



Vonovia Sustainability Presentation

Société Générale – The European ESG/SRI Conference

October 6, 2021



Agenda

VONOVIA

Vonovia

Environment

Social

Governance



1

Vonovia

pages 2-10

2

Environment

pages 11-25

3

Social

pages 26-30

4

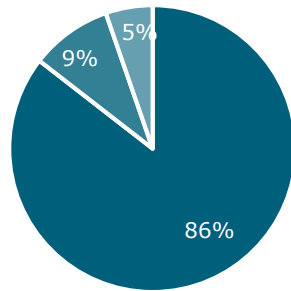
Governance

pages 31-40

Europe's Leading Residential Property Owner and Operator

We are the long-term owner and full-scale operator of Europe's largest listed multifamily housing portfolio with ca. 414k apartments for small and medium incomes in metropolitan growth areas.

Geographic split (by number of units)¹



■ Germany ■ Sweden ■ Austria

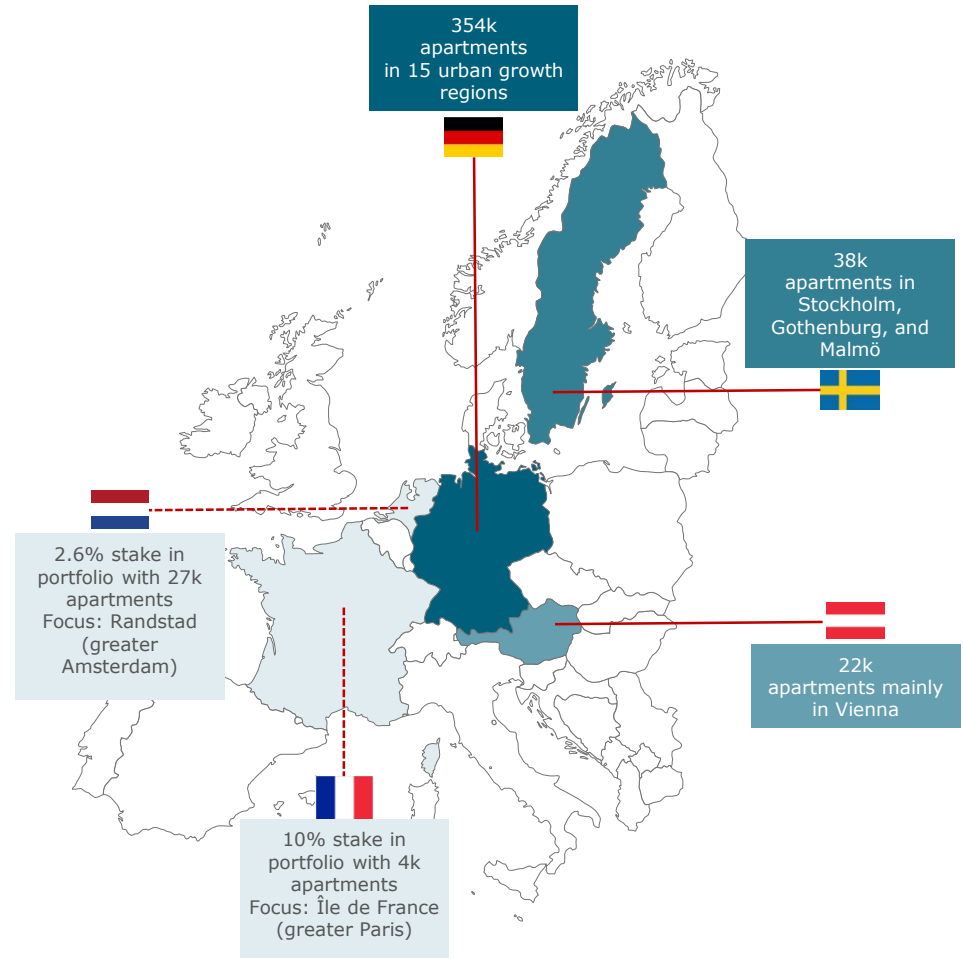
Rental

Value-add

Recurring Sales

Development

- €61bn portfolio fair market value³
- €31bn market cap³
- €5bn Total Segment Revenue²
- €2.08bn Adj. EBITDA²
- €1.49bn Adj. Earnings ("Group FFO")²
- Dividend policy: ~70% of Group FFO
- ca. 11,000 employees³



¹ The small stakes we own in the Dutch and in the French portfolios are less of a financial investment and more R&D to gain an even better understanding of the markets. ² Mid-point of FY2021 guidance. ³ As of 30 June 2021.

Megatrends



Urbanization

An increasing part of the population is moving into urban areas



Climate change & energy efficiency

Ca. 1/3 of greenhouse gas emissions are related to real estate



Demographic change

An increasing share of the population is 65+ years

Sustainability strategy focused on three dimensions...

Commitment to climate protection and CO₂ reduction



Responsibility for customers, society and employees

Reliable and transparent corporate governance built on trust

...and aiming to contribute to these key SDGs



Market Leader

We are **Europe's largest residential landlord and the long-term owner and full-scale operator** of a multifamily housing portfolio with ca. 414k apartments for small and medium incomes in metropolitan growth areas.

Uniquely Positioned

The **granularity and B-to-C nature** of our business are **unique in real estate**. Our strategy of standardization, industrialization and process optimization makes us the industry leader with **best-in-class service levels and superior cost control**.

Low Risk

Fundamental megatrends provide a positive backdrop in a **regulated environment** that safeguards **attractive risk-adjusted returns and offers downside protection**.

Growth

Organic earnings and value growth plus substantial long-term upside potential from acquisitions in selected European metropolitan areas. Low execution risk from track record of acquiring and integrating >300k apartments in eight large transactions since IPO.

Built-in ESG Focus

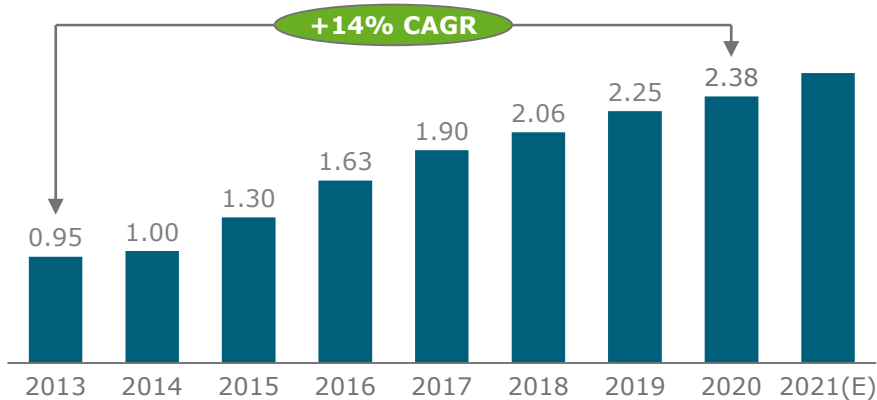
All of our actions have **more than just an economic dimension**.

- We provide a home to around 1 million people from ca. 150 nations.
- CO₂ emissions related to housing are one of the largest sources of greenhouse gas emissions.
- As a listed blue-chip company we are rightfully held to a high standard.

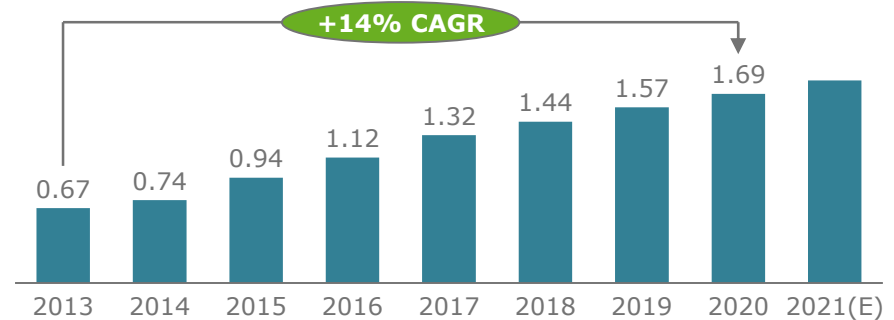
Impeccable Track Record of Consistent & Sustainable Growth

Confident to Maintain Earnings and Value Growth Going Forward

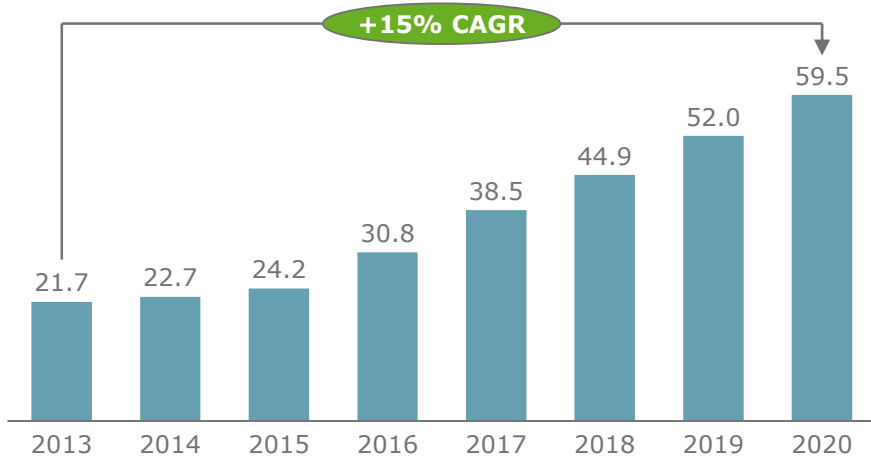
FFO (€/share)¹



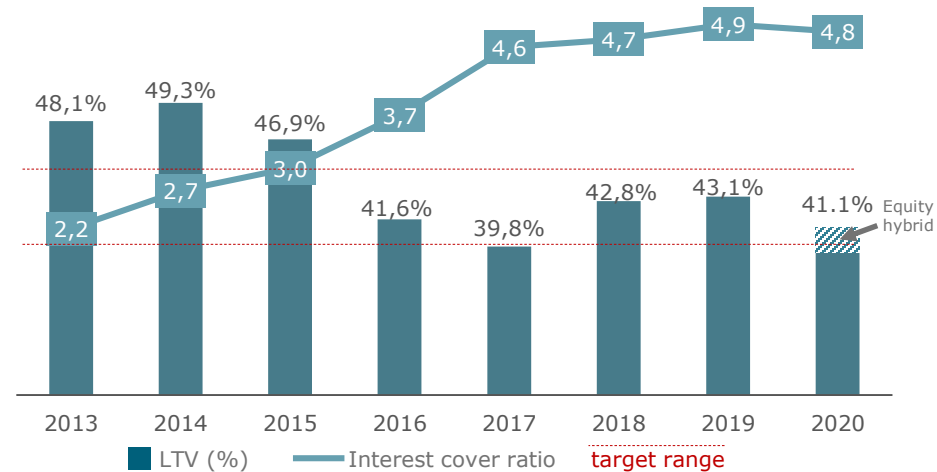
Dividend (€/share) – 70% payout ratio from FFO



Adj. NAV (€/share)



LTV and Interest Cover Ratio



¹ Based on prevailing internal management KPI, which was FFO1 from 2013-2018 and Group FFO starting in 2019.

Disciplined Capital Allocation Focused on Long-term Earnings and Value Creation



Vonovia

Environment

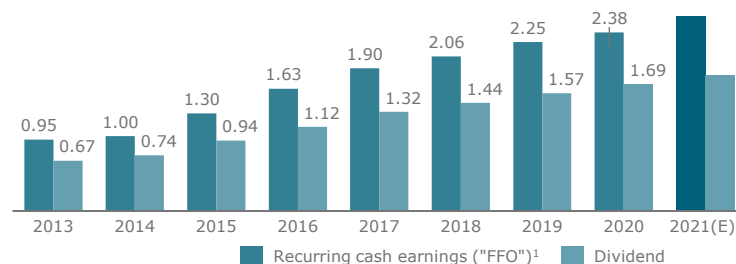
Social

Governance

Organic Core Business

Dividend policy

- 70% of recurring cash earnings (FFO) paid out as dividend
- We expect to continue to be able to deliver sustainably growing dividends
- Scrip dividend option since FY2016



Investment Program

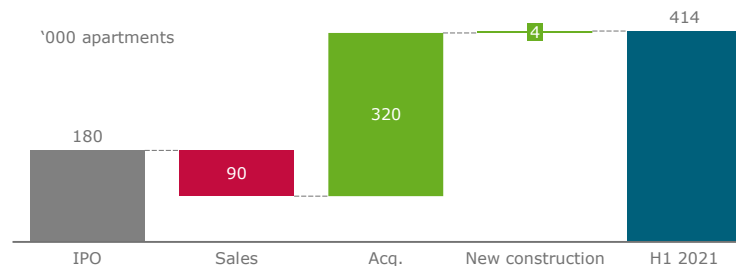
- Investments in modernization and new construction to hold to address the megatrends urbanization, climate change & energy efficiency and demographic change
- Drives organic earnings, value growth, and overall portfolio quality



Opportunistic

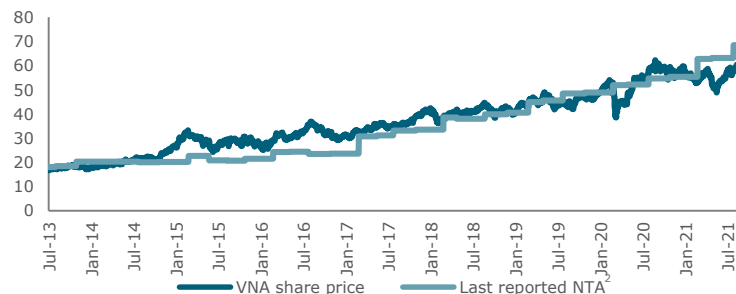
M&A

- Disciplined and opportunistic approach
- Clear set of criteria to safeguard earnings and value growth for shareholders
- Impeccable track record of execution with >300k apartments acquired and integrated since IPO













Share buy-backs

- Shareholder authorization in place (until 2023)
- General preference for allocating capital to long-term growth of the company
- Potentially an option in case shares trade at steep discount to Adj. NAV over longer time



¹ Based on prevailing internal management KPI, which was FFO1 from 2013-2018 and Group FFO starting in 2019. ² Adj. NAV until March 4, 2021. EPRA NTA after that.

Increased Guidance for 2021E

	Previous 2021 Guidance (as of 05/2021)	Current 2021 Guidance (as of 08/2021)		Mid-Term Outlook
Total Segment Revenue	~€4.9bn - ~€5.1bn	~€4.9bn - ~€5.1bn		<i>growing</i>
Rental revenue	~€2.3bn - ~€2.4bn	~€2.3bn - ~€2.4bn		<i>growing</i>
Organic rent growth (eop)	~3.8%	~3.8%		<i>stable</i>
Recurring Sales (# of units)	~2,500	~2,800		<i>stable</i>
FV step-up Recurring Sales	~30%	>35%		<i>stable</i>
Adj. EBITDA Total (€m)	1,975 - 2,025	2,055 - 2,105		<i>growing</i>
Group FFO (€m)	1,415 - 1,465	1,465 - 1,515		<i>growing</i>
Dividend (€/share)	~70% of Group FFO per share	~70% of Group FFO per share		<i>stable payout ratio; €/share growing</i>
Investments (€bn)	~€1.3bn - ~€1.6bn	~€1.3bn - ~€1.6bn		<i>at least stable</i>
SPI	~100%	~105%		<i>at least stable</i>

Note: The 2021 guidance is based on the current legislation under which the CO₂ tax is part of the recoverable expenses; equally, the 2021 guidance does not include any positive impacts expected from the Federal Funding Regulation for Energy-Efficient Buildings ("BEG").

E

ENVIRONMENTAL



S

SOCIAL



G

GOVERNANCE



- > Climate path defined for the portfolio to achieve CO₂ neutrality by 2050
- > High average modernization rate of ~3% p.a. to increase energy efficiency of our portfolio
- > 1,000 roof program for installation of photovoltaic panels started in 2019 → Expansion of the program to 30,000 roofs by 2050
- > Researching innovative ways to reduce CO₂ emissions and increase the use of renewable energy
- > New construction with high energy standards and innovative concepts

- > Deeply rooted in the middle of society with products & services that impact the lives of more than one million people
- > Approx. three quarters of Vonovia's portfolio is located in urban quarters
- > Stakeholder reconciliation above and beyond regulatory requirements
- > Ratio of senior-friendly apartment refurbishments amongst all new lettings ~30% p.a.
- > Customer satisfaction increased by 8.6% in 2020

- > 2-tier board system with strict separation of management and monitoring
- > Full compliance with the German Corporate Governance Code
- > Comprehensive organization with Board responsibility & Sustainability/Strategy department
- > Implementation of Sustainability Performance Index (SPI) as central KPI and part of management remuneration
- > ESG rating performance significantly improved



CO₂ reduction of existing buildings

~3% avg. annual modernization rate - CO₂ Intensity: <30 kg CO₂/sqm p.a. by 2030



Average primary energy need of new constructions

Annual reduction average primary energy demand – 33 (kWh/sqm p.a.) until 2024



Biodiversity

Expansion of wildflower meadows to 100,000 sqm and 260 insect habitats



Senior-friendly apartments

Ratio of senior-friendly apartment refurbishments among all new lettings - ~30% p.a



Customer satisfaction & service quality

Increase Customer Satisfaction Index (CSI) by 2%-points until 2024



Attractive employer - best in class

Increase employee satisfaction by 5%-points until 2024



Workforce Gender Diversity

Increase in the proportion of women in the top two management levels below the Management Board - 26% until 2024



1

Vonovia

pages 2-10

2

Environment

pages 11-25

3

Social

pages 26-30

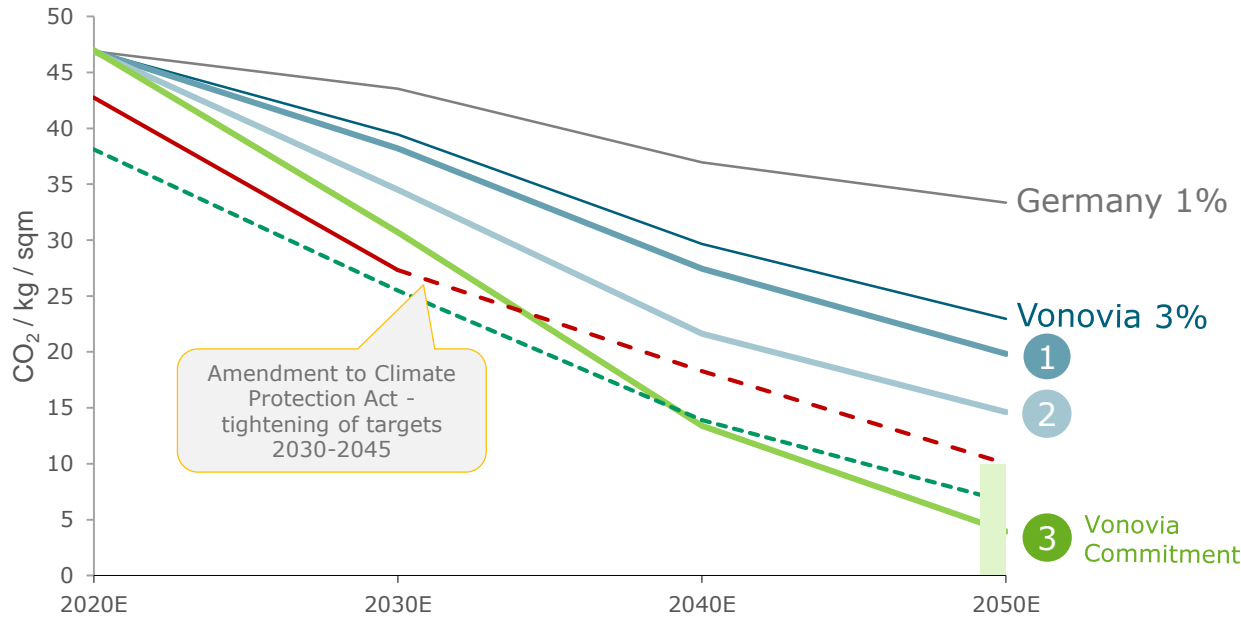
4

Governance

pages 31-40

Vonovia's Climate Path towards CO₂ Neutrality through Continued Modernization, Renewable Energy and Sector Coupling

Illustration of different climate path scenarios 2020-2050 (CO₂ intensity)



- Energy efficient modernization rate Germany (1%)
- Energy efficient modernization rate Vonovia (3%)
- -60% reduction, 3% energy efficient modernization rate
- -60% reduction, 3% energy efficient modernization rate + gas condensing & solar thermal technology
- -60% reduction, 3% energy efficient modernization rate + proprietary district heating, sector coupling / or + heat pump / or + PV
- - - Target path of German government 2030 / scenario for climate neutral housing portfolio
- - - CRREM 2-degree path 04/2020
- Target corridor

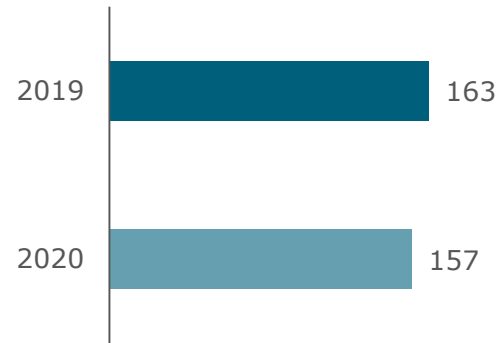
- 1 **Base case**
Increased modernization depth (ca. 60% reduction)
- 2 **Hybrid case**
Increased modernization depth (ca. 60% reduction) + gas condensing + solar thermal technology
- 3 **Climate neutral case¹**
Conversion to green district heating, sector coupling and renewable energy (heat pump / PV)

Note: This climate path refers to the German portfolio; we are in the process of developing separate climate paths for the portfolios in Austria and Sweden. Source: Fraunhofer ISE modelling of Vonovia portfolio. Reduction of energy need of 160 kWh towards 60% through the following measures: Building envelope (insulated facade, windows) to become KfW Standard 100-70; scenarios 2 and 3 include the simulation of a change of energy sources. ¹ In order to achieve the climate neutral case certain regulatory adjustments still need to be made and not all of the technological concepts have been fully developed yet.

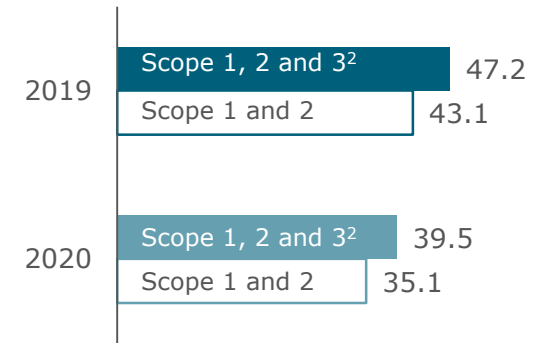
Methodology & Framework

- > GHG Protocol
- > All buildings (incl. listed buildings)
- > Sqm numbers in line with GdW and Initiative Wohnen.2050 standard based on lettable area (not total building sqm, which would be ca. 1.2x larger)
- > Consumption based on EPCs
- > GEMIS factors

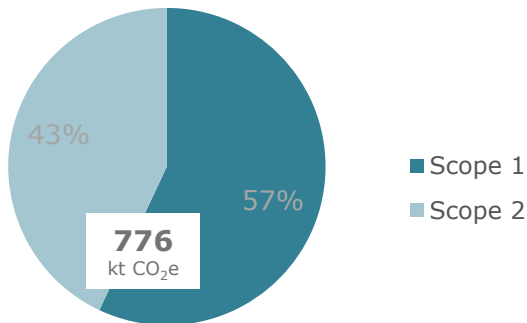
Energy consumption (kWh/sqm)¹



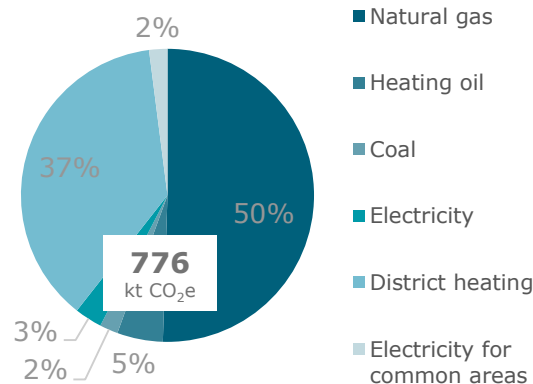
CO₂e intensity (kg CO₂/sqm)¹



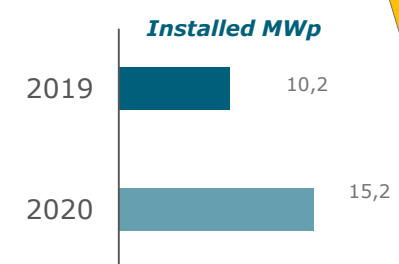
CO₂e emissions, Scope 1 and 2 (2020)¹



CO₂e Emissions by energy source (2020)¹



PV installations ("1,000 roof program")³

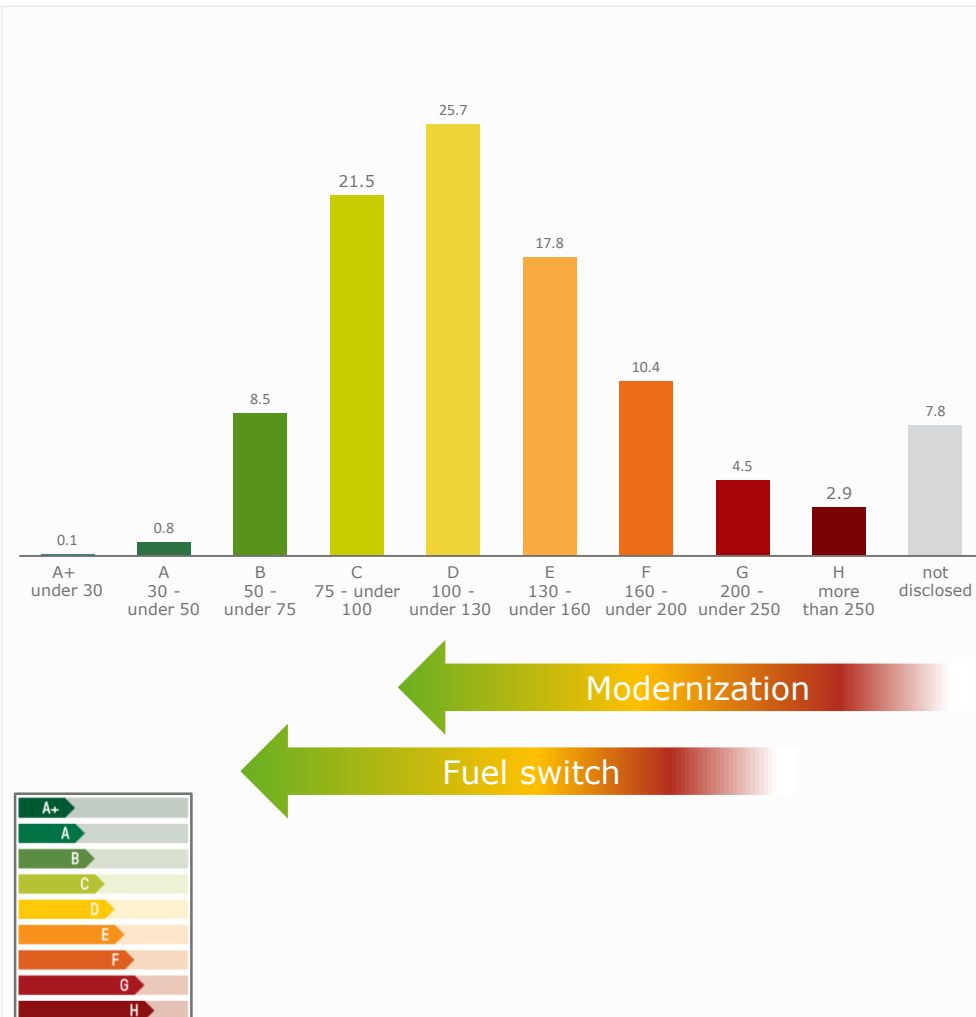


Expanded to 30,000 until 2050

Avoided annual emissions⁴ :
 2021 = 5,733 t CO₂
 By 2030 = 76,500 t CO₂

¹ German portfolio. ² energy related scope 3 emissions. ³ Incl. portfolios in Austria and Sweden. ⁴ CO₂ emissions avoided through annual installation.

Vonovia Portfolio 2020 - Energy Efficiency Class Distribution (%) (kWh/sqm/year)



Vonovia's CO₂ reduction strategy

- Energy-efficient portfolio modernization of on average ca. 3% p.a.
- Continue building modernization with even greater depth (up to 60%)
- Additional efficiency gains from fuel switch & renewable energy (generated, stored and used locally):
 - Green district heat
 - New technologies
 - Sector coupling in the neighborhood (PV & mobility)
- New construction: CO₂ optimized, use of renewable energy (energy efficiency class A and better)

Photovoltaic Potential – Annual Installation Capacity to be increased 10-fold

Today's photovoltaic potential

PV expansion: Launch of the 30,000 Roofs Program



- Annual installation capacity to be increased 10-fold
- By 2030, 17,000 roofs will be equipped with PV modules
- Annual avoidance of 76,500 t CO₂
- By 2050, 30,000 roofs equipped with PV modules

30,000 Roof Program

Today's potential will be realized by 2030



Installation capacity to be increased to 25 MWp p.a.



Customers are integrated via tenant electricity



Further potential



Further total potential on roof surfaces, facades (single-sided installation), occupation of parking areas possible in the future

Existing technologies

- Continue energy efficient building modernization with a 60% reduction rate for post-refurbishment energy need
- Replacement of oil heating systems with gas condensing boilers
- Hybrid heating (combination of condensing boilers and solar, renewable)
- Heat pumps
- Green district heat
- Sector coupling

Innovation for CO₂-neutral Heat Generation

Tomorrow's Energy Center

- Construction of a proprietary research center in Bochum Weitmar to develop renewable energy systems
- Integration of technologies such as fuel cells, electrolyzer, etc.
- The objective is to evaluate different technologies in terms of economic and ecological impact with a view to roll them out in other neighborhoods of our portfolio



Pellet Heating Project

- Pellet heating is almost climate neutral
- Particularly suitable in connection with local district heating
- Pellet costs are similar to gas costs; heating plants are more expensive
- When subsidized, pellet heating is a viable ecological and economically feasible alternative
- First concepts for potential pilots underway



Energiesprong – Serial Refurbishment

- Concept for cost-neutral modernization by combining serial refurbishment and the integration of renewable heat and electricity
- First pilot in Bochum about to be implemented
- Additional pilots planned until 2024



Hydrogen Technology

- Decentralized generation of green hydrogen via PV
- Areas of application:
 - Hydrogen storage for subsequent heat generation
 - Disposal of hydrogen
- Technology currently still too expensive; a growing market is expected to lead to substantial cost reductions, rendering H₂ economically feasible



Electricity, Heat and Mobility offer Synergies within our Quarters (sector coupling)

So far – Separate

Future – Connected within our Quarters



Mobility

E-Mobility as flexible consumer and storage



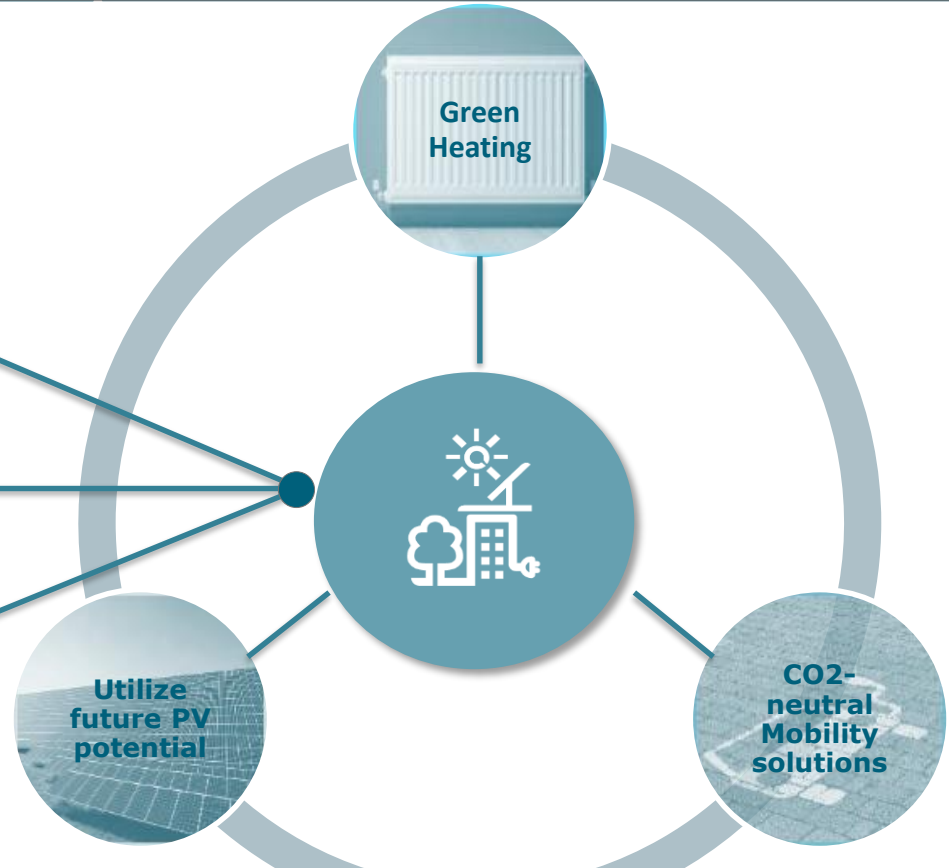
Photovoltaic energy

Decentralized electricity to reduce grid dependency



Heat

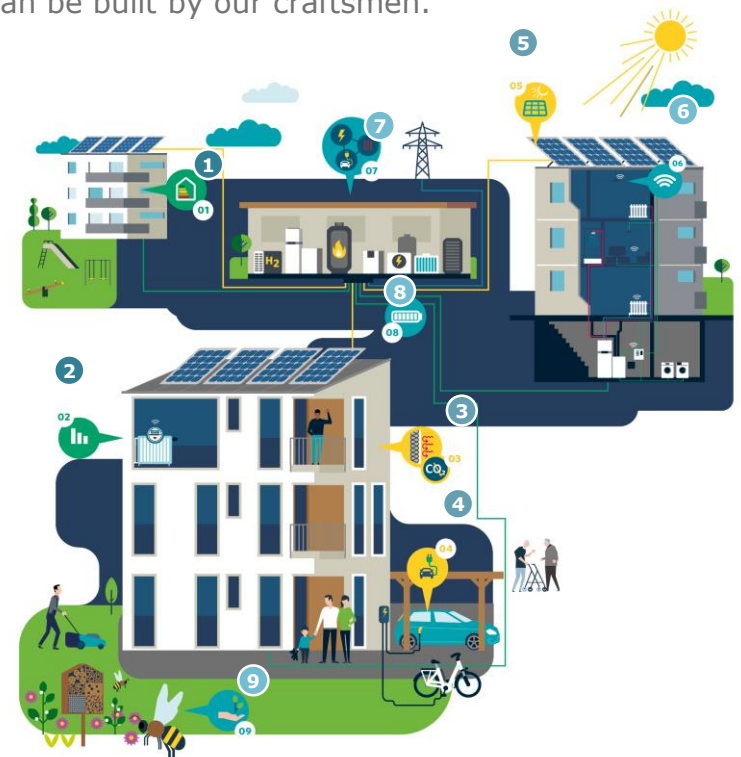
*1. Reduction through efficiency improvements
2. Generation of green heat through renewable energies*



The intelligent integration of consumers, producers and storage facilities in the quarters increases decentralized energy use and self-sufficiency.

- In Bochum-Weitmar, the EZZ was created in a very short time and with its own funds as the first energy research center for the housing stock.
- In mild winters, the entire heat demand and up to a quarter of the electricity demand is generated and consumed on site using innovative technologies (including electrolyser, fuel cell, electricity and H₂ storage).
- The goal of the research is to identify scalable, green business models and technology combinations for our neighborhoods.
- There have already been important findings in the construction phase: For example, Vonovia is building the first low-temperature grid in the EZZ with transfer stations supported by high-performance heat pumps. That makes it possible to achieve low temperatures and means existing radiators do not have to be replaced.
- The next step will now be to develop our own transfer stations, which can be built by our craftsmen.

Level	Measure
Apartment	1 Implementation of measures that do not involve any structural intervention, e.g., optimized heating system settings
	2 Digitalization of buildings and apartments, e.g., to feature smart meters
Building	3 Energy-efficient refurbishment, e.g., measures relating to the building shells and heating systems
	4 Infrastructure for e-mobility, e.g., charging stations and e-wall sockets
	5 Sustainable energy supply, e.g., photovoltaic systems for tenant electricity
Neighborhood	6 Building digitalization and networking
	7 Sector coupling (heat, electricity, mobility, etc.) in the neighborhood via digital platform
	8 Storage and distribution of energy generated in a decentralized structure enables on-site consumption
	9 Promotion of biodiversity



New Construction and Development Projects are Sustainable and CO₂-optimized (1)

Vienna (Marina Tower)



- ca. 500 condominiums
- ÖGNI NH Certificate Gold / klimaaktiv Gold Certificate
- Low-emission and low-pollution building materials
- Sustainable mobility concept

Berlin-Grünau (Pilot Houses)



- 2-5 room apartments
- Wood-hybrid construction
- Low-emission and low-pollution building materials
- Low-energy houses Standard KfW 40

- New construction projects geared towards energy efficiency
- Use of renewable energies (PV, CO₂, renewable heating)
- Mainly A+ / KfW Program 55



In 2020

- **86%** of new constructions with energy efficiency class A or better
- Average primary energy demand of new buildings at **35.7 kWh/m²** in 2020
- Reduction of the average primary energy requirement for new buildings to **33 kWh/m²**

Buchloe (An der Halde)



- New construction of 27 apartments (50% of them barrier-free)
- Wood hybrid construction
- Energy efficiency class A+ / Standard KfW 55
- Pellet heating

Bochum (Waldenburger Str.)



- New construction of 14 apartments
- Fully automated pellet boiler
- Energy efficiency class A+ (heating)
- Photovoltaic system

New Construction and Development Projects are Sustainable and CO₂-optimized (2)

Vonovia

Environment

Social

Governance

MARINA TOWER, WIEN



DAS LICHTENHAIN, BERLIN



PFARRWIESENGASSE, WIEN



UFERKRONE, KÖPENICK



52° NORD, GRÜNAU



KENNEDY GARDEN, WIEN



AWARDED
QUARTERS



New Construction and Development Projects are Sustainable and CO₂-optimized (3)

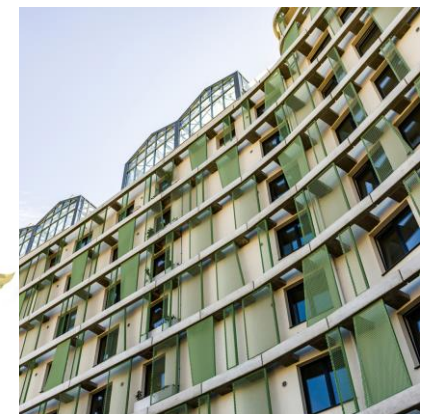
- Former industrial area, approx. 100,000 m²
- Located on the banks of the Dahme River in Treptow-Köpenick
- 2012 Takeover and soil remediation by BUWOG. 2015 Laying of the foundation stone.
Per 31.12.2020, 585 residential and 4 commercial units as well as a day-care center completed
- Planning: Expansion to approx. 1,100 residential units
- Architecture: 20 sub-projects with a wide variety of architecture, building and construction methods
- Neighborhood as a signpost in terms of sustainability and architecture
- Private water area, playgrounds, waterfront promenade, neighborhood squares



New Construction and Development Projects are Sustainable and CO₂-optimized (4)



- > **Roof and facade greening:** Climbing plants on the facade with automatic irrigation system provide cooling effects in summer and improve the microclimate within the facility
- > **Nesting boxes and nesting places** for birds
- > **Urban gardening areas incl. glass houses:** roof garden with beds, heated glass houses for overwintering potted plants & growing young plants
- > **Wild bee hotel** on the roof
- > **Mobility offers** such as car sharing & electric charging stations and annual pass of the Wiener Linien, electric rental bicycles
- > **Own neighborhood management & assisted living**



Vonovia facts

- 14 million square meters of green spaces
- 212,000 trees
- 23 tree species, 20 of which are climate-resistant
- 1,000 replacement plantings
- 300 km hedges

Cooperation with NABU NRW



- Cooperation with NABU NRW since the end of 2019 and other partners (Animal Aided Design, Emscher Genossenschaft, Innovation City, ...)
- Nationwide cooperation with NABU in preparation from 2021
- Central cooperation for neighborhood development: Pilot project launched in Bochum-Weitmar

Initiatives

- Wildflower meadow with nesting aids (insect habitats)
- Roof/facade greening
- Organic tenant gardens
- Floristic resilience and diversity
- Ecological pruning
- Rainwater Management

Measures implemented

- Nesting aids for bats and birds / Elements for facade greening
- approx. 100,000 sqm wildflower meadow
- Green roofs
- Ecological pruning



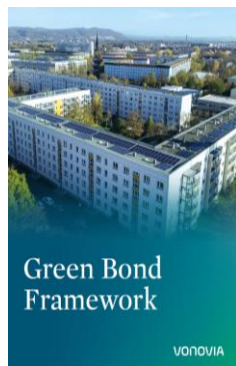
Vonovia's Green Bond Framework at a Glance

Vonovia

Environment

Social

Governance



- ✓ Vonovia has established a Green Bond Framework under which the company aims to issue Green Bonds to support its sustainability strategy
- ✓ Aligned with **Green Bond Principles 2018 (GBP)** overseen by the International Capital Markets Association (ICMA)
- ✓ Contributing to the United Nations Sustainable Development Goals

Inaugural green bond issued on March 17:

- > 10-year maturity
- > €600m volume
- > 0.625% coupon

Use of Proceeds

- > 3 Eligible Green Categories:
 - > Green buildings and energy efficiency
 - > Renewable energy
 - > Clean transportation

Process for Project Evaluation and Selection

- > Green Finance Committee will oversee the evaluation and selection of eligible projects

Management of Proceeds

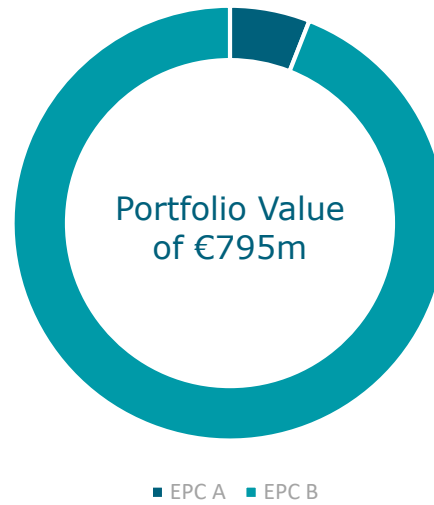
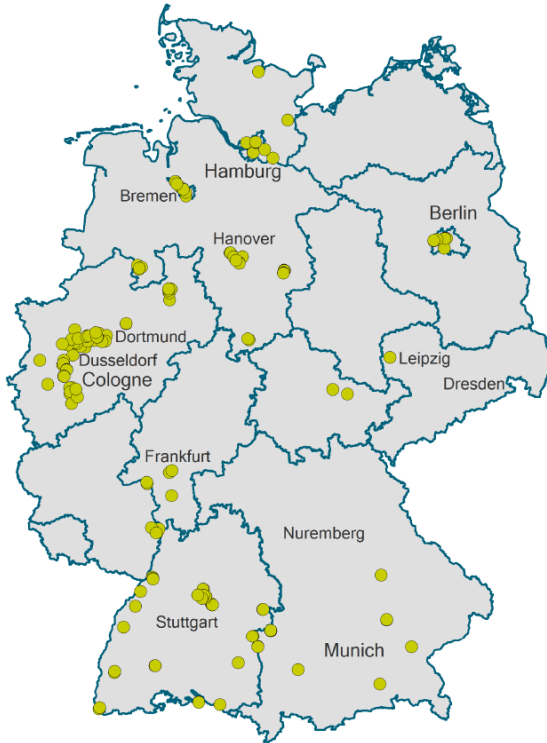
- > Eligible Green Register to track net proceeds with bond-by-bond approach
- > Full allocation within 2 years following each bond issuance

Reporting

- > Allocation reporting with list of financing per category and unallocated proceeds
- > Impact reporting with details on Environment impact of the projects financed

Inaugural Green Bond issuance: Focus on green buildings in Germany

Indicative green building portfolio:



Nominated projects in conformance with Low Carbon Buildings Criteria of the Climate Bonds Standards



1

Vonovia

pages 2-10

2

Environment

pages 11-25

3

Social

pages 26-30

4

Governance

pages 31-40

Balanced Stakeholder Approach

Vonovia

Environment

Social

Governance

A home at a fair rent level



Fair rental levels for low- to mid-income households

Self-imposed obligation to cap modernization rent increases to max. €2 per sqm; Guarantee to tenants 70+ years that rents will remain affordable even if market rents change

Hardship case management to effectively assist tenants in financial distress

COVID-19 – special promise that we will find individual solutions for tenants who struggle financially; no one to lose the roof over their head

Contribution to society and stability of local neighborhoods



382 social projects carried out / financially involved in our neighborhood. Cooperation with non-profit organizations to support tenants in need

Vonovia Foundation supports multitude of social projects

24 Neighborhood managers and social workers to assist tenants and promote unity in diversity in our neighborhoods

Customers from ca. 150 different countries and tenants from all walks of life

Top employer



VONOVIA

It is our ambition to be the best employer in the real estate and craftsmen industries

Employer appeal – we are an attractive employer for former, current and future employees

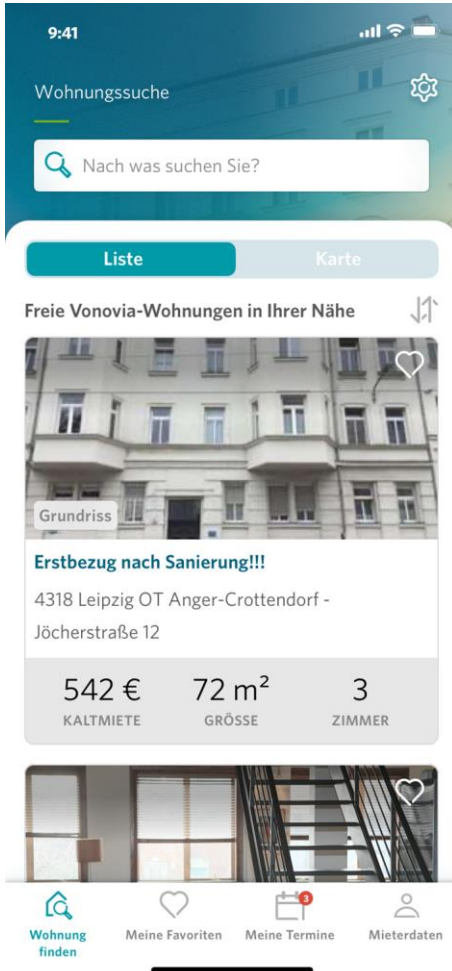
Talents – we actively support our employees in their development to become the experts and leaders of our industry

Culture & change – we share a common culture of diversity, performance and appreciation in an developing organization that embraces change



>200,000 downloads
>50,000 users

Vonovia's customer service app for tenants and potential tenants
 Full customer life cycle in one app



Communication

- > Digital postbox
- > News Feed
- > Micro surveys

Transparency

- > Ancillary expenses: online receipts and billing
- > Status of submitted requests
- > Push notifications

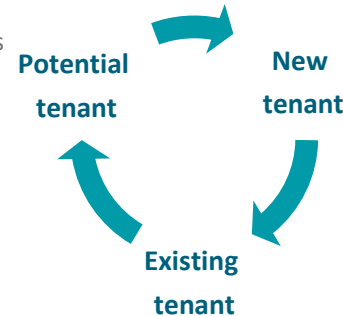
Self-service

- > Online-booking of repairs
- > Account management
- > Document management

Upgrades planned for 2021

- > Digital rental contract
- > Apartment search
- > Monitoring of heating and water consumption

- > Apartment search
- > Preferences / profiles
- > Platform potential



- > Digital rental contract
- > Cross selling
- > Seamless transformation

- > Self service
- > Transparency
- > Preferred search requests

“In residential real estate, a neighborhood, or urban quarter, is usually defined as a cohesive urban structure that is considered by its inhabitants as a self-contained area. It is the predominant **aggregation level** where a real estate company can make the **biggest difference** and **most positive contribution for inhabitants.**”¹



Every urban quarter is unique...

... but for each one we pursue a holistic approach

Approx. **three quarters** of Vonovia’s German portfolio are located in almost **600 urban quarters**, each with an average of **430 apartments**.

Properties

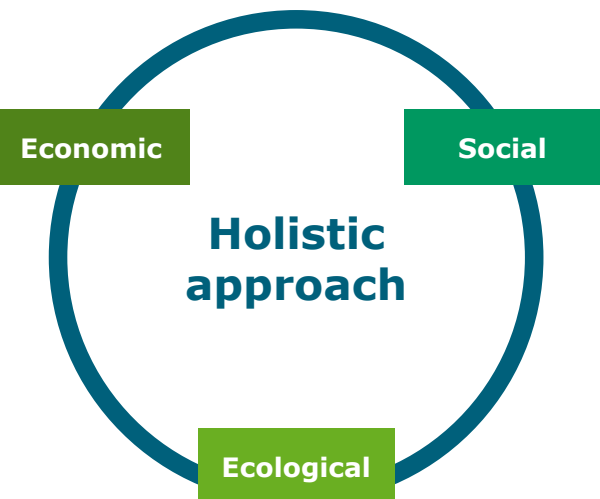
Location, construction year, infrastructure, investment potential, competition, urban development

Customers

Existing and potential tenants, age structure, diversity, purchasing power

Big Picture

Urbanization, climate change, ageing population, integration



¹ Source: GdW (Association of German Housing Companies)

We get involved on site - for different projects and associations, so that our tenants feel comfortable in their neighborhood and home.

New football field in Cologne - Gremberg

- Vonovia supports the City of Cologne and the Lukas Podolski Foundation in Cologne-Gremberghoven
- Construction of a new modern and functional soccer field and youth club with many sports and vacation offers
- The land was made available by Vonovia free of charge for 10 years



Strengthen Parents International

- Vonovia tenant foundation supports project "Strengthen Parents International"
- The offer is aimed specifically at parents of refugee families, who are to be respectfully supported and strengthened.



Dementia residential housing

- Vonovia cooperates with the service provider Humanika and has set up a dementia home for ten residents.
- People receive assistance in coping with everyday life and, if necessary, medical care.





1

Vonovia

pages 2-10

2

Environment

pages 11-25

3

Social

pages 26-30

4

Governance

pages 31-40

Governance



Highly robust governance structure with two-tier board system and fully independent supervisory board

Dedicated ESG Department reporting directly to the CEO; The Supervisory Board monitors ESG issues in the Audit Committee; Sustainability Committee meets at regular intervals and on a need-basis

Numerous policies published (e.g. human rights, whistleblower, tax understanding, etc.)
Committed to ILO Core Labor Standards and UN Global Compact on Human Rights

Roadmap



Anchoring TCFD further in our sustainability reporting and adopting EU taxonomy

Further development of sustainability risk management and Environment controlling

Continued progress on ESG Ratings and inclusion in leading ESG indices

Recognition of ESG Performance

ESG Ratings and Indices

Vonovia

Environment

Social

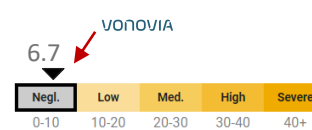
Governance

ESG Ratings

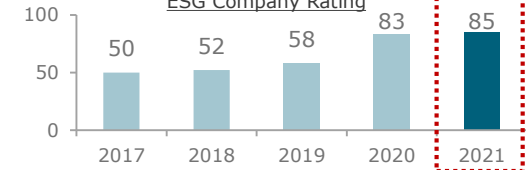


- **Upgraded** in both ratings in 2021
- Risk rating within 1st percentile of global rating universe
- Ranked 18 out of universe of 13,573 companies globally (as of Aug. 5, 2021)

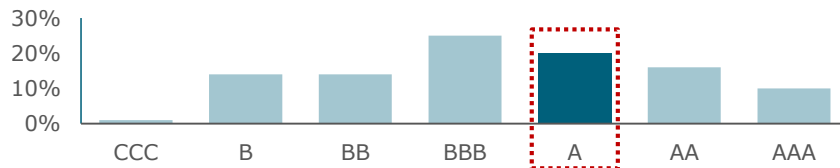
ESG Risk Rating 2021



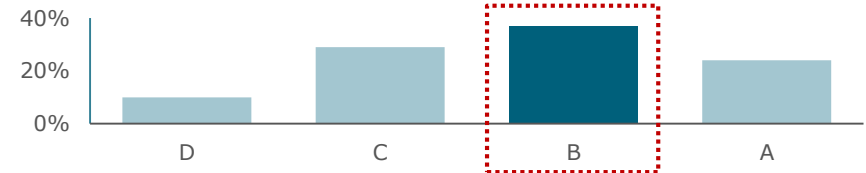
ESG Company Rating



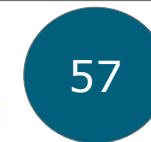
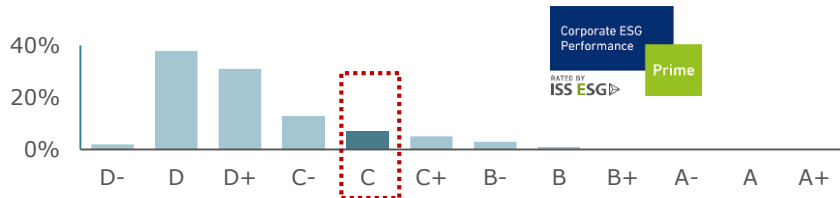
Update MSCI:
Processing in 09/21



Reduced from B to B-
→ Results for 2021 pending



Update ISS-oekom:
Processing in 10/21



Inclusion in Dow Jones
Sustainability Europe Index



→ Results for 2021 pending



No participation in 2021. See Vonovia's open letter at https://investoren.vonovia.de/media/document/d30c89f5-98a7-4bef-abbc-85d147ccea0a/assets/2021_03_VonoviaRegretsNotToParticipateIn2021GRESB.pdf

Constructive dialogue with GRESB to try and enable participation going forward

ESG Indices

Vonovia is a constituent of various ESG indices, including the following: DAX 50 ESG, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, STOXX Europe ESG Leaders 50, Dow Jones Sustainability Index Europe.

Enhancement of Sustainability Reporting

Increasing External Requirements

Additional External Reporting Requirements (beyond established GRI Standards)

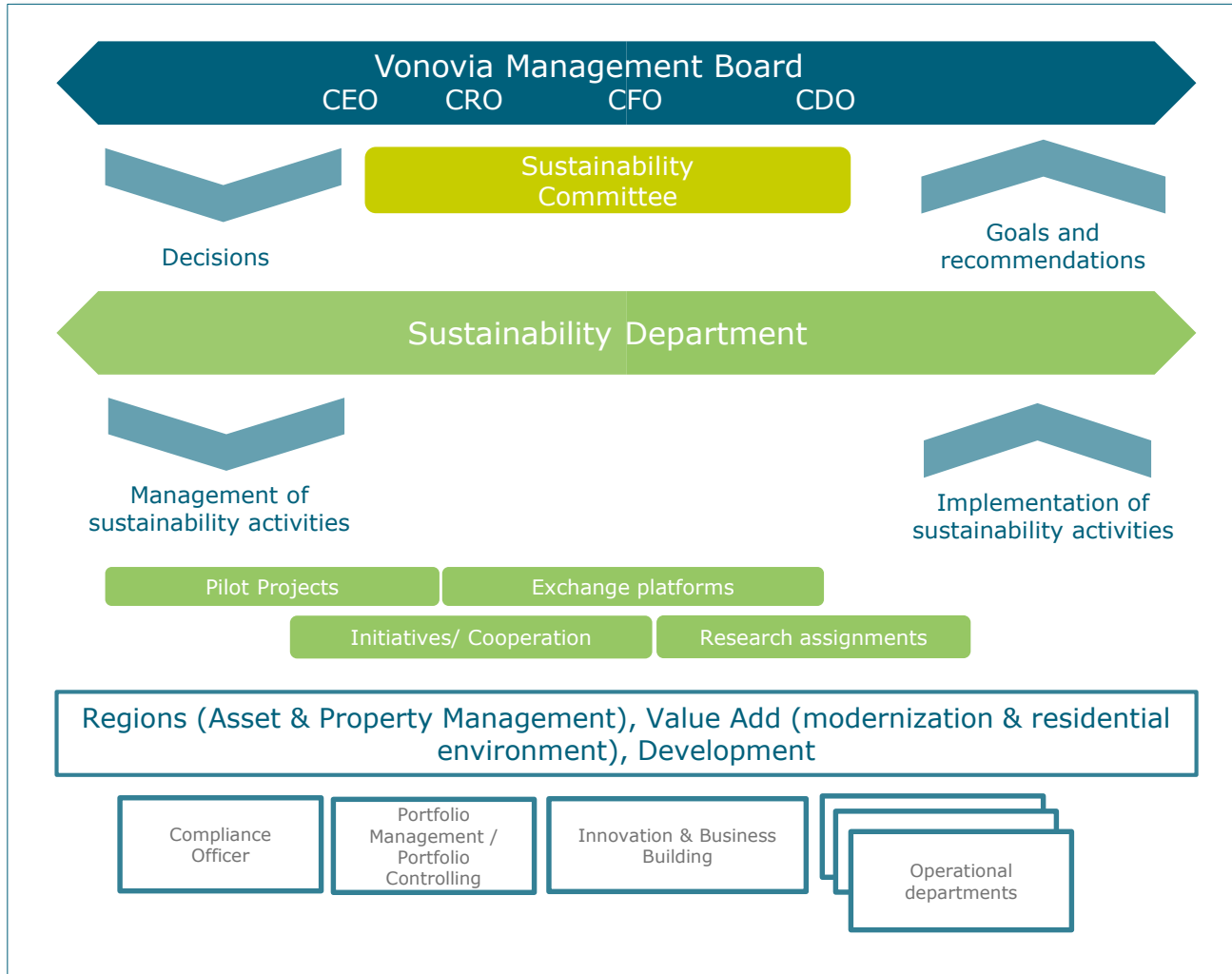


Synchronization with ESG Rating requirements



¹ Mapping of SASB reporting metrics and Vonovia Sustainability Reporting / GRI Disclosure. <https://investoren.vonovia.de/en/vonovia-at-a-glance/esg/esg-publications-and-downloads/>

Sustainability in Vonovia's Organizational Model



Board of Directors:

- > Defines sustainability strategy

Sustainability Committee:

- > Meets 3-4 times a year (Management Board / Heads of Sustainability, Communications, Investor Relations and Financial planning & Analysis)
- > Decides on strategic directions and sustainability goals

Sustainability Department:

- > Further development of the sustainability strategy & roadmap
- > Defines and monitors sustainability goals
- > Implements sustainability projects
- > Oversees sustainability initiatives
- > Gives impetus and drives initiatives
- > Responsible for reporting, sustainability report

- The duties and authorities of the three governing bodies derive from the SE Regulation, the German Stock Corporation Act and the Articles of Association. In addition, Vonovia is **fully in compliance** with the German Corporate Governance Code.
- In the **two-tier governance system**, the management and monitoring of the business are **strictly separated** from each other.

Annual General Meeting (AGM)

- Shareholders can exercise their voting rights.
- Decision making includes the appropriation of profit, discharge of members of the SVB and MB, and capital authorization.

Two-tier Governance System

Supervisory Board (SVB)

- Appoints, supervises and advises MB
- Examines and adopts the annual financial statements
- Forms Supervisory Board Committees
- Fully independent
- Board profile with all required skills and experience



Jürgen Fitschen (Chairman) Prof. Dr. Edgar Ernst Burkhard Ulrich Drescher Vitus Eckert Dr. Florian Funck Dr. Ute Geipel-Faber



Daniel Just Hildegard Müller Prof. Dr. Klaus Rauscher Dr. Ariane Reinhart Clara-Christina Streit Christian Ulbrich

Management Board (MB)

- Jointly accountable for independently managing the business in the best interest of the company and its stakeholders
- Informs the SVB regularly and comprehensively
- Develops the company's strategy, coordinates it with the SVB and executes that strategy



CEO
Rolf Buch



CFO
Helene von Roeder



CRO
Arnd Fittkau

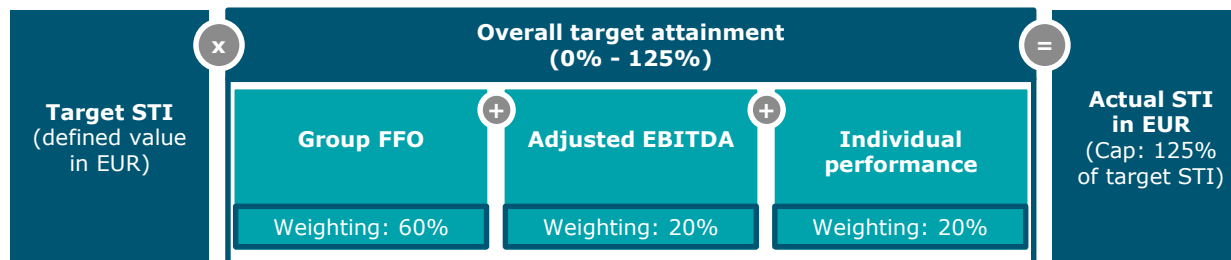


CDO
Daniel Riedl

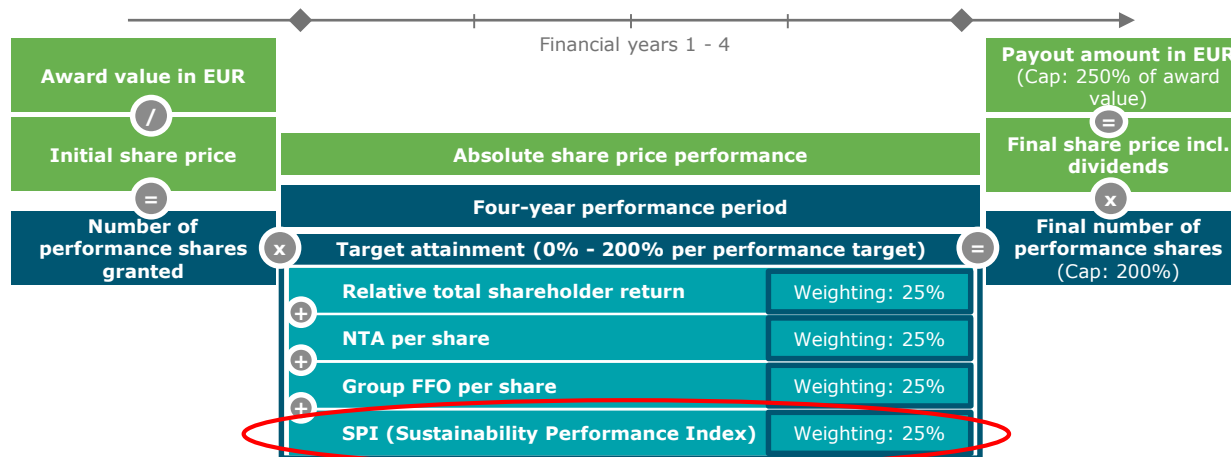
Fixed Remuneration & Pension

- Contractually agreed fixed compensation
- Pension contribution
- Other benefits (e.g. company car, insurances).

Short-term incentive (STI)



Long-term incentive plan (LTIP)



Additional conditions

- Mandatory share ownership: 100%/CEO 150% of annual fixed remuneration. On reappointment 150%/CEO 200%. Accumulation on a pro rata basis during first 4 years.
- Maximum total compensation (gross): CEO €11m, other Management Board members €5.5m.
- Change of control clause and benefits on early termination defined

Sustainability Performance Index (SPI)




- Vonovia has established the Sustainability Performance Index with quantitative, non-financial KPIs to measure sustainability performance in the most relevant areas
- SPI reporting is audited by our statutory auditor¹
- The SPI is a relevant criterion in the long-term incentive plan for the executive board as well as for the leadership group below the executive management
- To achieve the target of 100%, all six individual targets must be fully achieved



		2020 Actuals	2021 Initial Targets	Medium-term Targets
1	CO ₂ intensity in the portfolio ^{2,3}	39.5 (kg CO ₂ e/sqm/p.a.)	Reduction of at least 2%	< 30 (kg CO ₂ e/sqm/p.a.) until 2030
2	Average primary energy need of new constructions	35.7 (kWh/sqm p.a.)	Substantial increase ⁴	33 (kWh/sqm p.a.) until 2024
3	Ratio of senior-friendly apartment refurbishments among all new lettings ³	30.1%	~30%	~30% p.a.
4	Customer satisfaction ³	+8.6%	In line with prior-year level	Increase by 2% points until 2024
5	Employee satisfaction	No survey	Slight increase	Increase by 4% points until 2024
6	Workforce gender diversity (1 st and 2 nd level below top mgt.) ⁵	25.9%	In line with prior-year level	26% until 2024
			~100%	

¹ Limited assurance. ² Limited comparability to previous years due to harmonization of data sources and update of emission factors for the calculation of carbon emissions in current fiscal year. ³ Germany only at this point. ⁴ Initial increase because of projects approved in the past (prior to establishing the SPI) that will be completed in 2021. ⁵ Based on female representation within overall workforce.

Sustainable finance / EU Taxonomy – EU classification framework for sustainable investments to redirect future investments streams

- Vonovia's average refurbishment rate of around 3% p.a. in line with EU requirement
- Relevant screening criteria for goal 1 and 2 for **real estate/construction**:
 - Energetic renovation: reduction of primary energy demand of at least 30% compared to status before renovation (local standards GEG) or measures referring to subcategories like energy efficiency equipment, photovoltaic, charging stations or energy measurement devices 
 - New construction: primary energy demand must be at least 10% lower than national net-zero-energy-building (NZEB); in Germany = GEG / EnEV 2016 
 - Acquisitions & ownership of buildings: latest version refers to performance of **buildings with EPC A or Top 15% of regional Portfolio (to be defined)** 
 - DNSH ("do not significant harm criteria") to be defined in more detail and based on in place management-systems
- Reporting processes need to be aligned with taxonomy criteria - Taxonomy compatibility expected to differ strongly with respect to CAPEX or turnover
- **Light disclosure for 2021 and full reporting for 2022**

Vonovia's Approach to Climate Action Reflects the TCFD Recommendations



<h2>Governance</h2>	<ul style="list-style-type: none">➢ Board responsibility for climate action, defines strategy and targets and monitors progress➢ Central Department Sustainability/Strategy to coordinate measures➢ ESG Score as central management KPI including CO₂-Intensity
<h2>Strategy</h2>	<ul style="list-style-type: none">➢ CO₂ reduction in building stock & construction defined as major drivers for business strategy➢ High average modernization rate of ~3% p.a. and fuel-switch to renewable energies➢ Scenario modelling of climate pathways together with Fraunhofer ISE institute
<h2>Risk Management</h2>	<ul style="list-style-type: none">➢ Climate change fully integrated in Corporate Risk Management➢ Physical risks assessed via risk maps based on regularly updated sources➢ No material physical risks for Vonovia's properties identified
<h2>Metrics & Targets</h2>	<ul style="list-style-type: none">➢ 1.02 mn t CO₂e in portfolio in 2020 (scopes 1,2,3 acc. to GHG protocol)➢ Targets:<ul style="list-style-type: none">➢ GHG neutral building stock until 2050➢ CO₂-intensity of < 30 kg/m²/a until 2030

This presentation has been specifically prepared by Vonovia SE and/or its affiliates (together, "Vonovia") for internal use. Consequently, it may not be sufficient or appropriate for the purpose for which a third party might use it.

This presentation has been provided for information purposes only and is being circulated on a confidential basis. This presentation shall be used only in accordance with applicable law, e.g. regarding national and international insider dealing rules, and must not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipient to any other person. Receipt of this presentation constitutes an express agreement to be bound by such confidentiality and the other terms set out herein.

This presentation includes statements, estimates, opinions and projections with respect to anticipated future performance of Vonovia ("forward-looking statements") which reflect various assumptions concerning anticipated results taken from Vonovia's current business plan or from public sources which have not been independently verified or assessed by Vonovia and which may or may not prove to be correct. Any forward-looking statements reflect current expectations based on the current business plan and various other assumptions and involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements only speak as at the date the presentation is provided to the recipient. It is up to the recipient of this presentation to make its own assessment of the validity of any forward-looking statements and assumptions and no liability is accepted by Vonovia in respect of the achievement of such forward-looking statements and assumptions.

Vonovia accepts no liability whatsoever to the extent permitted by applicable law for any direct, indirect or consequential loss or penalty arising from any use of this presentation, its contents or preparation or otherwise in connection with it.

No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient's purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof.

Vonovia has no obligation whatsoever to update or revise any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof.

This presentation does not, and is not intended to, constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities of the Company nor shall it or any part of it form the basis of or be relied upon in connection with or act as any inducement to enter into any contract or commitment or investment decision whatsoever.

This presentation is neither an advertisement nor a prospectus and is made available on the express understanding that it does not contain all information that may be required to evaluate, and will not be used by the attendees/recipients in connection with, the purchase of or investment in any securities of the Company. This presentation is selective in nature and does not purport to contain all information that may be required to evaluate the Company and/or its securities. No reliance may or should be placed for any purpose whatsoever on the information contained in this presentation, or on its completeness, accuracy or fairness.

This presentation is not directed to or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Neither this presentation nor the information contained in it may be taken, transmitted or distributed directly or indirectly into or within the United States, its territories or possessions. This presentation is not an offer of securities for sale in the United States. The securities of the Company have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States. Consequently, the securities of the Company may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States unless registered under the Securities Act.

Tables and diagrams may include rounding effects. Per-share numbers for 2013 and 2014 are TERP-adjusted.