.1	45.0	-
of which scheduled for completion in 2022	%	30.4	29.3	28.1	-
of which scheduled for completion after 2022	%	8.4	14.2	0.0	-
Total site area	m ²	270,306	218,575	46,088	-
of which green spaces	%	23.0	21.4	26.4	-
Installed output of photovoltaic systems	kWp	481	397	84	-

Heat Supply

Heat sustainability known for rented units	Number	4,899	2,961	1,788	-
Corresponding rentable area	m ²	368,545	217,827	142,750	-
of which renewable energy sources ⁴⁾	%	26.3	21.8	34.6	-
of which district heating ⁵⁾	%	57.2	60.1	50.3	-
of which fossil energy sources ⁶⁾	%	16.5	18.1	15.0	-
Primary energy efficiency rating known for rented units	Number	3,972	2,184	1,788	-
Corresponding rentable area	m ²	301,195	158,445	142,750	-
of which A+	%	46.1	48.8	43.1	-
of which A	%	19.0	36.1	0.0	-
of which B	%	34.9	15.2	56.9	-

Key Figures	Unit	Project pipeline		Project pipeline by region		
		Total	Germany ¹⁾	Austria	Sweden ²⁾	

Mobility

Proportion of projects featuring charging stations ⁷⁾	%	37.8	33.3	44.4	-
Proportion of projects featuring empty cable conduits for charging stations	%	32.4	37.0	22.2	-
Number of bicycle parking spaces per rented unit	Avg.	1.5	1.5	1.4	-
Number of vehicle parking spaces per rented unit	Avg.	0.7	0.7	0.5	-
Minutes to reach the nearest public transport connection on foot	Avg.	3.9	4.1	3.7	-

¹⁾ Includes the development projects of BUWOG Bauträger GmbH and the new construction projects of Vonovia Technischer Service GmbH (both "to hold" and "to sell").

²⁾ Data not collected as part of the 2019 Sustainability Report.

³⁾ Project requirements: planning permission had been granted by October 31, 2019, but construction will not be completed until after December 31, 2019. No data collected on VTS Regional Neubau (three projects). Relative key figures relate to rentable area unless otherwise stated.

⁴⁾ Supplied at least in part by renewable energy sources: biogas, biomass and heat pump.

⁵⁾ Shown separately, as both renewable and fossil energy sources can be used in district heating.

⁶⁾ Fossil energy sources: natural gas and oil.

⁷⁾ Charging stations can be publicly accessible or assigned to a private parking space.

Environmental Key Figures on Business Operations

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden

Energy Consumption in Business Operations¹⁾

302-1, 302-3

Total energy consumption (electricity and heating)	MWh	7,768	10,017	9,351	7,713	1,638	-
Total electricity consumption	MWh	3,390	3,313	3,447	2,907	541	-
Share of renewable energy sources²⁾	%	45	42	60	53	100	-
Total heating consumption	MWh	4,377	6,703	5,904	4,806	1,098	-
of which natural gas	MWh	3,171	3,410	1,434	1,303	131	-
of which district heating	MWh	1,206	3,293	4,470	3,503	967	-
Energy intensity	MWh/m ²	0.26	0.15	0.16	0.15	0.27	-

Water Consumption in Business Operations¹⁾

303-3, 303-4, 306-1, CRE2

Total water consumption	m ³	15,698	19,285	37,386	24,107	13,279	-
Water intensity	m ³ /m ²	0.52	0.33	0.66	0.48	2.22	-

¹⁾ Only includes locations with more than 500 m² of office space; this does not apply to any location in the Sweden region. Comparability restricted in some cases due to data availability; the location on Berlin-Rankestrasse has been included in the data since 2019.

²⁾ The share of renewable energy sources relates primarily to individual energy suppliers' disclosures at each location (market-based approach). In rare cases there was no information from the suppliers and we had to apply the German electricity mix in accordance with BDEW (location-based approach).

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria ¹⁾	Sweden ¹⁾
Mobile Combustion in Business Operations²⁾							302-1
Fuel consumption²⁾	MWh	67,241	69,164	76,190	75,792	399	-
of which diesel	MWh	65,127	66,584	71,792	71,632	160	-
of which gasoline	MWh	2,114	2,580	4,373	4,134	239	-
Other ³⁾	MWh			25	25	0	-
Average number of vehicles	Number	4,244	4,809	5,265	5,233	32	-
Average fuel consumption	Liters/ vehicle/ month	132	120	121	121	112	-
Distance traveled	million km		83.64	93	92.25	0.49	-
Average fuel consumption	Liters/ 100 km		8.3	8.2	8.2	8.7	-

¹⁾ No data collected for Victoria Park in the 2019 Sustainability Report.

²⁾ Only includes the fuel consumption of the vehicle fleet.

³⁾ "Other" includes natural gas, LPG, electricity.

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria ¹⁾	Sweden ¹⁾
Energy Generation and Sale							
Energy generation							
Total energy generation (heat & electricity) ²⁾	MWh	4,180	15,088	16,244	16,008	185	51
Share of renewable energy³⁾	%	-	35.3	34.8	33.8	100.0	100.0
Total electricity generated	MWh	4,180	10,848	12,005	11,769	185	51
of which generated by cogeneration units ⁴⁾	MWh	494	5,520	6,353	6,353	-	-
of which generated by photovoltaic plants ⁵⁾	MWh	3,686	5,328	5,652	5,416	185	51
Heat generated by cogeneration units ⁴⁾	MWh	-	4,240	4,240	4,240	-	-
Energy sold							
Total energy sold ⁶⁾	MWh	4,234	23,843	58,096	58,096	-	-
Share of electricity from renewable energy sources⁷⁾	%	88.3	52.3	57.8	57.8	-	-
Total gas sold ⁸⁾	MWh	-	329,798	864,959	864,959	-	-

¹⁾ Only some data collected for the Austria and Sweden regions as part of the 2019 Sustainability Report.

²⁾ Sum of total electricity generated and heat generated by cogeneration units.

³⁾ Only electricity generated by PV systems.

⁴⁾ 2017: Generated by company-owned mini CHP units. From 2018 onwards: only contract plants belonging to third parties operated on behalf of Vonovia taken into consideration.

⁵⁾ From 2019 onwards, including generation values for the Austria and Sweden regions.

⁶⁾ 2017: Electricity generated and sold. From 2018 onwards: electricity traded by VESG.

⁷⁾ Electricity sold to rentable areas (for which the proof of origin states that it is 100% green electricity) and electricity for the portfolio's communal areas in accordance with the German electricity mix according to BDEW (procured on the electricity exchange).

⁸⁾ Gas sold to tenants by VESG.

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden
Photovoltaic Plants ¹⁾							
Portfolio	Number	207	211	295	289	3	3
Installed output	MWp	5.5	5.9	10.2	9.9	0.2	0.1
Energy generated ²⁾	MWh	3,686	5,495	5,652	5,416	185	51

¹⁾ Photovoltaic systems owned by Vonovia as of the reporting date of Dec. 31.

²⁾ Includes energy generated following consolidation of BUWOG (Apr. 1, 2018) and Victoria Park (Jul. 1, 2018)

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden ¹⁾
Waste Volume in Business Operations 306-2							

Waste volume in business operations ²⁾							
Total volume of commercial municipal waste ³⁾	t	74	262	459	211	248	-
of which recycled commercial municipal waste	%	38.0	40.2	45.5	31.1	57.7	-
of which residual commercial municipal waste	%	62.0	59.8	54.5	68.9	42.3	-
Other waste ⁴⁾	t	-	63	0	0	0	-

¹⁾ No data collected, as no location has more than 500 m² of office space.

²⁾ Comparability of the waste volume for the years from 2017 to 2019 is limited because the number of sites included has increased. Only locations with over 500 m² of office space are included.

³⁾ Increased waste volume in the Austria region due to preparatory measures for relocation to new corporate headquarters.

⁴⁾ Other waste includes bulk waste, wood, iron and steel.

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden ¹⁾
Business Travel and Transport							
By rail	Pkm ²⁾	2,958,119	3,205,295	4,172,939	4,123,797	49,142	-
By plane	km	2,130,323	2,597,449	4,121,864	3,265,984	855,880	-
Number of flights	Number	3,670	4,664	7,052	5,838	1,214	-
By private vehicle	km	-	2,784,873	3,140,675	2,946,357	194,318	-

¹⁾ No data collected for the Sweden region in the 2019 Sustainability Report.

²⁾ Person kilometers (pkm) are the measurement unit for transport performance which uses kilometers traveled on public transport multiplied by the number of travelers.

Carbon Emissions

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden
Total CO₂e Emissions in Portfolio ⁴⁾					305-1, 305-2, 305-3, 305-4, CRE3		
Total CO₂e emissions in portfolio	t CO ₂ e	1,125,712	1,049,766	1,147,013	1,078,239	52,041	16,733
Total CO ₂ e emissions in rented units	t CO ₂ e	1,098,531	1,021,244	1,123,708	1,058,017	50,567	15,124
Total CO ₂ e emissions in communal areas	t CO ₂ e	27,181	28,522	23,305	20,221	1,474	1,610
CO₂e intensity per rentable area	t CO ₂ e/m ²	0.051	0.049	0.044	0.047	0.029	0.013
CO ₂ e intensity per rented unit	t CO ₂ e/r.u.	3.230	3.106	2.867	2.998	2.259	0.964
CO₂ reductions by heating program ²⁾	t CO ₂	7,400	6,958	3,055	3,055	-	-
CO₂ reductions by modernization	t CO ₂	22,358	20,348	12,675	12,675	-	-
Scope 1 (direct carbon emissions)							
Combustion processes at stationary plants	t CO ₂ e	602,993	522,421	561,031	547,225	13,288	518
Heating from natural gas (r.u.)	t CO ₂ e	514,451	449,860	489,212	479,132	10,080	0
Heating from heating oil (r.u.)	t CO ₂ e	63,494	50,580	55,739	52,012	3,209	518
Heating from coal (r.u.) ³⁾	t CO ₂ e	25,049	21,980	16,081	16,081	0	0
Scope 2 (indirect carbon emissions)							
Location-based	t CO ₂ e	428,840	406,913	453,033	408,257	28,668	16,108
Electricity (communal areas)	t CO ₂ e	27,181	28,522	23,305	20,221	1,474	1,610
Heating from electricity (r.u.)	t CO ₂ e	49,941	34,668	37,014	30,468	6,330	216
Heating from district heating (r.u.)	t CO ₂ e	351,718	343,723	392,713	357,568	20,864	14,282
Other indirect carbon emissions (Scope 3)							
Commodities leased downstream ⁴⁾	t CO ₂ e		34,930	36,068	30,900	5,168	0
Natural gas (r.u.)	t CO ₂ e		21,676	21,081	19,794	1,287	0
Heating oil (r.u.)	t CO ₂ e		3,647	3,423	3,013	410	0
Coal (r.u.) ³⁾	t CO ₂ e		486	353	353	0	0
Heating from electricity (r.u.)	t CO ₂ e		2,458	2,438	1,630	808	0
Heating from district heating (r.u.)	t CO ₂ e		6,663	8,774	6,110	2,664	0
Fuel and energy-related emissions (not Scope 1 and 2) ⁵⁾	t CO ₂ e	93,879	85,502	96,881	91,857	4,916	108
Upstream, natural gas (r.u.)	t CO ₂ e	84,668	77,605	86,148	82,113	4,035	0
Upstream, heating oil (r.u.)	t CO ₂ e	8,506	7,265	8,361	7,372	881	108
Upstream, coal (r.u.) ³⁾	t CO ₂ e	705	632	2,372	2,372	0	0

Greenhouse gases included in the calculation: CO₂ equivalents (greenhouse gases regulated by the Kyoto Protocol: CO₂, CH₄, N₂O, SF₆, HFCs).

Sources of emission factors: GEMIS 4.95, Defra, German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Austrian Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, Covenant of Mayors for Climate and Energy, and Swedenergy (a Swedish charitable organization).

¹⁾ Austria and Sweden (Victoria Park) included for the first time as of 2019.

²⁾ The drop in the CO₂ reductions achieved by the heating program in 2019 is due to a lower number of refurbishment measures and, as a result, a drop in the associated CO₂ reductions.

³⁾ The change in carbon emissions (absolute and like-for-like) for coal is due to the use of a different emissions factor for 2019.

⁴⁾ Condominium buildings (ownership rate ≤ 50%), calculated separately for the first time in 2018.

⁵⁾ Contains the fuel and energy-related emissions of the entire portfolio (i.e., including the share of condominiums).

Key Figures	Unit	2017	2018	2019	2019 by region		
					Germany	Austria	Sweden ¹⁾
Total CO₂e Emissions in Business Operations¹⁾					305-1, 305-2, 305-3		
Total CO ₂ e emissions in business operations	t CO ₂ e	27,563	29,342	31,462	30,651	811	-
CO ₂ e emissions per square meter ²⁾	t CO ₂ e/m ²	0.10	0.06	0.06	0.05	0.07	-
Scope 1 (direct carbon emissions)							
Combustion processes at stationary plants	t CO ₂ e	638	852	588	326	262	-
Natural gas	t CO ₂ e	638	852	352	326	26	-
Heating oil	t CO ₂ e	-	-	262	0	262	-
Combustion processes at mobile plants	t CO ₂ e	20,512	21,084	23,169	23,056	113	-
Diesel	t CO ₂ e	19,942	20,388	21,983	21,934	49	-
Gasoline	t CO ₂ e	570	696	1,179	1,115	64	-
Natural gas	t CO ₂ e	-	-	8	8	0	-
Scope 2 (indirect carbon emissions)							
Location-based	t CO ₂ e	2,284	2,864	2,502	2,363	140	-
Electricity	t CO ₂ e	1,914	2,005	1,589	1,450	140	-
District heating	t CO ₂ e	370	860	913	913	0	-
Market-based		1,278	1,224	894	894	0	-
Electricity ³⁾	t CO ₂ e	1,278	1,224	894	894	0	-
District heating ⁴⁾	t CO ₂ e	-	-	-	-	-	-
Other indirect carbon emissions (Scope 3)							
Business travel and transport	t CO ₂ e	330	711	999	799	200	-
By rail	t CO ₂ e	19	16	20	20	1	-
By plane	t CO ₂ e	311	318	556	380	175	-
By private vehicle ⁵⁾	t CO ₂ e	-	377	422	399	24	-
Fuel and energy-related emissions (not Scope 1 and 2)	t CO ₂ e	3,799	3,831	4,204	4,108	96	-
From stationary combustion upstream (natural gas)	t CO ₂ e	214	140	63	54	9	-
From mobile combustion upstream (diesel)	t CO ₂ e	3,457	3,534	3,866	3,802	64	-
From mobile combustion upstream (gasoline)	t CO ₂ e	128	157	259	251	8	-
From mobile combustion upstream (natural gas)	t CO ₂ e	-	-	16	1	14	-

Greenhouse gases included in the calculation: CO₂ equivalents (greenhouse gases regulated by the Kyoto Protocol: CO₂, CH₄, N₂O, SF₆, HFCs).

Sources of emission factors: GEMIS 4.95, German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Deutsche Bahn, BCD Travel GHG Protocol, Austrian Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology

¹⁾ As with other business processes, only office space covering a usable area of more than 500 m² is taken into account. None of the office premises in the Sweden region meet this criterion.

²⁾ Only stationary source emissions taken into account.

³⁾ For locations in the Austria region: 100% green electricity.

⁴⁾ Due to missing supplier disclosures/certificates, we are not able to disclose Scope 2 emissions for district heating in accordance with the market-based method.

⁵⁾ Data on business trips made using employees' own vehicles, for which employees received remuneration, was collected for the first time in 2018.

Social

Employee Key Figures

The employee key figures from 2018 were adjusted and supplemented to include Austria and Sweden in order to make them comparable with the figures for Vonovia SE from 2019. While there are currently no comparable

figures available for Sweden for a large number of employee key figures, the database is being expanded on an ongoing basis. As the functional units in Austria and Sweden are not divided up in the same way, differentiated data is only provided for Germany.

Key Figures	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region			
				Germany	Austria	Sweden	
Total Number of Employees by Employment Contract and Gender							102-8
Total headcount^{1), 2), 3)}	8,448	9,923	10,059	9,531²⁾	349³⁾	179	
of which female	1,838	2,386	2,401	2,132	221	48	
of which female	21.8%	24.0%	23.9%				
Full-time equivalents	8,123.3	9,517.3	9,688.1	9,192.9 ²⁾	317.3 ³⁾	177.9	
of which female	1,666.6	2,150.2	2,188.5	1,946.6	195.5	46.4	
of which female	21.0%	22.6%	22.6%				
Employees with temporary contracts ^{3), 4)}	576	1,060	651	611	6	34	
of which female	236	376	215	206	6	3	
Employees with permanent contracts⁵⁾	7,347	8,863	9,028	8,540	343	145	
of which female	1,381	2,008	2,034	1,774	215	45	
of which female	87.0%	89.3%	89.8% ⁵⁾				
Temporary workers	73	62	58	38	0	20	
of which female	38	26	21	16	0	5	

¹⁾ Total headcount excluding Hembla/Bokreta in this case. The total number including them is 10,345.

²⁾ Germany: Total number of employees according to the German Commercial Code (HGB) (excluding trainees, external staff, members of executive bodies, miscellaneous employees, employees on parental leave, employees with pre-retirement part-time work arrangements).

³⁾ Austria: All employees, excluding pre-retirement part-time work arrangements, parental/educational leave, Management Board, but including management.

⁴⁾ Fixed-term contracts, excluding interns, trainees, students, temporary staff, marginal employees, pre-retirement part-time workers, members of executive bodies, external staff, those on a leave of absence, part-time employees on parental leave.

⁵⁾ If all employee groups were taken into account, the number would match the information in the Annual Report and would equate to a total rate of 91%.

Key Figures	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region			
				Germany	Austria	Sweden	
Total Number of Permanent Employees by Type of Employment and Gender							102-8, PE7
Full-time employees¹⁾	7,592	8,925	9,121	8,688	263¹⁾	170	
of which female	1,331	1,755	1,792	1,601	149	42	
Part-time employees^{1), 2)}	856	998	938	843	86³⁾	9	
of which female	507	629	609	531	72	6	
Marginal employees²⁾	181	173	158	155	3	0	
of which female	48	54	51	49	2	0	
Proportion of part-time employees³⁾	10.1%	10.1%	9.3%	8.8%	24.6%	5.0%	
of which proportion of women	59.2%	63.0%	64.9%	63.0%	83.7%	66.7%	
of which proportion of men	40.8%	37.0%	35.1%	37.0%	16.3%	33.3%	

¹⁾ Austria: All employees, excluding pre-retirement part-time work arrangements, parental/educational leave, Management Board, but including management.

²⁾ The marginally employed are included in the number of part-time employees.

³⁾ Number of part-time employees/total number of employees.

Key Figures Dec. 31, 2017 Dec. 31, 2018 Dec. 31, 2019 Germany

Traineeships PE8, PE9

	Dec. 31, 2017		Dec. 31, 2018		Dec. 31, 2019		Germany
Total number of trainees ¹⁾	462		485		473		473
of which female	122	26.4%	114	23.5%	100	21.1%	100
Commercial trainees	144	31.2%	152	31.3%	143	30.2%	143
of which female	93	64.6%	88	57.9%	79	55.2%	79
Technical trade trainees	318	68.8%	333	68.7%	328	69.3%	328
of which female	29	9.1%	26	7.8%	21	6.4%	21
Trainees in part-time training			3		2		2
Proportion of total workforce	5.5%		4.9%		4.7%		5.0%
Proportion taken on ²⁾		72.7%		81.1%		68.8%	

¹⁾ In Austria and Sweden, there is currently no traineeship program, although Austria is in the process of introducing one.

²⁾ Number of trainees taken on/all trainees who had completed their training by Dec. 31, 2019 x 100%.

2019 by region

Key Figures Dec. 31, 2017 Dec. 31, 2018 Dec. 31, 2019 Germany Austria Sweden

Personnel Turnover 401-1, PE12

	Dec. 31, 2017		Dec. 31, 2018		Dec. 31, 2019		Germany	Austria	Sweden
Newly hired employees ¹⁾	2,957	35.0%	2,125	21.8%	2,364	23.5%	2,254	75	35
Employees leaving the company ^{1), 2), 3)}	988	11.7%	1,515	15.6%	1,793	17.8%	1,684	74	35
Turnover rate ⁴⁾	11.7%		15.3%		17.8%		17.7%	21.2%	19.6%
Technical service		12.9%		15.4%			17.7%		
Real estate service		3.5%		7.9%			8.1%		
Customer service		16.3%		16.9%			22.3%		
Holding company		6.3%		6.7%			11.9%		
Residential environment		17.1%		21.1%			25.6%		
Immobilien Treuhand		22.9%		28.9%			24.2%		

¹⁾ Employees joining and leaving the company: figures in accordance with the German Commercial Code (excluding trainees, external staff, bodies and miscellaneous employees).

²⁾ Employees leaving the company include voluntary resignations, dismissals, retirement and deaths but exclude traineeships that have come to an end and integration process-related dismissals.

³⁾ Change in calculation method compared with 2018: expiration of temporary contracts included for the first time, resulting in a significantly higher number of employees leaving the company.

⁴⁾ Employees leaving the company/headcount (adjusted to reflect integration process-related dismissals) as of Dec. 31, 2019 x 100%.

Key Figures	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region		
				Germany	Austria	Sweden

Employees on Parental Leave 401-3

Employees entitled to parental leave ¹⁾	100.0%		100.0%		100.0%				
Total number of employees on parental leave ^{2), 3)}	219		171		272		243	29	0
of which female	130	59.4%	58	33.9%	108	39.7%	88	20	0
of which male	89	40.6%	113	66.1%	164	60.3%	155	9	0
Employees returning to their workplace after parental leave ⁴⁾	120		196		253		236	17	0
of which female	51		60		95		84	11	
Employees returning to their workplace after parental leave and still employed 12 months after their return ⁵⁾	103		94		163		159	4	0
of which female	47		37		52		49	3	0

¹⁾ There is a legal entitlement for all employees in Germany, Austria and Sweden (excluding interns).
²⁾ Key figures from 2018 (Germany only) not adjusted, meaning that 2019 is not comparable with previous years.
³⁾ All employees who took parental leave in 2019 (Austria: excluding educational leave and family end-of-life care leave).
⁴⁾ All employees that returned from parental leave in 2019.
⁵⁾ All employees that returned from parental leave in 2018 and were still with the company as of Dec. 31, 2019.

Key Figures	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region		
				Germany	Austria	Sweden ¹⁾
Further Training				404-1, PE10		
Number of participants in further training ^{1), 2), 3)}	1,487	2,176	3,069	2,826	243	-
Further training rate⁴⁾	17.6%	24.5%	30.5%	29.7%	69.6%	-
Cost of further training (in € million)	2.4	3.8	4.0	3.9	0.2	-
Total further training days	4,888	6,257	8,248	7,454	794	-
Further training intensity⁵⁾	0.60	0.73	0.85	0.81	2.50	-
Total hours of further training ⁶⁾	39,100	50,454	65,976	59,628	6,348	-
of which for female employees			26,631 40.4%	22,783	3,848	-
of which for male employees			39,345 59.6%	36,845	2,500	-
Average hours of further training per employee ⁷⁾	4.8	5.9	6.8	6.5	20.0	-
Average hours of further training per female employee			12.2	11.7	19.7	
Average hours of further training per male employee			5.2	5.1	20.5	

¹⁾ Statistics not yet available for Sweden.

²⁾ Including works council.

³⁾ Key figures from 2018 (Germany only) not adjusted, meaning that 2019 is not comparable with previous years.

⁴⁾ Number of participants in further training/total employees (headcount); if employees participated in several different courses, they are counted only once.

⁵⁾ Total number of working days used for processes related to professional further training by all employees during the reporting period/total for all employees (FTE).

⁶⁾ Assumption: 8 hours per training day.

⁷⁾ Total hours of further training/total for all employees (FTE).

Key Figures	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	2019 by region		
				Germany	Austria	Sweden ¹⁾
Performance Appraisal				404-3		
Employees who have had an appraisal interview/performance appraisal ^{2), 3)}	2,700	2,682	3,379	3,166	213	-
of which female ⁴⁾	55.4%	42.2%	41.8%			
of which male ⁴⁾	44.6%	57.8%	58.2%			

¹⁾ Statistics not yet available for Sweden.

²⁾ Key figures from 2018 (Germany only) not adjusted, meaning that 2019 is not comparable with previous years.

³⁾ Key figures excluding technical service employees.

⁴⁾ Austria: As statistics are not currently available on the gender split, a 50/50 split has been assumed for Austria.

Key Figures	2019 by region					
	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Germany	Austria	Sweden
Employees by Category, Gender and Age Group						
	102-7, 102-8, 405-1, PE1, PE2, PE3					
Total headcount	8,448	9,923	10,059	9,531	349	179
of which female	1,838	2,386	2,401	2,132	221	48
of which under 20 years of age	9	15	6	6	0	0
of which 20–29 years of age	1,507	1,684	1,632	1,557	54	21
of which 30–39 years of age	2,226	2,670	2,735	2,545	120	70
of which 40–49 years of age	2,098	2,447	2,496	2,349	113	34
of which 50–59 years of age	2,151	2,495	2,547	2,458	50	39
of which 60–65 years of age	386	535	574	550	11	13
of which over 65 years of age	71	77	69	66	1	2
Average age (in years)¹⁾	41.1	41.4	42.3	42.4	40.1	42.0
Breakdown for Germany						
Technical service/residential environment	5,195	5,632		5,757		
Real estate service	1,359	1,347		1,450		
Customer service	771	822		819		
Holding company/ Immobilien Treuhand/ other areas	1,123	2,122 ²⁾		1,505		

¹⁾ Average age (in years) of the total workforce on the reporting date of Dec. 31, 2019

²⁾ Integration of BUWOG and Victoria Park reflected in this employee category.

Key Figures	2019 by region					
	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Germany	Austria	Sweden
Employees With Disabilities						
	405-1, PE4					
Employees with disabilities^{1), 2)}	301	330	350	347¹⁾	3	0
of which employees in technical service/residential environment	127	135	154	154	0	0
of which employees in real estate service	95	97	111	111	0	0
of which employees in customer service	36	33	34	34	0	0
of which employees in holding company/ Immobilien Treuhand/ other areas	43	65	48	48	0	0
of which employees in Austria	-	-	3			

¹⁾ Germany: According to the social law definition of disabled status pursuant to SGB IX Section 2.

²⁾ Total number and percentage only relates to Germany and Austria, as no data can be reported for Sweden for legal reasons.

Key Figures	Dec. 31, 2019
Female Managers¹⁾	
	405-1
Proportion of women at the first level below the Management Board (in %)	20.0
Proportion of women at the second level below the Management Board (in %)	26.0

¹⁾ New indicator, reported as a total rate, as in the annual report.

Key Figures	Dec. 31, 2017		Dec. 31, 2018		Dec. 31, 2019		2019 by region					
							Germany		Austria		Sweden	
	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %

Wage/Salary Structure

405-2

Average income ^{1), 2), 3)}	Dec. 31, 2017		Dec. 31, 2018		Dec. 31, 2019		Germany		Austria		Sweden	
	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %
Male employees	34,306		36,057		36,960		36,637		55,972		36,623	
Female employees	41,504		42,687		42,903		42,998		42,445		40,792	
Ratio		121.0		118.4		116.1		117.4		75.8		111.4

¹⁾ Employees counted in accordance with the German Commercial Code (HGB) (excluding the Management Board and one management level below the Management Board, executive employees, temporary staff, marginal employees, students): basic monthly salary + allowances + holiday and vacation bonus (in line with the EPRA definition "Basic Salary").

²⁾ Austria: All employees, excluding pre-retirement part-time work arrangements and parental/educational leave, Management Board, management, heads of department.

³⁾ Conversion of Swedish salaries based on the exchange rate as of Dec. 31, 2019 (EUR 1 = SEK 10,5021).

Occupational Safety

Key Figures	Dec. 31, 2017		Dec. 31, 2018		Dec. 31, 2019		2019 by region					
							Germany		Austria		Sweden	

Occupational Health and Safety¹⁾

403-9, 403-10, PE11

Total occupational and commuting accidents		456	462	420	419	1	-
of which commuting accidents		40	52	33	32	1	-
of which workplace accidents involving employees in technical service/residential environment		378	379	344	344	0	-
of which workplace accidents involving real estate service employees		27	29	25	25	0	-
of which workplace accidents involving customer service employees		5	1	7	7	0	-
of which workplace accidents involving employees of holding company/Immobilien Treuhand/ other areas		6	1	11	11	0	-
Number of occupational and commuting accidents per 1,000 employees ²⁾		64	52	43	44	1	-
Workplace accidents per 1 million working hours		32.9	31	26	26		-
Work-related fatalities		0	0	0	0	0	-
Work-related employee deaths (in %, ODR) ³⁾		0.0	0.0	0.0			-
Time lost (in days) ^{2), 4)}		4,884	5,492	5,095	5,095	4	-
Time lost (in %) ^{2), 5)}		0.3	0.3	0.2	0.2		-
Lost-time injuries frequency rate (LTIFR) ^{2), 6)}		352	367	317	317		-
Absence (in days) ^{2), 7)}		103,173	126,780	117,227	117,227	4,273	-
Absence (in %)^{2), 8)}		5.9	6.8	5.6	5.6		-

Vonovia does not yet record the accident figures of subcontractors.

¹⁾ Sweden: no statistics are kept/consolidated at present.

²⁾ Total value = Germany only.

³⁾ Fatalities/number of working hours of all employees (ODR).

⁴⁾ Only time lost due to occupational and commuting accidents; occupational diseases cannot be evaluated as the reason for occupational diseases is not recorded in Germany.

⁵⁾ Total days lost due to work-related accidents of all employees/total required working days of all employees (FTE).

⁶⁾ LTIFR = number of days lost/total number of employee working hours x 1,000,000.

⁷⁾ Absence due to any type of incapacity for work (not limited to work-related accidents and occupational diseases). Not including approved absences such as vacation or parental leave and not including long-term illness.

⁸⁾ Total days lost due to illness of all employees/total required working days of all employees (FTE) (= absentee rate).

Social Key Figures

The set of indicators for the social key figures was collected for the first time in 2019 and relates exclusively to Germany.

Involving Local Communities		413-1
Tenant meetings and consultation processes	More than 8,000 tenants reached out to at 179 tenant meetings and consultation procedures relating to 13,200 modernized residential units	
Grants for social projects and facilities	<ul style="list-style-type: none"> > Locally through regional contributions: € 223,220 in 77 projects > Centrally via a funding program for social projects: € 185,598 in 94 projects > In Duisburg and Dresden via customer service ("Vonovia bewegt"): € 12,000 in 12 projects > Via the foundations: € 198,852 > Central cooperation projects: € 297,600 (Stifterverband, Jewish Museum in Frankfurt, Teach First Germany) <p style="text-align: center;">Total: € 917,270</p>	
Units targeted via the central funding program for social projects	131,383 units targeted with 94 projects = 37% of the total of 355,708 residential units	
Rent-free or discounted commercial premises provided to social/charitable organizations	5,911 m ² in 59 commercial units	

GRI Content Index

☒ 102-55

In the GRI Content Index we report on at least one associated indicator for every issue that has been identified as material in order to make our performance in this area transparent.

GRI standard number	Name of indicator	Page in the Report	Omissions
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Name of the organization	6	
102-2	Activities, brands, products, and services	6-7	
102-3	Location of headquarters	6	
102-4	Location of operations	6	
102-5	Ownership and legal form	6	
102-6	Markets served	6, 8	
102-7	Scale of the organization	6, 8, 129	
102-8	Information on employees and other workers	83, 98, 125, 129	
102-9	Supply chain	32, 52-53, 115	
102-10	Significant changes to the organization and its supply chain	AR 2019: 47-48	
102-11	Precautionary Principle or approach	Vonovia does not yet comply with the Precautionary Principle of the UN.	
102-12	External initiatives	28, 99	
102-13	Membership of associations	38, 45, 48-49	
Strategy			
102-14	Statement from senior decision-maker	3-4	
102-15	Key impacts, risks, and opportunities	12-13, 24-25, 71-72, 74-75 AR 2019: 125-135	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	32-33 SR 2018: 36	
Governance			
102-18	Governance structure	10-11, 28-29	
102-19	Delegating authority	10-11, 28-29	
102-20	Executive-level responsibility for economic, environmental, and social topics	10	
102-22	Composition of the highest governance body and its committees	28-29	
102-24	Nominating and selecting the highest governance body	28-29 AR 2019: 40-42	
102-25	Conflicts of interest	AR 2019: 43	

GRI standard number	Name of indicator	Page in the Report	Omissions
Stakeholder Engagement			
102-40	List of stakeholder groups	35-37	
102-41	Collective bargaining agreements	84	
102-42	Identifying and selecting stakeholders	SR 2018: 29	
102-43	Approach to stakeholder engagement	36-37	
102-44	Key topics and concerns raised	9, 36-37, 67-69, 77	
Reporting Practice			
102-45	Entities included in the consolidated financial statements	109-110	
102-46	Defining report content and topic Boundaries	14, 109-111	
102-47	List of material topics	15	
102-48	Restatements of information	14, 110-111	
102-49	Changes in reporting	14-15	
102-50	Reporting period	109	
102-51	Date of most recent report	109	
102-52	Reporting cycle	109	
102-53	Contact point for questions regarding the report	142	
102-54	Prepared in accordance with the GRI Standards: Core option	109	
102-55	GRI Content Index	135-141	
102-56	External assurance	110	
Material Topics			
GRI 201: Economic Performance 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 19-20, 23-25 AR 2019: 54-62	
103-2	The management approach and its components	16-17, 20-22, 25-26 AR 2019: 54-62	
103-3	Evaluation of the management approach	16-17, 20-22, 25-26 AR 2019: 86-89	
201-1	Direct economic value generated and distributed	AR 2019: 97	
201-2	Financial implications and other risks and opportunities due to climate change	12-13, 25	
201-3	Defined benefit plan obligations and other retirement plans	AR 2019: 112	
GRI 203: Indirect Economic Impacts 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 19-20, 23-25, 62-63, 66, 70-71	
103-2	The management approach and its components	16-17, 20-22, 25-26, 64-68, 70-72	
103-3	Evaluation of the management approach	16-17, 20-22, 25-26, 64-65, 67-68, 71-72	
203-1	Infrastructure investments and services supported	23	Excl. scope, as figures are not currently available in this form.
203-2	Significant indirect economic impacts	36-37, 52-53, 56-57, 67-68	Excl. scope, as figures are not currently available in this form.
GRI 204: Procurement Practices 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 27-33 AR 2019: 75	
103-3	Evaluation of the management approach	16-17, 28-33 AR 2019: 75	
204-1	Proportion of spending on local suppliers	52-53, 115	

GRI standard number	Name of indicator	Page in the Report	Omissions
GRI 205: Anti-corruption 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 27-33	
103-3	Evaluation of the management approach	16-17, 28-33	
205-2	Communication and training about anti-corruption policies and procedures	30-31	
205-3	Confirmed incidents of corruption and actions taken	31, 33, 114	
GRI 206: Anti-competitive Behavior 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 27-33	
103-3	Evaluation of the management approach	16-17, 28-33	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	32	
GRI 207: Tax 2019			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 27-33	
103-3	Evaluation of the management approach	16-17, 28-33	
207-1	Approach to tax	28-29	
207-2	Tax governance, control, and risk management	28-29	
207-4	Country-by-country reporting	28-29	
GRI 301: Materials 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 41-43	
103-2	The management approach and its components	43-45	
103-3	Evaluation of the management approach	43-45	
301-1	Materials used by weight or volume	59-60	
301-2	Recycled input materials used	59-60	
GRI 302: Energy 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 41-43, 46-47	
103-2	The management approach and its components	16-17, 43-45, 47-50	
103-3	Evaluation of the management approach	16-17, 43-45, 48-50	
302-1	Energy consumption within the organization	59-60, 116, 120-121	
302-3	Energy intensity	48-50, 116, 120	
302-4	Reduction of energy consumption	48-50, 59-60	
302-5	Reductions in energy requirements of products and services	48-50	
CRE1	Building energy intensity	48-50	
GRI 303: Water and Effluents 2018			
103-1	Explanation of the material topic and its Boundary	14-15, 41-43	
103-2	The management approach and its components	43-45	
103-3	Evaluation of the management approach	43-45	
303-1	Interactions with water as a shared resource	41-45	
303-2	Management of water discharge-related impacts	41-45	
303-3	Water withdrawal	118, 120	
303-4	Water discharge	118, 120	
303-5	Water consumption	118, 120	
CRE2	Building water intensity	118, 120	

GRI standard number	Name of indicator	Page in the Report	Omissions
GRI 304: Biodiversity 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 41-43, 54-55	
103-2	The management approach and its components	16-17, 43-45, 54-57	
103-3	Evaluation of the management approach	16-17, 43-45, 55-57	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	
GRI 305: Emissions 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 41-43, 46-47	
103-2	The management approach and its components	16-17, 43-45, 46-50	
103-3	Evaluation of the management approach	16-17, 43-45, 47-50	
305-1	Direct (Scope 1) GHG emissions	123-124	
305-2	Energy indirect (Scope 2) GHG emissions	123-124	
305-3	Other indirect (Scope 3) GHG emissions	123-124	
305-4	GHG emissions intensity	123	
305-5	Reduction of GHG emissions	48-50	
CRE3	GHG emissions intensity from buildings	123	
GRI 306: Effluents and Waste 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 41-43	
103-2	The management approach and its components	43-45	
103-3	Evaluation of the management approach	43-45	
306-1	Water discharge by quality and destination	118, 120	
306-2	Waste by type and disposal method	118, 122	
GRI 307: Environmental Compliance 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 28-33	
103-3	Evaluation of the management approach	16-17, 29-33	
307-1	Non-compliance with environmental laws and regulations	During the reporting year, no material violations of applicable environmental laws and regulations became known. There were no significant fines or other monetary penalties.	
GRI 308: Supplier Environmental Assessment 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 28-33	
103-3	Evaluation of the management approach	16-17, 29-33	
308-1	New suppliers that were screened using environmental criteria	52-53	No percentage available
308-2	Negative environmental impacts in the supply chain and actions taken	32-33, 52-53 During the reporting period, no significant actual and potential negative environmental impacts in the supply chain became known.	

GRI standard number	Name of indicator	Page in the Report	Omissions
GRI 401: Employment 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 82-85, 96	
103-2	The management approach and its components	16-17, 85-86, 96-97	
103-3	Evaluation of the management approach	16-17, 85-86, 96-97	
401-1	New employee hires and employee turnover	83, 126	Vonovia does not provide a break-down by age and gender.
401-3	Parental leave	96, 127	
GRI 402: Labor/Management Relations 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 82-85	
103-2	The management approach and its components	85-86	
103-3	Evaluation of the management approach	85-86	
402-1	Minimum notice periods regarding operational changes	84	
GRI 403: Occupational Health and Safety 2018			
103-1	Explanation of the material topic and its Boundary	14-15, 82-85, 91-93	
103-2	The management approach and its components	85-86, 91-95	
103-3	Evaluation of the management approach	85-86, 93-95	
403-2	Hazard identification, risk assessment, and incident investigation	91	
403-4	Worker participation, consultation, and communication on occupational health and safety	92	
403-5	Worker training on occupational health and safety	93-95	
403-6	Promotion of worker health	93-95	
403-9	Work-related injuries	130	
403-10	Work-related ill health	130	
GRI 404: Training and Education 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 82-85, 87-88	
103-2	The management approach and its components	16-17, 85-86, 87-90	
103-3	Evaluation of the management approach	16-17, 85-86, 88-90	
404-1	Average hours of training per year per employee	128	No breakdown by gender, as figures are not currently available in this form.
404-3	Percentage of employees receiving regular performance and career development reviews	88-90, 128	
GRI 405: Diversity and Equal Opportunity 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28, 82-85, 98-99	
103-2	The management approach and its components	16-17, 28-33, 85-86, 99	
103-3	Evaluation of the management approach	16-17, 29-33, 85-86, 99	
405-1	Diversity of governance bodies and employees	98, 114, 129	
405-2	Ratio of basic salary and remuneration of women to men	98, 130	

GRI standard number	Name of indicator	Page in the Report	Omissions
GRI 406: Non-discrimination 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28, 82-85, 98-99	
103-2	The management approach and its components	16-17, 28-33, 85-86, 99	
103-3	Evaluation of the management approach	16-17, 29-33, 85-86	
406-1	Incidents of discrimination and corrective actions taken	98, 114	
GRI 407: Freedom of Association and Collective Bargaining 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28, 82-85	
103-2	The management approach and its components	28-33, 85-86	
103-3	Evaluation of the management approach	28-33	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	84 The right to freedom of association and collective bargaining is granted in all locations. Vonovia minimizes the risks associated with contractors in the area of labor law through its Business Partner Code.	
GRI 413: Local Communities 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 62-63, 70-71, 73-74, 76-77	
103-2	The management approach and its components	16-17, 64-65, 70-72, 73-75, 77-80	
103-3	Evaluation of the management approach	16-17, 71-75, 77-80	
413-1	Operations with local community engagement, impact assessments, and development programs	71-72, 74-75, 78-80, 130	
GRI 414: Supplier Social Assessment 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 28-33	
103-3	Evaluation of the management approach	16-17, 29-33	
414-1	New suppliers that were screened using social criteria	32-33	
414-2	Negative social impacts in the supply chain and actions taken	32-33	
GRI 415: Public Policy 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 34	
103-2	The management approach and its components	34-35	
103-3	Evaluation of the management approach	34-35	
415-1	Political contributions	36-37	
GRI 416: Customer Health and Safety 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 41-42	
103-2	The management approach and its components	16-17, 43-44	
103-3	Evaluation of the management approach	16-17, 43-44	
416-1	Assessment of the health and safety impacts of product and service categories	115	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	

GRI standard number	Name of indicator	Page in the Report	Omissions
GRI 417: Marketing and Labeling 2016			
103-1	Explanation of the material topic and its Boundary	14-15	
103-2	The management approach and its components	-	
103-3	Evaluation of the management approach	-	
417-2	Incidents of non-compliance concerning product and service information and labeling	During the reporting year, no significant violations of regulations and voluntary codes concerning product and service information and labeling became known.	
GRI 419: Socioeconomic Compliance 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 27-28	
103-2	The management approach and its components	16-17, 28-33	
103-3	Evaluation of the management approach	16-17, 29-33	
419-1	Non-compliance with laws and regulations in the social and economic area	31	
Portfolio Maintenance (material topic - not covered by GRI) 2016			
103-1	Explanation of the material topic and its Boundary	14-15, 62-63, 73-74	
103-2	The management approach and its components	64-65, 73-75 AR 2019: 100	
103-3	Evaluation of the management approach	64-65, 74-75	

Contact

☒ 102-53

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