

Sustain- ability at Vonovia

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Vonovia in the Context of Current Trends and Developments

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7

The effects of the coronavirus pandemic – the exact extent of which can not yet be estimated – continued to grip the world in 2021. Even though we are all desperate for life to return to normal, it is safe to assume that the pandemic has caused significant changes to how people throughout society live and work, and that these changes are here to stay. As we attempt to peer into the future from the fourth wave of the pandemic, it is impossible to say what other economic, political and social changes we might see as a result of the coronavirus.

Another key issue facing us at the moment is how to best combat climate change caused by human-induced global warming. This climate crisis led to extreme weather conditions throughout 2021. July 2021 was the warmest month on record. Weather phenomena like extreme heat, dry conditions and fires pose as much risk to a company as heavy rain, flooding, melting glaciers and rising sea levels. More and more people around the world are being affected by extreme weather. The catastrophic flooding in the Ahr valley made it clear that we are no exception, and that action is required now.

This intense focus in the political sphere and society at large now needs to be reflected in the world of business. Corporate strategies and business models now need to go well beyond how to generate a return. More and more companies are setting and working towards targets to demonstrate their commitment to sustainability in a wide variety of different areas.

The megatrends that we recognize in society – climate action, reducing carbon emissions, urbanization, housing shortages, digitalization and demographic change – are all increasing in intensity. Going forward, everything that Vonovia does as a company will be based around responding to these megatrends. That is why Vonovia reviewed and updated its sustainability strategy last year. We have also made considerable headway in terms of incorporating sustainability issues into our business processes.

VONOVIA SE AT A GLANCE

Vonovia operates around 505,000 of its own apartments (December 31, 2021) in almost all of Germany's attractive cities and regions as well as around 22,000 apartments in Austria and approximately 38,000 in Sweden. Vonovia is one of the leading residential real estate companies in Europe.

Vonovia SE is based in Germany. Its registered office has been in the city of Bochum since 2017. On September 30, 2021, Vonovia took control of Deutsche Wohnen. As of December 31, 2021, 736 legal entities/companies formed part of the Vonovia Group (see [List of Shareholdings](#)).

Vonovia SE performs the function of the **management holding** company for the Group. In this role, it is responsible for determining and pursuing the overall strategy (including the sustainability strategy) and implementing the company's goals. It also 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 system of the Group.

To carry out these management functions, Vonovia SE has established a series of **service companies**. These focus on providing support to business and operational processes. From an organizational perspective, these service companies are grouped together centrally in shared service centers. Vonovia manages its business via the four segments: Rental, Value-add, Recurring Sales and Development.

Further information on Vonovia SE and its corporate structure can be found at [Corporate Structure](#).

Nowadays, companies have a crucial role to play in societal, political and economic change. This is particularly true for Vonovia, because our business model – providing homes – is very much in the public interest. As a result, Vonovia is committed to meeting its responsibilities to society and providing the information that stakeholders need in a transparent way. We are increasingly transitioning from a shareholder approach to a stakeholder approach, which requires the company to earn its social license to operate.

Our strategy has a part to play in society finding sustainable solutions to meet the challenge of current megatrends. Our sustainable and robust business model once again provided a firm foundation for growth in 2021, despite the impact of the pandemic. Vonovia's acquisition of Deutsche Wohnen puts us in an even better position to provide long-term solutions which benefit everybody.

The takeover of Deutsche Wohnen lays the foundation for forming a leading European real estate company which can take an even more effective approach to tackling the central social and environmental challenges of the housing industry. Integrating Deutsche Wohnen into the organizational structures of Vonovia will be one of the company's most important tasks in 2022. We expect the integration process to be complete by the beginning of 2023.

The sustainability report and the figures reported for the 2021 financial year refer to the Vonovia Group excluding Deutsche Wohnen. In the interest of clarity, a separate [sustainability fact book](#) has been prepared for Deutsche Wohnen for the 2021 fiscal year.

Vonovia in Figures

(December 31, 2021)¹⁾

GRI 102-8

565,334

Own apartments
(incl. Deutsche Wohnen)

€ 5.2 billion

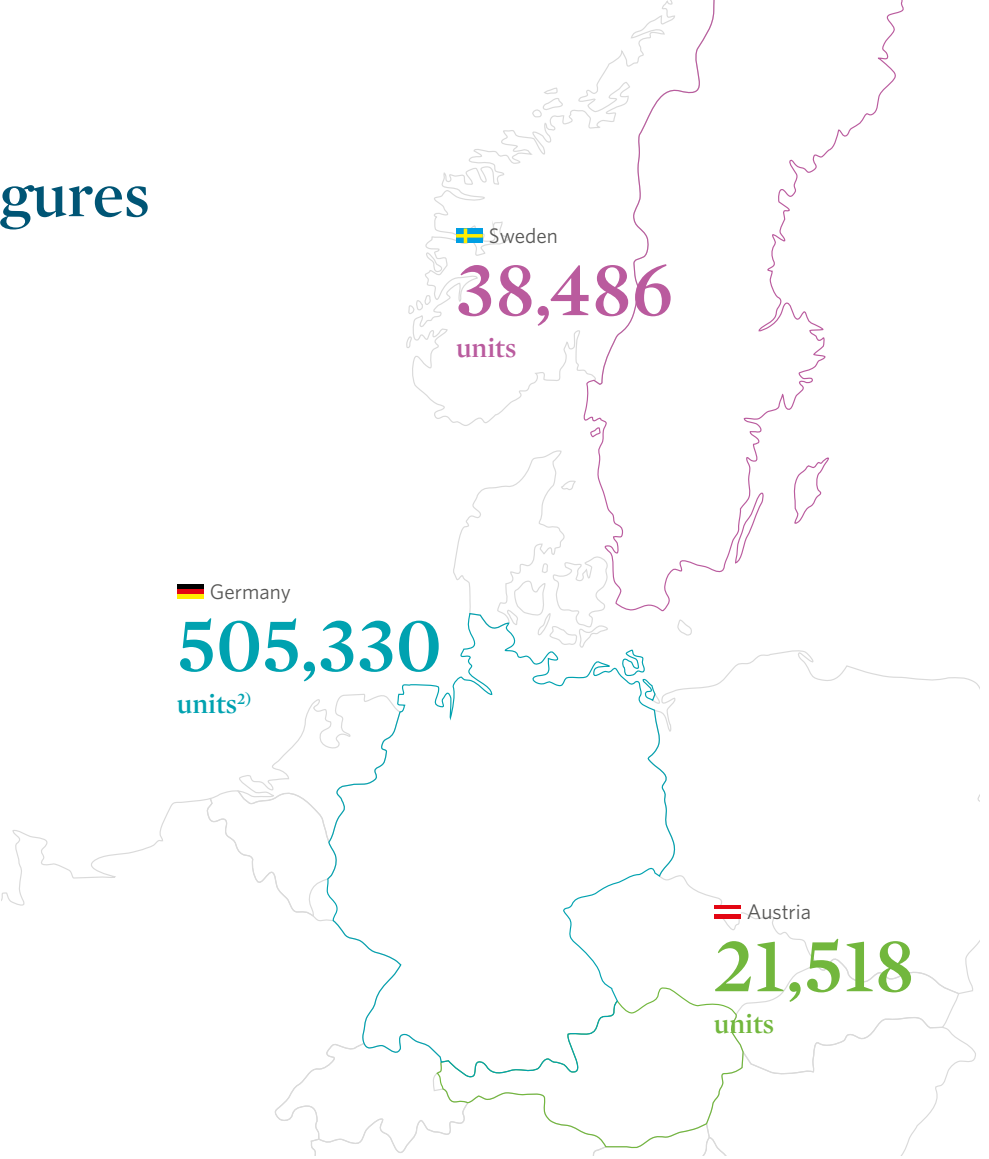
Total segment revenues

€ 2,269.3 million

Adjusted EBITDA

15,871

Employees



Newly built
apartments in 2021³⁾

Total: 2,200



Average
rent³⁾

€ 7.38 m²



Average
apartment size

DE: approx. 62 m² / AT: 74 m² / SE: 71 m²



Total living area

35,529,000 m²



Commercial

Total: 9,289
DE: 6,558 / AT: 594 / SE: 2,137

DE: Germany
AT: Austria
SE: Sweden

1) Vonovia incl. Deutsche Wohnen.

2) Including 26,569 units at other strategic locations, 1,461 units at non-strategic locations and 151,367 units belonging to Deutsche Wohnen.

3) Vonovia alone excl. Deutsche Wohnen.

Further key figures can be found in the [Management Report](#) and in the section [The Company and Its Shares](#) of the current Annual Report.

Our Approach to Sustainable Development in Detail

GRI 102-15, 102-18, 102-31, 102-32

Integration of Sustainability into the Corporate Strategy

Sustainability is at the heart of Vonovia’s identity as a company. We recently added sustainability factors to our successful strategy to reflect this. We are making continuous improvements to our sustainability agenda in order to reflect changes in society, the world of politics, the environment and the economy.

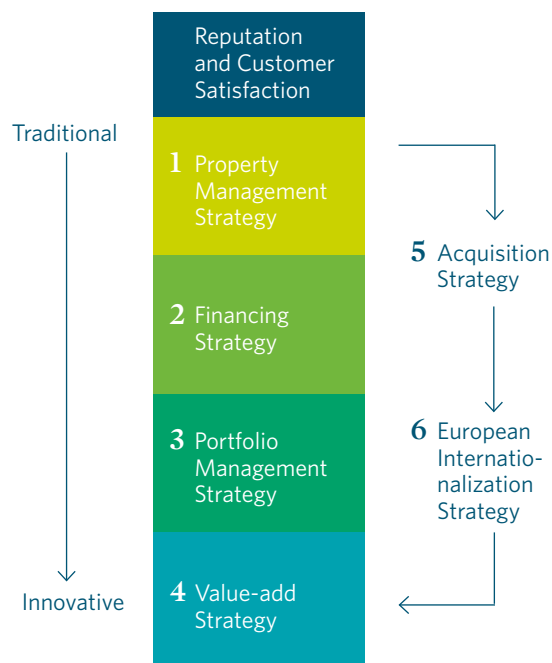
The strategy that Vonovia introduced as part of the IPO in 2013 has reached a high level of maturity, and demonstrated its robustness and flexibility in the year under review. This strategy continues to consist of the four basic approaches of the property management strategy, the financing strategy, the portfolio management strategy and the value-add strategy. It is enhanced and complemented by two supplementary approaches: opportunistic acquisitions and internationalization. Together, they constitute our 4+2 strategy. In recent years, the strategy has allowed us to increase the satisfaction of our tenants, meet new challenges and establish new business models. A detailed description of the **4+2 strategy** is available in the 2021 [Annual Report](#).

In order to respond properly to **megatrends** (see → [Vonovia in the Context of Current Trends and Developments](#)) and meet the changing demands of our various stakeholders, we **update our strategy on a continuous basis**, with a particular focus on detailing our efforts to meet sustainability targets. This ensures that we have a business model that is **fit for the future**.

Our sustainability strategy specifically addresses the current sustainability requirements of the Sustainable Development Goals (SDGs) of the United Nations as well as other concrete ESG (Environment, Social and Governance) targets of European and national regulations.

Our strategy remains focused on ensuring the success of the company, while also including the following sustainability-related topics: a voluntary commitment to meeting climate targets and reducing carbon emissions (E), taking social

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 Germany
- 6 Austria/Sweden/France/Netherlands

responsibility for our tenants, customers and employees (S) and reliable, transparent and trustworthy governance (G).

To demonstrate the importance of sustainability for our company, we integrated aspects of our sustainability strategy into Vonovia’s management system by introducing the Sustainability Performance Index (SPI) in 2021, in addition to remuneration-related non-financial indicators.

Vonovia’s acquisition of Deutsche Wohnen provides the synergy we need to meet the challenges facing the environment and society in a way that benefits everybody. We are also

Dimensions of Sustainability at Vonovia

E Environmental	S Social	G Governance
<p>Contribution to climate protection and reducing CO₂.</p> <ul style="list-style-type: none"> > Environment and climate > Sustainable construction and development 	<p>Social responsibility for our tenants, customers and employees.</p> <ul style="list-style-type: none"> > Society and contribution to urban development > Homes and customers > Corporate culture and employees 	<p>Reliable, transparent and trust-based corporate governance.</p> <ul style="list-style-type: none"> > Responsible business practices and governance > Future fitness and capital market

committed to continuously expanding as a European real estate company which is leading the way in the field of sustainability. The process of integrating Deutsche Wohnen into the Vonovia Group began in 2022 and is due to be complete by the beginning of 2023.

Vonovia’s sustainability strategy commits the company to playing its part in meeting Germany’s climate protection targets, ensuring that its property portfolio is almost entirely carbon neutral by 2045 as well as reliable and transparent governance.

In concrete terms this means for us:

E: With the climate plan developed in 2021, we are committing to the goal of a virtually climate-neutral building portfolio by 2045, while also meeting binding annual interim targets along the way. However, this requires both a more consistent level of refurbishment than in the past and increased, decentralized use of renewable energies for heating and powering neighborhoods. Vonovia has drawn up a development plan for its urban quarters to help it achieve this objective (see → [Environment and Climate](#) and → [Sustainable Construction and Development](#)).

S: We assume social responsibility for our tenants, customers and employees. In doing so, we rely on a socially responsible, reliable rent policy and see the expansion of a social infrastructure incorporating innovations and new technologies as an integral part of community development projects. We have a social responsibility to ensure that urban housing is ecological and affordable. We offer our employees an attractive working environment characterized by diversity

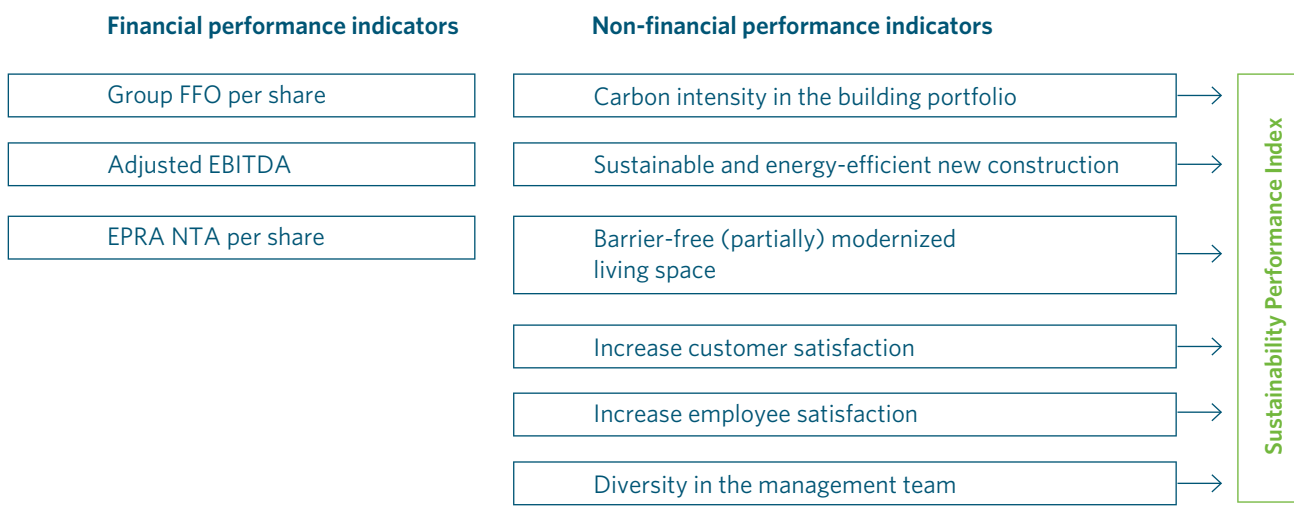
and personal scope for development (see → [Homes and Customers](#), → [Society and Contribution to Urban Development](#) and → [Corporate Culture and Employees](#)).

G: We are committed to governance that is reliable, transparent and trustworthy, and based on the best practices of the international Corporate Governance Code. We comply with all applicable laws and internal and external guidelines. This is an integral part of being a reliable and trustworthy partner (see → [Governance and Responsible Business Practices](#) and → [Future Fitness and Capital Market](#)).

We also want to create transparency and reliability through our sustainability reporting. We have therefore had this Sustainability Report externally certified with a **limited assurance** engagement in accordance with ISAE 3000. We incorporated the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) into our reporting. We also prepared a report in accordance with the requirements of the EU Taxonomy for the first time in 2021 (see → [Auditor’s Report](#) and → [Non-financial Group Declaration](#) in the 2021 Annual Report).

The Sustainability/Strategy department is responsible for making improvements to the sustainability strategy, monitoring sustainability targets and coordinating sustainability-related activities within the Group. Due to its significance, this department **reports directly to the Chief Executive Officer** of Vonovia.

Vonovia’s Financial and Non-financial Key Performance Indicators



We have also implemented a **sustainability committee** with a managerial function. This broad base ensures that decisions on the implementation of our sustainability strategy are borne by all relevant divisions and all the way through to local implementation levels (see → **Organizational Establishment in the Company**).

Vonovia uses three different approaches to assess the sustainability topics which are of relevance for the company:

1. Outside-in perspective: the relevance and impact of social and environmental changes on the business and on value creation
2. Inside-out perspective: the impact and relevance of the business model and company activities on the environment and society
3. Stakeholder perspective: compares the interests and concerns of stakeholder groups in comparison to the interests and concerns of Vonovia

We performed a materiality analysis in the previous fiscal year on the basis of these perspectives in order to provide a three-dimensional weighted overview of non-financial topics (see → **Material Topics**). This overview will remain relevant in the current year.

We added non-financial performance indicators to our management system in the 2021 fiscal year in the form of the **Sustainability Performance Index (SPI)**. In the process, we have made considerable headway in terms of embedding sustainability in the company’s business processes.

The **Non-financial performance indicator SPI** comprises six indicators based on the material topics of Vonovia (see **Non-financial Performance Indicators**). These comprise the carbon savings achieved annually in housing stock, the energy efficiency of new buildings, the share of accessible (partial) modernization measures in relation to newly let apartments, the increase in customer and employee satisfaction and diversity in the company’s top management team. **The SPI achieved an index value of 109% in the reporting year.** For a more detailed description of our sustainable business model, please refer to the chapter entitled **Fundamental Information About the Group** in the 2021 Annual Report.

We have defined specific targets to be achieved by 2025 for each of these indicators. The relevant key figures are recorded quarterly by Controlling and used in our external reporting as well as for communication with the capital market.

Annual targets are also provided for the indicators derived from the SPI. Since the last fiscal year, these have been part of the remuneration system for the Management Board and top management (first level below the Management Board) (see → **Remuneration Report** and → **Management System**).

Organizational Establishment in the Company

GRI 102-20, 102-30, 102-31, 102-32

Responsibility for Vonovia’s efforts in the area of sustainability lies directly with CEO Rolf Buch. On the Supervisory Board side, the Audit Committee has a particular responsibility for sustainability.

The **sustainability committee** established in 2020 meets three to four times a year – as required – to discuss the overall strategic direction and to evaluate the company’s sustainability performance. This committee comprises the entire Management Board (including the chief representatives) as well as the heads of Sustainability, Investor Relations, Corporate Communications, Controlling, Accounting and Business Innovation. Establishing sustainability at the highest levels of the company allows us to ensure the systematic implementation of our sustainability strategy in all business areas right down to our local neighborhoods.

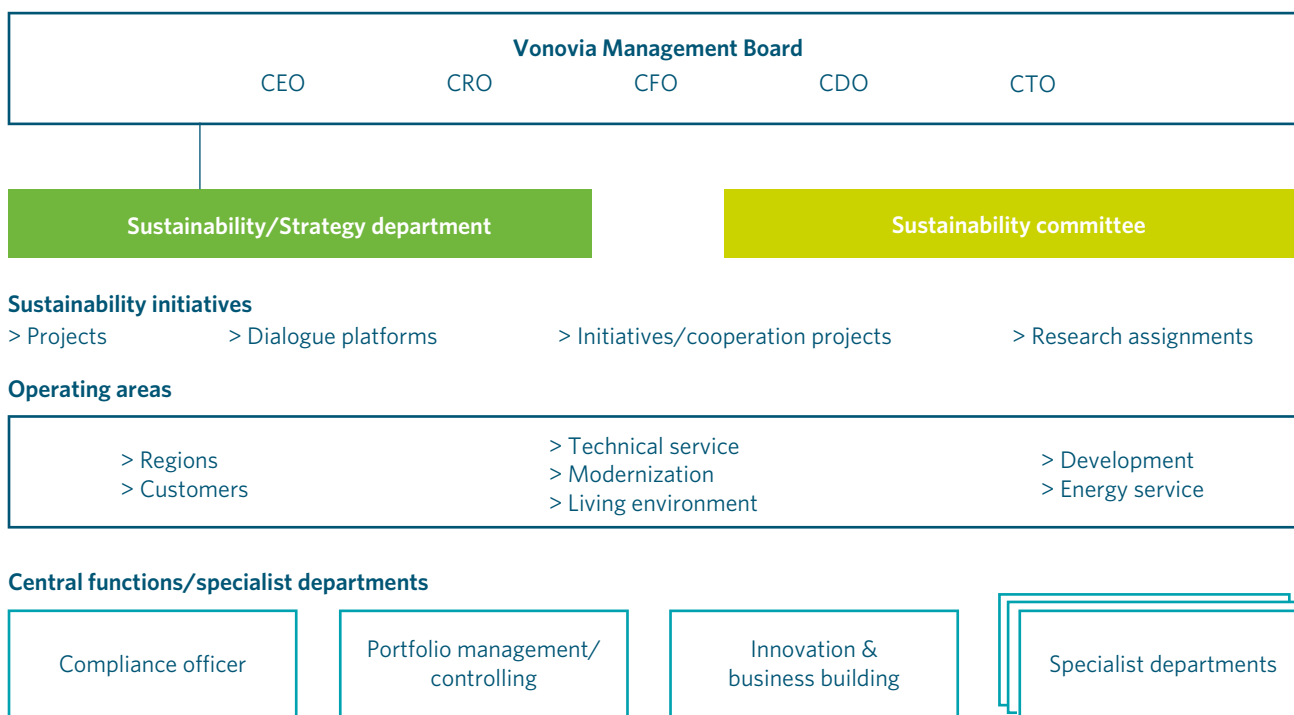
The **Sustainability/Strategy department** reports to and coordinates its operations directly with the CEO in terms of sustainability topics related to the company’s strategy and business model. The Head of Sustainability/Strategy regularly exchanges views with the CEO and the sustainability committee on current developments and issues. The department is also responsible for sustainability reporting. These include further developing the sustainability strategy and road map, defining and monitoring sustainability objectives and implementing sustainability projects. The department drives innovation and proposes solutions in response to

political, social and regulatory developments. It focuses on monitoring changes to legislation related to ESG reporting, actively assessing and participating in ESG rating systems and enhancing ESG-related KPIs.

The processing and implementation of sustainability projects is carried out via the relevant specialist departments and regions. The employees responsible ensure that sustainability issues are implemented as part of day-to-day business or in pilot projects and research initiatives. Innovations and technical solutions related to the energy revolution are developed until they are ready to implement (see → **Renewable Energies and Energy Mix**) as part of a process shared by Innovation & Business Building (I&BB), Vonovia Technischer Service (VTS) and the regions. Vonovia has identified the urban quarters as a key implementation level due to the opportunities that are available in this area.

There are comparable staff functions in Austria and Sweden. They coordinate the interaction between the Sustainability/Strategy department and the individual countries, while also developing the country-specific sustainability strategies pursued by the BUWOG companies in Austria and the Swedish company Victoriahem (Victoria Park/Hembla until December 31, 2021). In order to take the development business of the German company BUWOG into account, a coordination function for sustainability has been set up there, too.

Sustainability in Vonovia’s Organizational Model



Management Board expanded to include the role of CTO in 2022.

Our Understanding of Sustainability

Vonovia sees itself as a stakeholder which has an active role to play in material topics. Our day-to-day business is geared toward fulfilling people's basic need for a home. We take a sustainable and responsible approach to living up to this responsibility. We have a particular obligation towards more than one million customers in Germany, Austria and Sweden, as well as society as a whole, the environment and our shareholders.

Vonovia revamped its [Business Philosophy](#) in 2019 to reflect this commitment. Our business philosophy provides details about the approach and values which we apply when fulfilling our responsibilities to society. It also provides guidance outlining how employees are expected to treat each other and external stakeholders. We want our work to be measured against the values detailed in the business philosophy.

Vonovia drew up a comprehensive [Understanding of Sustainability](#) in 2020. This is derived from the materiality matrix and the revised corporate strategy, which incorporates sustainability-related issues to a greater extent than in the past. Our Understanding of Sustainability explains our approach to sustainability and details our social task (Purpose).

We have identified 33 material and important topics, which are addressed in seven different action areas. How we run our company and our daily actions sustainably is largely guided by this understanding of sustainability. This shared understanding also makes it easier for us to communicate our ambitions to external parties with a unified voice.

We know that the decisions we make as a company always have an impact on people, neighborhoods, and the environment. We weigh the consequences up carefully, particularly when it comes to modernizing buildings and designing neighborhoods. Our revised **climate path** includes binding annual interim targets which will help us to achieve carbon neutrality by 2045. After all, protecting the environment and our climate should go hand-in-hand with our understanding of sustainable living. We are committed to providing safe and high-quality housing at fair prices.

As a real estate company with a long-term focus, we aim to strike a balance between commercial success on the one hand, and social responsibility and ecological objectives on the other. We are committed to the principles of the social market economy and profitability. Vonovia takes responsibility as a provider of affordable housing and as a service provider, building contractor and developer, but also as a stakeholder in society. For us, sustainability means managing our business activities in a way that generates the greatest possible long-term benefit for society as a whole.

This is the standard we want to be measured against. We want this to be embodied by every employee. We base our sustainability activities on the applicable **laws, regulations and standards** of the countries in which we operate. In addition, numerous national and supranational standards and agreements serve as a guide for designing our sustainability concept. These include the Sustainable Development Goals (SDGs), the 2015 Paris Climate Agreement and the German government's plan to achieve climate neutrality by 2045 on the basis of the Federal Climate Change Act. However, observing human rights and labor standards as well as complying with duties of care and protective regulations also play a decisive role for us. We are also addressing the consequences of recent developments, such as the EU-wide classification system for sustainable and climate-friendly investments (the EU Taxonomy).

Material Topics

GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-48, 102-49, 103-1

Materiality Analysis

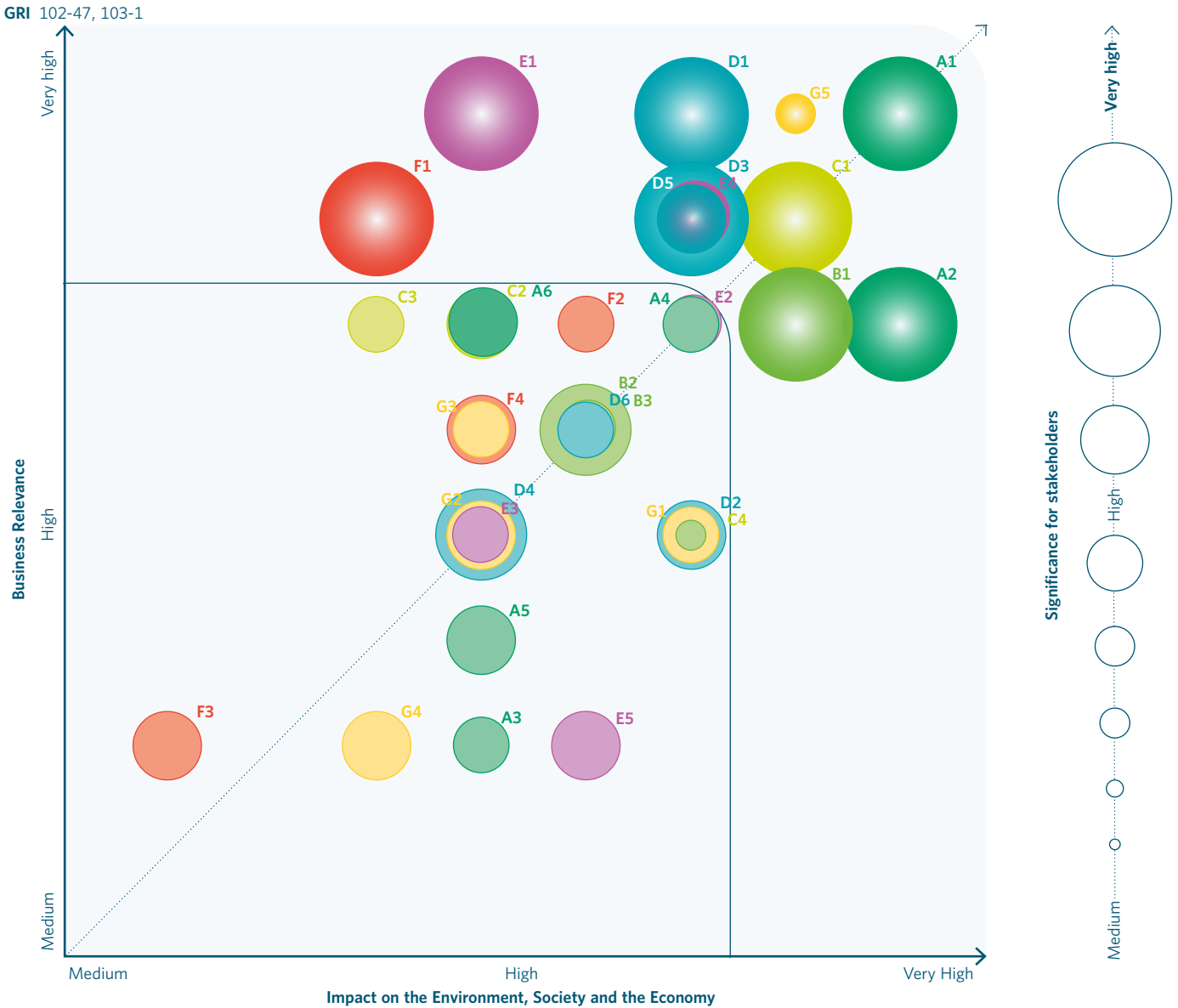
A home is a basic human need. We help to meet this need by creating new homes and letting out existing ones. We act responsibly and sustainably by paying attention to the environmental footprint of our buildings and by having committed to the goal of climate-neutral housing stock by 2045. We also live up to our social responsibility by providing attractive housing for every member of society at fair prices. Our activities are incorporated into a governance structure that meets high value benchmarks and that is well suited to being perceived as trustworthy and reliable by our stakeholders.

Our structured approach to monitoring social and environmental changes ensures that this will remain the case in future. We analyze our sustainability topics from three different perspectives: in light of their impact on our business and value creation (outside-in perspective), the impact of our business model on the environment and on society (inside-out perspective) and from the viewpoint of our relevant external stakeholder groups. These analyses are incorporated into a materiality matrix that is based on both the CSR Directive Implementation Act (CSR-RUG) and the GRI standards.

Vonovia redefined the **material topics** in 2020 as part of an extensive, testable [materiality analysis](#). The materiality matrix includes **a total of 33 topics** related to our sustainability efforts in **seven action areas**. Eleven of the 33 topics are considered material topics – these are covered in greater detail in this report due to their significance. The other 22 are considered important topics, and are covered in less detail. There has been no change in the materiality analysis, which provides the structure for the sustainability topics covered in this stand-alone report on Vonovia’s activities for the year 2021.

The process of integrating the two materiality analyses over the course of 2022 will take the new GRI standards into consideration. The Group-wide integration process encompasses the consolidation of concepts, management approaches, applied due diligence processes, and goals and events relating to the non-financial topics determined in the Vonovia materiality process.

Materiality Matrix



Action Area A: Environment and Climate

- A1 Reducing CO₂ in the real estate portfolio/energy-efficient modernization**
- A2 Renewable energies and energy mix**
- A3 Energy efficiency and carbon reductions in operations
- A4 Innovations for climate and environment
- A5 Water, effluents and waste
- A6 Biodiversity

Action Area B: Sustainable Construction and Development

- B1 Sustainable construction and refurbishment**
- B2 Sustainable materials and products
- B3 Social and environmental standards in the supply chain

Action Area C: Society and Contribution to Urban Development

- C1 Community development and contribution to infrastructure**
- C2 Inclusion, diversity and social cohesion
- C3 Involvement and participation
- C4 Shaping political dialogue

Action Area D: Homes and Customers

- D1 Living at fair prices**
- D2 Contribution to new build projects in metropolitan areas
- D3 Homes that meet people's needs and transformation due to demographic change**
- D4 Maintenance of existing properties
- D5 Customer satisfaction and service quality**
- D6 Dialogue with tenants

Action Area E: Corporate Culture and Employees

- E1 Attractiveness as an employer**
- E2 Training and personal development
- E3 Fair and appreciative remuneration
- E4 Approach to diversity and equal opportunities**
- E5 Promoting health and safety

Action Area F: Governance and Responsible Business Practices

- F1 Governance and compliance**
- F2 Stakeholder orientation
- F3 Respect and promotion of human rights
- F4 Information management and data protection

Action Area G: Future Fitness and Capital Market

- G1 Sustainable and long-term growth
- G2 Managing opportunities and risks
- G3 Digitalization of processes
- G4 Sustainable relationships with business partners
- G5 Appeal on the capital market**

Material topics are defined by their high significance for at least two of the following three dimensions: impact on the business and value creation, impact of the business model on the environment and society, and the perspective of relevant external stakeholder groups. Material topics are marked in bold.

Deriving Sustainable Development Goals

The Sustainable Development Goals (SDGs) serve as the framework for action for sustainable development on a global level. The United Nations published the SDGs in 2015 as part of its 2030 Agenda. The 17 main goals, which are broken down into a further 169 targets, address social, economic and environmental challenges globally. Achieving the SDGs will require action from all sectors of society, including the corporate sector.

In terms of the direction of its sustainability strategy, Vonovia is guided by international standards and frameworks, such as the Sustainable Development Goals (SDGs) and the UN Global Compact. As a company with international operations, we aim to contribute to achieving these goals with our business in Germany, Austria and Sweden. We have used our materiality analysis to identify priorities in this area as well and have identified a total of eight key SDGs

SUSTAINABLE DEVELOPMENT GOALS



to which we want to make a particular contribution at Vonovia. This report details the progress we have made in terms of achieving these goals:

SDG	Targets	Our contribution to key SDGs
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Environment and Climate



Climate protection measures

We align our neighborhoods with clear climate protection targets. The goal of a virtually climate-neutral building portfolio by 2045 is a guiding principle for us. We reduce our greenhouse gas emissions in particular by consistently using renewable energies and implementing energy modernization measures in our apartments. We also promote climate protection in our neighborhoods by expanding sustainable infrastructure, for example for electromobility. For all new construction projects, we ensure that we use sustainable resources.

→ **Environment and Climate**



Renewable energy

Expanding renewable energy use is an important lever for us to achieve our goal of a virtually climate-neutral building portfolio by 2045. To supply our neighborhoods with energy, we also rely on innovative technologies that we use across buildings and combine efficiently within our neighborhoods. This includes research into new generation and storage technologies. When selecting measures, we always keep affordability in mind from the perspective of our tenants. We actively involve them in the process in order to successfully introduce decentralized power generation in our neighborhoods. At the political level, we advocate for a framework that enables all citizens to participate in the energy transition.

→ **Environment and Climate**



Land ecosystems and biodiversity

With our diverse measures in environmental and climate protection, we strengthen the sustainable use of soils and ecosystems. We attach importance to construction methods that conserve resources as much as possible and use sustainable materials in our new construction projects. In our neighborhoods, as well as at our business site, we implement projects that preserve habitats for animal and plant species and promote biodiversity.

→ **Environment and Climate**

→ **Sustainable Construction and Development**

→ **Society and Contribution to Urban Development**

Homes and Customers



Innovation and infrastructure

We carry out research in cooperation with partners from the world of science, driving innovation in the real estate industry and in renewable energies. This is how we explore new technologies and approaches to climate protection in our neighborhoods. Scientific support enables us to better identify successful models and implement them practically. It is precisely our company's size that enables us to be pioneers of technological but also social progress in the housing industry.

→ **Sustainable Construction and Development**

→ **Homes and Customers**

SDG	Targets	Our contribution to key SDGs
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Society and Contribution to Urban Development and Sustainable Construction and Development



Sustainable cities and neighborhoods

More than 70% of our portfolio is located in areas that make up neighborhoods. This is where we design the living spaces for our tenants. We offer them urban and environmentally friendly living at fair and transparent prices. We also pay equal attention to ecological and social aspects in community development. We take demographic change into account and are committed to harmonious coexistence at a local level. We are dedicated to climate protection by implementing energy-saving measures when it comes to construction and infrastructure. When designing residential environments, we pay attention to spaces that promote environmental protection and nature conservation. This is how we create sustainable living spaces in cities and communities for everyone.

- Sustainable Construction and Development
- Society and Contribution to Urban Development
- Homes and Customers



Partnerships for sustainable development

Partnerships help us pool expertise and achieve our goals more effectively. We want to consistently make our neighborhoods in cities and communities more sustainable. Using various participation measures, we actively involve our local tenants, cities and communities. We work with different stakeholders from the fields of politics, research, business and civil society, and regularly exchange ideas with them. In this way, we learn from each other, grow together and drive the sustainable development of the housing industry.

- Society and Contribution to Urban Development
- Responsible Business Practices and Governance
- Future Fitness and Capital Market

Corporate Culture and Employees



Gender equality

Transparency, diversity and appreciation are important values in our corporate philosophy. We want to give everyone equal opportunities and are categorically opposed to discrimination of any form. We see diversity as an opportunity for our teams and our business, and as an important element in remaining attractive as an employer. We select our employees on the basis of their qualifications and skills. We also make sure that we take active measures to support women and to open up opportunities for them to assume management and technical roles. This also includes offering more flexible working time models and supporting our employees in balancing work and family life.

- Corporate Culture and Employees

Responsible Business Practices and Governance and Future Fitness and Capital Market



Promote jobs and economic growth

We can only be sustainable if we are also commercially successful. As a listed company, we are committed to maintaining clear standards. With our systematic focus on sustainability and ESG criteria, we ensure that we generate growth while remaining attractive in the long term. We offer our employees a good, secure workplace. We create a trusting environment in which violations of rules and laws can be reported. We also ensure compliance with social and environmental standards within our supply chains.

- Corporate Culture and Employees
- Responsible Business Practices and Governance
- Future Fitness and Capital Market

Our Road Map

GRI 103-2

Vonovia has launched a sustainability road map for the structured implementation of its sustainability efforts. The topics of climate change and a climate-neutral portfolio (E) as well as the action areas of social responsibility (S) and governance (G) are of particular importance.

Our aim	Our goals	Year	Status	What we achieved in 2021
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Environment and Climate

Reducing CO₂ in the real estate portfolio/energy-efficient modernization

For the existing buildings in our portfolio, we aim to reduce carbon intensity annually and achieve a climate-neutral building portfolio by 2045.	Reduction of carbon intensity to <25 kg CO ₂ e/m ² (in Germany)	2030	🕒	> Reduction of carbon intensity to 38.4 kg CO ₂ e/m ² of rentable area (in Germany)
	Implementation of climate path in Germany (carbon intensity) and expansion to Sweden and Austria	2022	🕒	> New scientific climate path for Germany developed with binding annual interim targets
	Maintain refurbishment rate (in Germany) at around 3% on average	Ongoing	✅	> 2.3% refurbishment rate achieved (in Germany) > Projection 2.0%-2.5%

Renewable energies and energy mix

We are pushing the expansion of renewable energy generation in our neighborhoods.	Install photovoltaic systems on 17,000 roofs with a total output of > 200 MWp	2030	🕒	> The number of turbines increased from 424 (output: 15.9 MWp) to 451 (output 16.8 MWp) > 2022 target: 24.4 MWp
We provide future-fit mobility concepts in our neighborhoods.	Gradual expansion of charging infrastructure in our neighborhoods	2030	🕒	> Investment in the development and expansion of public charging stations for electromobility > Electric vehicles made available within the framework of car sharing schemes



Sustainable Construction and Development

Sustainable construction and refurbishment

In construction and conversion projects, we pay attention to optimized energy efficiency and environmentally conscious construction methods.	Reduction in average primary energy demand for new buildings to 31 kWh/m ²	2025	🕒	> Average primary energy demand of new buildings of 338.6 kWh/m ² in 2021 > 90% of new buildings completed in Germany in 2021 in energy class A/A+ (≤ 50 kWh/m ²)
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Society and Contribution to Urban Development

Community development and contribution to infrastructure

We carry out neighborhood development projects with cities and municipalities with the aim of improving infrastructure and social cohesion.	Holistic orientation of future community development projects while taking into account our climate protection goals	Ongoing	🕒	> 15 community development projects with around 8,600 residential units under implementation > € 61.6 million invested for community development > Project management at a neighborhood level in progress > Funding framework and social projects expanded despite pandemic (around € 1.5 million invested)
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Our aim	Our goals	Year	Status	What we achieved in 2021
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Homes and Customers

Living at fair prices

We offer everyone a chance to have a home at a fair price.	Keep modernization affordable: The voluntary commitment to limit the allocation of modernization costs to € 2/m ² will be largely retained	Ongoing	☑	<ul style="list-style-type: none"> > Hardship management scheme continued successfully > 654 positive decisions reached out of 874 hardship cases; average allocation € 1.24/m²
	Maintain special protection for people over 70	Ongoing	☑	<ul style="list-style-type: none"> > Over-70s arrangement to ensure affordable housing for tenants aged over 70 continued > 161 positive decisions out of 316 requests

Homes that meet people's needs and transformation due to demographic change

Every year, we modernize 30% of our newly rented apartments to meet the needs of an aging society.	Proportion of new rentals in Germany that are barrier-free, (partially) modernized apartments: approx. 30% annually	Annually	☑	<ul style="list-style-type: none"> > Proportion of new rentals that are barrier-free, (partially) modernized apartments: 30.0% achieved (10,070 apartments)
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Customer satisfaction and service quality

We are continuously expanding our digital channels and offering extended accessibility. We regularly carry out customer satisfaction surveys.	Keep customer satisfaction levels high	2025	⊖	<ul style="list-style-type: none"> > 4.5% increase in customer satisfaction (in Germany) > Improving the quality of communication and service by expanding the customer app with additional self-service functions
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Corporate Culture and Employees

Attractiveness as an employer

We want to be perceived as an attractive, trustworthy and forward-looking employer. We regularly carry out employee surveys to improve our performance.	Keep employee satisfaction levels high across the Group	2025	⊖	<ul style="list-style-type: none"> > Group-wide survey performed in 2021 > Increase in employee satisfaction by 5 percentage points > Around 1,900 new recruits, despite and during the coronavirus pandemic > Training rate at 5.0% (in Germany)
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Approach to diversity and equal opportunities

We make sure that we take active measures to support women and to open up opportunities for them to assume management and technical roles.	Proportion of women in management positions at 29%	2025	⊖	<ul style="list-style-type: none"> > Target for the proportion of women in management positions extended to the entire Group > Increase proportion of women in management positions by over 2 percentage points to 28% > Gender pay gap at management level¹⁾ <4%
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Corporate Governance and Responsible Business Practices

Governance and compliance

We are a trustworthy and reliable partner. It goes without saying that all of our employees comply with laws and regulations.	Integrate sustainability into our management system	Ongoing	☑	<ul style="list-style-type: none"> > Sustainability index (SPI) introduced and included in report for the first time in 2021 – with relevance for remuneration at board and management levels > 2021 SPI target achievement of 109%
	Continue to avoid misconduct through consistent preventative measures	Ongoing	⊖	<ul style="list-style-type: none"> > Whistleblowing hotline set up > Group-wide, web-based compliance risk analysis carried out > Development of a catalog of measures and expansion of the training catalog for compliance-related topics



Future Fitness and Capital Market

Appeal on the capital market

We are pursuing the goal of transparently presenting our sustainability performance to the capital market. One way we are doing this is by participating in relevant ESG ratings.	In relevant ESG ratings we aim to maintain or improve our performance	Ongoing	☑	<ul style="list-style-type: none"> > Good ESG rating performance in all relevant ratings > Green Bond Framework expanded: EU Taxonomy-aligned, including social bonds > Social & green bonds issued (March 2022)
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1) Management level includes first and second management level below the Management Board.