

# Society and Customers

<b>52</b>	<b>Society and Contribution to Urban Development</b>
<b>52</b>	Disclosure
<b>53</b>	Community Development and Contribution to Infrastructure
<b>60</b>	Inclusion, Diversity and Social Cohesion
<b>62</b>	Involvement and Participation
<b>63</b>	Shaping Political Dialogue
<b>64</b>	<b>Homes and Customers</b>
<b>64</b>	Disclosure
<b>65</b>	Fairly Priced Housing
<b>70</b>	Needs-based Housing (Demographic Change)
<b>72</b>	Contribution to New Build Projects in Metropolitan Areas
<b>73</b>	Maintenance of Existing Properties
<b>73</b>	Customer Satisfaction and Service Quality

# Society and Contribution to Urban Development



GRI 103-1, 103-2, 103-3, 203-1  
 UNGC Principle 1



## Disclosure

The social megatrends of climate change, urbanization and demographic change set out the scope for change within which the housing industry needs to find services and solutions. From ensuring that our portfolio is climate-neutral (see [Environmental Issues](#)), increasing levels of urbanization and tenants having an increasingly wide range of requirements (see [Fairly Priced Housing](#)) to our aging society (see [Needs-based Housing \(Demographic Change\)](#)), the challenges that we face are becoming increasingly complex and intertwined. That is why the environment in which people live and their neighborhoods are becoming an increasingly important focus area for the residential real estate industry – a trend that has been given significant impetus by the coronavirus pandemic.

Quality of living has more and more to do with what is going on at a neighborhood level; people want to identify with where they live and feel at ease in their environment. A balanced mix of rented apartments and condominiums, the integration of small businesses, attractive open and communal spaces, the availability of local suppliers, modern transport connections and mobility, good educational facilities, and social and cultural facilities – the interplay of all these factors promotes diverse and vibrant neighborhoods. This is an aspect that is also becoming increasingly important to tenants. In this way, the real estate industry is also partaking in urban development and is able to contribute its own expertise to the design processes through direct contact with tenants.

Neighborhoods bring together stakeholders with different interests, including through varied ownership and tenant structures. In order to feel at home, many people want to be involved in decisions that will have an impact on the environment around their homes. Participation measures are therefore becoming increasingly important to strengthen acceptance for community development and the associated, often long-term, measures. Our experience shows that participation processes can achieve even better results by incorporating new and varying points of view and by inte-

HIGHLIGHTS 2021

- > Holistic orientation of future community development projects while taking our environmental and social responsibilities seriously
- > Portfolio segmentation aligned with neighborhood approach: around 70% of portfolio located in areas that make up “urban quarters”
- > 15 community development projects with around 8,600 residential units under implementation (investment volume of € 61.6 million), 20 more in the pipeline
- > Internal knowledge management for neighborhoods (Neighborhood Academy and Vonovia Neighborhood Guide)
- > Urgent assistance totaling over € 400,000 provided in response to catastrophic flooding in Germany, employees involved directly
- > Grants for social/cultural projects and facilities of around € 1.5 million

grating them into decision-making processes. The complexity and probability of not being able to fulfill all stakeholder wishes equally also increases.

Focusing on providing holistic solutions at a neighborhood level makes it possible to align urban development specifically with social and ecological needs and to exploit synergies. Innovative solutions that enable buildings to be networked together are especially important if climate protection targets are to be achieved. Social cohesion can only be achieved by looking outside of one’s own front door and towards the neighborhood.

The social infrastructure of a neighborhood therefore plays an important role in social cohesion. A cohesive civil society with all its social and cultural offerings creates space for diversity and contributes significantly to the attractiveness and liveliness of neighborhoods. Social institutions and civic engagement support exchange and thus successful coexistence in local communities.

It is of the utmost importance that tenants, residents and local politicians have a high level of acceptance for all changes made in neighborhoods. This goes without saying when you consider that we help shape people's immediate living environment. We need to inform residents about planned measures in good time so that they have an opportunity to voice their worries and concerns. Involving people in the community provides us with a significant opportunity to improve our neighborhoods together and make a positive contribution to cohesion. Open and transparent communication with municipal authorities also has a crucial role to play in the success of urban development projects.

We have identified **Community Development and Contribution to Infrastructure** as a material topic. This is complemented by the important topics of **integration, diversity and social cohesion, involvement and participation** and **shaping political dialogue**, all of which play an important part in our neighborhood approach. The section below provides information about our approach, the steps we have taken to integrate this approach into our processes and our targets and measures related to the material topic.

## Community Development and Contribution to Infrastructure

GRI 103-1, 103-2, 103-3, 203-1

### Our Approach

Vonovia offers people a home in its neighborhoods. The company's aim is for them to be able to find a good neighborhood in which they feel comfortable and which brings different generations together. We are convinced that a livable neighborhood strengthens tenant loyalty and increases the value of residential properties.

As a result, thinking and acting in terms of neighborhoods is our main approach to finding solutions which will drive the economic, environmental and social development of our urban housing portfolios. With this in mind, Vonovia takes a holistic perspective on neighborhoods and develops infrastructure that is tailored to suit the individual challenges of each neighborhood, that is geared toward the needs of the tenants and that combines structural design, climate protection and services to meet social needs.

We analyzed and restructured our portfolio structure in 2021 in order to increase our focus on the neighborhood approach. Around 70% of Vonovia's portfolio is located in neighborhood settings – equivalent to 586 urban quarters, each containing 430 residential units on average. In this context, we understand an urban quarter – as per the definition of the German Housing and Real Estate Companies (GdW) – as a visually coherent urban development structure that is seen by its residents as a distinct area and that represents an area for action in which the residential real estate company can make a difference and see positive effects. It comprises at least 150 apartments. In addition to the urban quarters, there are unique strategic properties (urban clusters) to which the options for action of the strategy and business model are adaptively applied (see [🏠 The Company](#)).

In our view, the development of these interconnected portfolios offers a great deal of potential for shaping construction and society and contributing to sustainable community development. Vonovia neighborhoods are always aligned with clear climate protection requirements (see → [Reducing CO<sub>2</sub> in the Real Estate Portfolio/Energy-efficient Modernization](#)) and social compatibility (see → [Fairly Priced Housing](#)). This adds joined-up approaches and new technology-based options to the range of measures that we have available to shape our portfolio while creating places that are fit for the future from both a social and environmental perspective. Synergy effects truly release their potential within the neighborhood approach.

Derived from this, we develop a coordinated neighborhood-specific infrastructure that combines structural design, climate protection and social offerings. Our climate protection goals will only be within reach when we take a systematic neighborhood approach. It is particularly important that we take a holistic approach in this area so that we can ensure that our neighborhoods are developed in line with our climate plan and aligned with climate protection requirements. Strategies that bring together power, heat and mobility in our neighborhoods have a decisive role to play in ensuring the success of our energy transition (see → **Reducing CO<sub>2</sub> in the Real Estate Portfolio/Energy-efficient Modernization**). This kind of strategy opens up entirely new ways to expand our range of services and trial new technologies like sector coupling (see → **Renewable Energies and Energy Mix**). We are creating new living space in conurbations through densification and adding extra stories (see → **Sustainable Construction and Refurbishment**).

We also take responsibility for designing our neighborhoods. We are expanding the infrastructure to meet local needs. To achieve this, we are creating space for local suppliers, medical services or educational institutions, social facilities and services, and creative artists (see → **Inclusion, Diversity and Social Cohesion**). Modern mobility options such as the creation of a charging infrastructure for e-mobility (see → **Renewable Energies and Energy Mix**), car sharing options, or the expansion of parking spaces for bicycles are also important parts of community development that must be considered from the outset. Vonovia also designs residential environments, playgrounds and green spaces in such a way that they strengthen participation and urban coexistence, enhance the quality of living and are also sustainable from an ecological perspective (see → **Biodiversity**).

As a matter of principle, we want to implement community development projects in such a way that the acceptance of construction measures and other projects increases. We therefore actively involve our tenants in the associated intensive coordination processes (see → **Involvement and Participation**). We also cooperate with authorities and other municipal and social institutions and exchange ideas with political representatives. Through discussions with the stakeholders involved, we gather experience and incorporate it into our concepts. Only if they are supported by everyone can we implement them successfully and promote value creation.

### Organizational Focus

Community development projects are planned and managed on a decentralized basis via the regions. The regional managers for the West, North, East and South regions are responsible for the respective projects and implement them along with their regional managers.

The Chief Rental Officer (CRO) is the Management Board member responsible for the property management business in the North, East, South and West business areas, as well as for customer service and portfolio and tenant management. We are increasingly using our own neighborhood developers for on-site implementation. This allows us to address any specific issues as and when they arise.

The regions are also responsible for managing the investment and participation formats, as well as corporate citizenship and philanthropy. This approach is supplemented, also from a quality assurance perspective, by centrally managed supporting measures via corporate communications.

### Objectives and Measures

Our goal is to create housing that meets people's needs and is worth living in. To this end, we carry out community development projects in cooperation with cities and municipalities and initiate further projects every year with the aim of improving the infrastructure, realizing integrated energy concepts and dealing with urban development issues.

In concrete terms, this means, depending on demand:

- > Creating affordable homes by means of vertical expansion, densification and new construction
- > Implementing modernization in a socially responsible manner
- > Optimizing the energy requirements of our portfolio
- > Thinking about and designing the residential environment in an integrated way, including recreational areas, playgrounds, and holistic mobility concepts
- > Local suppliers, daycare centers, doctors and social and cultural institutions
- > Promoting dialogue with tenants and stakeholders in order to encourage acceptance and influence

In 2021, there were 15 community development projects in the operational implementation stage across Germany comprising approx. 8,600 residential units as part of the community development investment program. These include various key components such as energy-efficiency refurbishments, constructing new homes, and measures to design an appealing residential environment. These are supported by additional social services, aspects pertaining to urban development and necessary infrastructure measures. These projects generally run for a period spanning several years. In 2021 Vonovia invested € 61.6 million into

# Integration and Coworking in Bremen Commercial Units



Vonovia has temporarily rented out two vacant floors of the building at Bürgermeister-Smidt-Straße 47 in Bremen. Two associations each have an area of approximately 250 m<sup>2</sup> available. The Afrika-Netzwerk Bremen e. V. has established a new location on the second floor of the building. The site is being used as office space, while also serving as an intercultural community center and meeting point. Bremen is home to a large African community. The association is using the center as a space where citizens of Bremen with and without African backgrounds can come together – a place for cultural exchange and integration. The Bremen College of the Arts started using the second floor as a coworking space after the area it was previously using had to close due to the coronavirus pandemic. The space has provided a space for students to come together and work on projects in the fields of design, art and digital media since September 2021. The temporary leases were arranged through the agency ZwischenZeitZentrale (ZZZ). Both groups are paying competitive rent. Since March 2010, ZZZ has arranged far more than 400 projects like this one, all of which involve using vacant properties to harness good ideas.

**“Afrika-Netzwerk Bremen and the coworking space are great, inclusive and young. We’re thrilled to have them as our tenants.”**

**Timm Tebbe,**  
**Vonovia Regional Manager**  
**for Bremen**

From left to right: Oliver Hasemann (ZZZ ZwischenZeitZentrale Bremen), Eric Patzer (Vonovia Bremen), Daniel Schnier (ZZZ ZwischenZeitZentrale Bremen), Julian Eßig (ZZZ ZwischenZeitZentrale Bremen) and Dustin Sherman (coworking space tenant).





15 community development projects. As part of the further development of our investment strategy, some 20 neighborhoods in 2022 will be analyzed in terms of their environmental performance and social megatrends before being extensively prepared.

15 community development projects with

**approx. 8,600  
residential units**

in the operational implementation stage as part of the community development investment program

In 2021, Vonovia invested

**€ 61.6 million**

in 15 community development projects

Environmental and social aspects go hand in hand within our neighborhood approach. Vonovia is equally committed to both aspects and to promoting social interaction in the local community. Measures to strengthen shared living only become manageable and effective through the neighborhood approach. This is a process involving city and municipal authorities as well as our tenants in order to jointly develop solutions for the neighborhood. It uses various instruments and cooperation initiatives to achieve this, e.g., by making premises available, establishing services, neighborhood meet-ups and daycare centers hand-in-hand with cooperation partners that focus on the greater good (see → [project box "Integration and Coworking in Bremen Commercial Units"](#)).

In Austria, we set up community development schemes where necessary, which will support every new neighborhood until its structures have been fully established. We also support social and technical infrastructure through financial contributions.

Another aspect of community development projects is the promotion of modern mobility concepts such as e-mobility. For example, e-charging stations give our customers the opportunity to switch to an electric car, and car sharing options allow them to do without their own car altogether. This not only has a positive impact on the climate, but also reduces costs for our customers and strengthens their relationship with Vonovia, while also increasing land values in our neighborhoods by reducing the amount of land devoted to parking. In terms of e-mobility, this comprised the measures for 2021 detailed below – which will be gradually rolled out in our neighborhoods over the next few years:

- > Reducing car parking spaces and installing bicycle parking spaces and bicycle garages for e-bikes
- > Expanding car and bike sharing services (including for e-vehicles)
- > Providing connections to public transportation
- > Promoting electromobility, e.g., by installing charging stations for cars and e-bikes

## Car sharing locations

in Berlin, Dieburg,  
Dresden, Frankfurt am Main,  
and Vienna

According to our internal specifications, charging stations must always be pre-installed when modernizing existing buildings or constructing new buildings. Around 30% of our new construction projects completed in 2021 already feature charging stations. On average, each newly built apartment currently has 1.7 parking spaces for bicycles, and the closest public transport connection can be reached on foot in less than four minutes.

The residential environment plays a particularly key role in the community development measures implemented by Vonovia. New green spaces and playgrounds, as well as socially designed community centers outside the buildings can create real added value for tenants. Particularly in urban environments, the issue of spaces for relaxation is becoming an increasingly important factor in terms of how people assess quality of life (see → [project box "Kennedy Garden: Shell of 'Lavandula' & 'Orchidea' Completed"](#)). We make a positive contribution to social development through projects such as establishing community gardens. In 2021, we were able to establish wildflower meadows and insect habitats in numerous locations (see → [Biodiversity](#)).

# Kennedy Garden: Shell of “Lavandula” & “Orchidea” Completed

The KENNEDY GARDEN project team at the topping out ceremony for Lavandula and Orchidea

In the 14th district of Vienna, just a few minutes on foot from the Kennedy Bridge, BUWOG is building a striking new residential environment: the KENNEDY GARDEN. The project will provide a wide range of rented and owner-occupied apartments, with a focus on environmental and social sustainability. A total of 512 units will be built by early 2023, divided between six different units. The topping out ceremony for the Orchidea (124 rental apartments built as part of the Vienna Housing Initiative) and Lavandula (114 privately financed rental apartments) units were held in October 2021.

The apartments in the Kennedy Garden development were designed to suit a range of modern lifestyles and requirements, with different spaces set up to meet the needs of families and smaller households. Part of the development is designed specifically with single parents in mind, and offers suitable homes and common areas.



The development is set to be ready at the start of 2023 and features large green areas with a wide variety of vegetation. These will have a positive impact on the microclimate and biodiversity in the city. Cycle parks and charging stations will also be included. The development has excellent links to the public transport network and cycle paths, making it ideal for tenants who value a sustainable lifestyle. Energy-efficient heat generation, which at the same time protects the environment and keeps residents' heating costs low, is provided by a condensing gas boiler system and two heat pumps, which are also supplied with electricity via photovoltaic panels. All of these interconnected measures work together to facilitate a pioneering form of green living at the KENNEDY GARDEN development. The project is already Greenpass certified, and is now looking to achieve “klimaaktiv” certification as well.



Green spaces and roofs ensure a pleasant microclimate throughout the development



Community development calls for complex teamwork and extensive knowledge of all employees to ensure successful implementation on location. From an organizational standpoint, the challenge of the neighborhood approach lies in reflecting networked thought and action within the organizational structure, facilitating knowledge transfer and establishing the processes necessary for this to happen. Here, Vonovia follows the approach of providing central support services for local decision-makers and actors and ensuring the transfer of best practice.

Thanks to the Neighborhood Academy, an internal training and networking format launched in 2021 as a capacity building project, employees can be qualified as community development experts. This certification program provides a solid foundation for an active and innovative culture of learning and development at Vonovia which will ensure the success of our community development projects. Over the twelve-month program, internal and external experts in the economy and research topics will run virtual live sessions and workshops on a variety of subjects. Participants will also be able to learn on their own time to get a well-rounded understanding of community development. The Neighborhood Academy not only teaches innovative knowledge, but also focuses on the training of specific skills. At the same time, it enables the systematic sharing of experiences among participants. The program was designed by the Human Resources department in partnership with the European Training Center for the Housing and Real Estate Industry (EBZ) in Bochum. Participants have provided extremely positive feedback about the program (see → [project box "Vonovia Neighborhood Academy: Our Innovative Expert Program"](#)). The Neighborhood Academy is looking forward to its second intake in mid-2022.

In recent years, Vonovia has acquired a significant amount of experience in running large community development projects. It has employees with an extensive amount of expertise around the country. Specifically for the topic of community development, and in addition to the Neighborhood Academy, we developed a knowledge platform – the Vonovia Neighborhood Guide – in the year under review to assist with knowledge transfer and networking within the organization. The platform provides articles and guides from internal experts so that all Vonovia employees can benefit from the company's previous experience. The topics covered range from societal megatrends through to building solutions and pointers for handling social projects. The platform already covers over 50 topics. We add and update information on a regular basis.

In order to further spearhead research in the field of community development and living, Vonovia sponsors a foundation professorship – held by Prof. Dr. Jan Üblacker – at the EBZ Business School University of Applied Sciences in Bochum, thereby firmly embedding the neighborhood perspective in the education of EBZ students.

# Vonovia Neighborhood Academy

continued following extremely  
positive feedback in 2021



# Vonovia Neighborhood Academy: Our Innovative Expert Program



“We started the Neighborhood Academy to cultivate a culture of learning that encourages employees to discuss neighborhood development-related topics and share what they know.”

**Nina Manns,  
HR Specialist**

In order to incorporate our strategy of focusing on forward-looking and sustainable neighborhoods into our training and education offerings, we have developed an expert program covering all aspects of community development.

In March 2021, 19 participants selected from across a range of neighborhood-related company departments began a year-long program. This unique course combines tried-and-true expertise with new, innovative approaches. As the program is conducted internally and was designed in close collaboration between the HR department and other specialist and company departments, the course contents can be flexibly adjusted to fit new requirements in the realm of community development and the participants’ needs. It specifically focuses on encouraging cross-departmental collaboration within the company as well as providing access to external experts from the worlds of business and science.

Following completion of the course, participants remain affiliated with the program as alumni. Regular communication with future participants as well as systematic knowledge management helps to create a new culture of continuous learning and networking - both internally and with external speakers and contributors. Nearly 20 participants have once again been nominated for the next course, which will begin in May 2022.



The weather in Bochum was so good on June 15-16, 2021, that the first training sessions were held outside.



## Inclusion, Diversity and Social Cohesion

GRI 406-1, 413-1

Through promotions and support measures in the social sphere, Vonovia creates value for those who call our neighborhoods home. These include people from a wide variety of cultural backgrounds. Vonovia welcomed new tenants from over 150 nations in 2021, as well as from a wide variety of age groups and social structures.

Demand-oriented and functional cooperation with social institutions, cities, municipalities, and residential real estate companies underpins the holistic neighborhood concept and serves as a strategic building block for community development. The promotional activities provided by Vonovia, which address specific local needs, focus on social and ecological measures that strengthen coexistence in the neighborhood, contribute to greater diversity and promote a vibrant living environment (see → **project box “Community Development for and with Tenants”**). This is how we summarize it in our **Group Donations & Sponsorship Policy**. This defines the framework for action within which those responsible can select and implement suitable collaborations based on needs. The freedom to make decisions on site is important in order to be able to react to the respective challenges in a targeted manner. A wide range of measures and community development programs are emerging as a result, matching the diversity of society itself. These include:

- > Establishing neighborhood meetings and daycare centers
- > Cooperating with social institutions and sponsors as well as municipal neighborhood managers
- > Providing premises and services in kind for social and cultural institutions
- > Promoting cultural diversity by supporting small art projects
- > Helping those in need, e.g., by supporting food banks
- > Personal commitment of employees, e.g., for clean-up and planting campaigns

At <http://vonovia.de/vor-ort> we showcase a variety of projects that demonstrate our engagement.

# > 8,700 m<sup>2</sup>

of rent-free or discounted commercial space for social institutions (in Germany)

# Around € 1.5 million

invested in social/cultural projects (in Germany)

### 2021 Projects and Partnerships (Examples):

- > **Cultural district festival in Hamburg-Wilhelmsburg:** Support for the home-grown intercultural district festival 48h Wilhelmsburg. Embedded into the existing partnership with our neighborhood meet-up.
- > **Neighborhood meet-up in Ulm:** Funding and free venue for the neighborhood meet-up of the Phoenix Wiblingen e. V. association
- > **Adventure playground in Bielefeld-Baumheide:** Funding and volunteers (construction supervisors/ carpenters) provided for a new sheep pen in the adventure playground in the neighborhood
- > **Storefront cinema in Dresden:** An empty unit on the Dresden Hauptstrasse was made available free of charge to the Kino über Land e. V. association to screen short films from around the world.
- > **Support for vaccination drives in Bremen:** Financial support for mobile vaccination teams provided by the German Red Cross and St John Ambulance in Bremen
- > **Center for women and girls in Hanover-Garbsen:** Support for individual advice schemes and groups for women and young girls run by ecumenical social project NEULAND
- > **Residential environment design in Leipzig:** Assisted a housing community with the creation of a shared garden by providing construction materials and soil, in addition to creating an insect habitat and flower meadow
- > **Soccer field upgrade in Hamburg:** Construction of an amateur soccer field along with new seating, a wildflower meadow and insect habitat in order to provide people in the neighborhood with more opportunities to meet each other and exercise

# Community Development for and with Tenants

Interview with Jorunn Rådberg, Head of Social Sustainability at Victoriahem, Sweden

## What is the need for a Social Sustainability unit?

**Jorunn Rådberg** – Our goal is to offer our tenants safe and comfortable homes in which they can build their lives. The Swedish police classify a total of 61 areas throughout the country as vulnerable areas based on negative socioeconomic factors such as high unemployment and crime rates as well as lower social integration. As we have apartments in 30 of these areas, we want to do our part in making them safer and more socially sustainable. Our long-term goal is to make sure that our properties no longer rank in the highest category of vulnerability.

## How do you work toward this goal?

**JR** – In each neighborhood, we try to strengthen the local society by connecting with important actors who play a role for the every-day life of our tenants. On an organi-

zational level, this includes official authorities and institutions, such as the police and social services, as well as libraries and schools. On the next level, we aim to support various networks in the neighborhoods to strengthen the collective efficacy by supporting neighborhood networks between people within the area. Finally, we also address people's individual situations.

As every neighborhood is faced with a unique set of challenges, we have to be flexible in our approach and base our work on their individual needs. This is why our neighborhood managers are so fundamentally important. They know the neighborhoods, their particularities and the people who live there. From our central office in Stockholm, my team and I work to coordinate ways in which we can help our neighborhood managers.

The projects that we're involved in are as diverse as our neighborhoods themselves. For instance, we support immigrant women to serve as positive role models, we offer summer jobs to local youth and we organize a number of sporting activities, to name but a few.

## How do you measure the success of these projects?

**JR** – At the heart of our work is the long-term plan to advance social sustainability. In and of itself, this is hard to put into numbers on a year-to-year basis. However, there are some quantifiable indicators. Falling crime rates, less vandalism in our neighborhoods, less violence, fewer students dropping out of school, more young people joining the work force – these are indicators that tell us that we're successful with our work. And, of course, the police's classification system of the areas throughout Sweden serves as an official benchmark. When one of our neighborhoods is moved to a lower rank of social vulnerability, it's a great confirmation that we're on the right track. This is not to say that predicting the success of a given project is easy. We've learned that some ideas start out promisingly, but just don't pan out in the way that we had hoped for. On the other hand, some projects that we might have been rather unsure of end up yielding great results in the most unexpected ways. The most important lesson that we've learned is that we work with people and for people, so there will always be an element of surprise.



Rhineland-Palatinate and North Rhine-Westphalia were hit by catastrophic flooding in summer 2021 – the flooding was particularly devastating in the Ahr Valley and ruined the lives of countless people. Vonovia was quick to react. Our colleagues on the ground started (sometimes voluntarily) taking reports about damage and providing accommodation in the first days of the catastrophe. The employees of Vonovia Technical Service (VTS) and the residential environment services team were heavily involved in the cleanup process. Vonovia received almost 300 requests for alternative accommodation in the Rhineland region as a result of the flooding. In order to provide rapid assistance, we simplified the rental process, waived deposits, credit checks and the first rental payment, and gave tenants the right to terminate their lease with immediate effect. We used our social media channels to quickly spread the word about the help that we were offering. We also helped people get back on their feet by donating equipment, particularly boilers, which were urgently needed. The company invested a total of around € 400,000 in cleaning up residential units and providing alternative accommodation.

**Around  
€ 400,000**

**invested in the restoration of homes and alternative accommodation following flooding**

In the reporting year, we expanded our support services to include another special cooperation. In the coming years, we will be sponsoring Silbernetz e. V., who offer a nationwide telephone hotline to combat loneliness in old age. We inform our tenants about the offer, thereby creating contacts, providing the association with rooms for training courses and supporting the association's infrastructure with an annual donation.

The funding instruments are supplemented by our foundation work, primarily within the framework of the Vonovia Stiftung (Vonovia foundation), the Vonovia Mieterstiftung e. V. and "Stiftung Mensch und Wohnen". With their help, we implement support measures for the benefit of our tenants and the rental environment. We continue to support tenants facing social hardship. In 2021, our foundations' funding volume amounted to just over € 200,000.

**Funding from foundations  
of more than**

**€ 200,000**

## **Involvement and Participation**

Participation processes are particularly important when it comes to comprehensive construction and modernization measures. There is a legally prescribed participation process for construction projects, which we consistently adhere to. We also use comprehensive voluntary participation formats, which allow tenants to have their say, and through which they are empowered to exert influence on the design of respective projects, for example on the topics of residential environments and parking lot design. Actively designed participation processes and citizen involvement procedures therefore begin at the planning phase. This helps us to develop collaborative solutions for the respective neighborhood, although it is sometimes several years before the actual construction work begins.

We rely on various formats such as tenant surveys, door-to-door or one-on-one meetings, tenant meetings and workshops, as well as information events and neighborhood walks. The first point of contact for people in the neighborhood expressing their concerns will continue to be the caretakers and neighborhood managers as well as our leasing offices.

Dialogue remained impacted by the coronavirus pandemic in 2021. As a result, we continued to use our alternative approach which we had implemented in 2020 – such as contacting our tenants more frequently by phone, particularly long-term and older tenants. Personal appointments also took place following consultation and in strict compliance with hygiene regulations. We have replaced large information events with neighborhood tours in small groups and video conferences. However, participation thrives when there is a low barrier to entry, which is why digital formats have (so far) reached their limits here.

## Shaping Political Dialogue

For information on our activities to help shape the political dialogue, see → [Stakeholder Orientation](#).

# 79

**tenant meetings and  
consultation procedures carried out  
despite the pandemic**

### Projects in 2021 (Examples):

- > **Düsseldorf-Lichtenbroich neighborhood:** As part of community development efforts, Vonovia gave more than 400 tenants the opportunity to contribute their ideas and suggestions regarding current project planning for the construction of 58 new residential units and 150 apartment buildings in online discussions and workshops.
- > **Duisburg-Hüttenheim neighborhood:** We keep tenants informed of updates in community development in a contact-free manner due to the coronavirus restrictions. As we want to take as many of the residents' requests into consideration as possible, we invite them to participate in written letters, via the tenant app, and also directly by phone.
- > **Dortmund-Westerfildе neighborhood:** New outdoor fitness facilities are to be built in the neighborhood. In order to do justice to tenants' requests, Vonovia carries out an online survey. In answer to residents' interests and needs, the neighborhood will be getting fitter.



# Homes and Customers



GRI 102-13, 103-1, 103-2, 103-3, 203-2  
 UNGC Principle 1



## Disclosure

Our business activities are geared toward providing people with homes – one of their basic human needs. The needs and circumstances of our customers are just as diverse as our tenants. Each of our regional residential property markets face different challenges as well. Housing is becoming increasingly scarce, particularly in metropolitan areas, while demand shows no sign of abating. These developments are unfolding against the background of high climate protection requirements, which are particularly cost-intensive in the buildings sector. This is why, particularly when it comes to modernization projects, it is key to bear in mind what individual tenants can actually afford in order not to end up losing customers. After all, one aspect that is of fundamental importance to us is being able to offer our tenants the prospect of being able to stay in their homes in the long term. One of the biggest challenges facing us in this action area is continuing to provide a wide range of housing at fair and transparent prices while also achieving our objective of a climate-neutral property portfolio.

Affordable housing remains a burning topic in public discourse. The housing situation in major metropolitan areas like Berlin is particularly fraught: the Act on Rent Controls in the Housing Sector in Berlin (“the Berlin rent freeze”), introduced by the Berlin State Government in 2019, was declared unconstitutional by the German Federal Constitutional Court in the reporting year. A majority of voters in Berlin instructed the Berlin State Government by means of a referendum in fall 2021 to examine demands for socialization of the portfolios of major residential real estate companies in Berlin. This illustrates the urgent need for affordable housing in metropolitan areas like Berlin, and just how much pressure political decision-makers are under. It also strengthens Vonovia’s commitment to providing an adequate amount of housing for all at fair prices.

Demographic change is increasing the demand for housing that meets the needs of an aging population. In Germany, the demand for senior-friendly housing will outstrip supply by around two million by 2035. In an aging society, it is

### HIGHLIGHTS 2021

- > Numerous cooperation agreements concluded with cities and municipalities to secure homes and fair rents
- > Average allocation of modernization costs stable at € 1.24/m<sup>2</sup>
- > Established hardship management program rolled out further and positive decisions reached for 654 out of 874 hardship cases – approx. 75%
- > Uniform standards for hardship cases in the event of modernization work developed and implemented with the German Tenants’ Association and other residential real estate companies
- > Numerous projects and measures carried out under “Housing First” initiative to combat homelessness
- > Around 10,000 apartments in Germany (partially) modernized for the elderly (30% of new rentals)
- > Customer satisfaction up 4.5% on the previous year and at an all-time high
- > Customer app functionality expanded. Around 92,000 active users

crucial to enable a large number of people to live independently in their own homes for as long as possible. Maintaining and improving the quality of housing through needs-based expansion and renovation is therefore of particular importance. With this in mind, we are pushing the development of needs-based housing through maintenance, modernization, new constructions, and appropriate renovation where possible. Again and again, it becomes apparent that designing an apartment to be senior-friendly does not always have to entail the high and thus cost-intensive requirements of barrier-free design, e.g., those specified by the corresponding DIN standard. Effective solutions for older tenants can often be achieved with moderate measures that can also be implemented at low cost. We believe that we are responsible for enhancing and implementing these solutions.

Our tenants are at the center of our business activities. That is why customer satisfaction is an important measure of our success as a company. We want to be available to our clients at all times as contact persons on equal terms. The most important thing is that our tenants feel at home in their apartments and neighborhoods. Customer satisfaction is instrumental in Vonovia's success. Here, the quality of customer care and services plays a major role. Our experience tells us that availability, speed and transparency in customer service are pivotal when it comes to living up to expectations.

We defined a number of topics as absolutely material for Vonovia within the spheres of activity of homes and customers. These were **fairly-priced homes, needs-based housing, action with regard to demographic change, customer satisfaction and service quality**. Other important topics are contributing to new builds in metropolitan areas, maintaining existing properties and holding discussions with tenants.

## Fairly Priced Housing

GRI 102-13, 103-1, 103-2, 103-3, 203-2

### Our Approach

Vonovia's core business is the provision of housing that meets everyone's needs. The fundamental challenge for us involves being able to provide a supply of housing at fair and transparent prices while at the same time achieving a climate-neutral housing stock. We believe that social responsibility and the transparency of our rents are two of our most important levers in this context. By further expanding our core business through letting and new construction, we make a substantial contribution to easing the current situation on housing markets. Our rental prices are based on local rent prices, and, if available, on certified rent indices. In our view, regulatory interventions in housing markets are necessary and conducive to the achievement of our objectives.

We also partner with cities and municipalities to offer subsidized and independently financed homes for people on low incomes and are responding to location-specific challenges with services tailored to needs (see → **project box "Frankfurt and Vonovia Working Together for Climate-Friendly Housing at Fair Prices"**). In Germany, around 10% of our housing is currently price-linked. In order to protect low-income tenants, we enter into individual agreements for rent-controlled homes. This secures our existing rents and plays into wider-reaching social agreements. We are concluding more and more wide-ranging agreements with cities and municipal authorities in Frankfurt, Berlin, Cologne, Munich and elsewhere. The use of public subsidies – now and in the future – also helps us to make existing and new housing affordable for our tenants and at the same time to implement climate protection measures. In this way, we can contribute to a balanced tenant structure and social heterogeneity in our neighborhoods.

Agreements with cities and municipalities to

protect  
tenants

and secure existing rents

# Frankfurt and Vonovia Working Together for Climate-Friendly Housing at Fair Prices



**“We think long-term and want our tenants to stay with us.”**

**Arnd Fittkau,  
Vonovia SE, CRO**

A first for Frankfurt: In 2021, the City agreed regulations with Vonovia for sustainable living at fair prices. This is the first arrangement of this kind between the City of Frankfurt and a private company. In March 2021, the “Agreement on climate-friendly and affordable housing in Frankfurt” was signed by Vonovia CRO Arnd Fittkau and Peter Feldmann, Mayor of Frankfurt-am-Main. It aims to alleviate the current situation for tenants in Frankfurt’s housing market and to strengthen the social aspects of housing. Concrete measures and targets have therefore been drawn up. Vonovia will limit the average increases in existing rents to the level of inflation and to one percent for three years. It has also been agreed that new construction projects will include 30% subsidized housing. The two partners are also jointly involved in efforts to help people who are affected by or at risk of homelessness. In the long term, Vonovia will provide up to one hundred apartments for these people, who will receive additional assistance through the city’s social welfare offerings. The agreement also stipulates measures to ease the financial burden on tenants when modernization measures are carried out. For the duration of the pandemic, tenants also have access to generous provisions for the payment of rent.

Continuation of

# voluntary commitments

to modernization and a guarantee to protect people over the age of 70

We will retain our voluntary commitment in Germany to cap the modernization costs passed on to tenants at € 2/m<sup>2</sup>. In the event that a disproportionately large amount of CO<sub>2</sub> – and therefore further heating costs for tenants – can be saved, it is possible to balance the objectives in favor of the climate-protection measures on a project-by-project basis. We remain committed to providing special protection for people over 70 years of age who are affected by regular rent increases. We do not want our older tenants to worry about their financial security or losing their home due to their rent going up.

In Sweden, Victoriahem works with tenant associations to reach agreements on issues such as changes in rent charges. Issues like these are discussed and agreed on in negotiations. Rent increases occur annually, between 1–2%, or after modernization to a higher standard.

We also provide tailored assistance through our hardship management program to ensure that our customers have access to affordable housing over the long term. All tenants have the opportunity to claim hardship due to exceptional circumstances in the case of energy modernizations. The team – which comprises five hardship managers working at the headquarters and 25 neighborhood managers working on site – looks at each individual case and works with the tenant to find an individual solution. Our goal is always to ensure that people can stay in their homes and that their homes remain affordable.

Team of

# 5 hardship managers and 25 neighborhood managers

work with tenants to find individual solutions

We also offer solutions for particularly vulnerable people such as refugees and the homeless. We do this, for example, within the framework of special agreements with state governments, cities and municipalities as well as other residential real estate companies. We do this because we are convinced that social cohesion only comes about through successful integration and inclusion. And this begins at home.

## Organizational Focus

Rent structures and agreements with municipalities are managed in a decentralized manner via the regions. The Chief Rental Officer (CRO) is the Management Board member responsible for the property management business in the North, East, South and West business areas, as well as for customer service and portfolio management. The individual measures are planned and coordinated in the Portfolio Management department. Hardship management is the responsibility of Portfolio Management. Since 2019, it has been supported by community developers in the individual regions in order to provide even better support for the tenants concerned.

## Objectives & Measures

In times where housing is increasingly hard to come by, one of the ways in which we live up to our responsibility to society is by providing homes at transparent and fair prices to suit different budgets. The results of our new customer survey show that we provide suitable homes for a wide variety of people. We have customers from over 150 nations, and 35,322 new tenancy agreements were signed in 2021 in Germany. Around half of these customers are single, while the average household size is 1.8 people. Students and trainees accounted for 9% of all new tenancy agreements in 2021. Notably, 47% of new tenants are between 18 and 30 years old. The top three locations for new tenants in 2021 were Dresden, Berlin and Dortmund.

# More than 150 nations

make up our diverse clientele

We have sent a number of signals that we want to be involved in changing the situation in Berlin, our second most popular location for new rentals, by bringing politicians, society and residential real estate companies together. In a first step, we waived potential claims for rental back payments arising from the ruling of the German Federal Constitutional Court on the Berlin rent freeze. In concert with Deutsche Wohnen, we have also gone a step further with our "Future and Social Pact for Housing" by selling 14,750 apartments to public housing companies, voluntarily limiting our rental increases for the next five years in Berlin and committing to build 13,000 new apartments. We are playing an active role in solving the housing shortage in Berlin.

## "Future and Social Pact for Housing"

This includes the sale of 14,750 apartments to public housing companies in Berlin

In 2020, we entered into a framework agreement with the city of Munich to ensure that affordable apartments are rented long-term. The partnership will make affordable housing available in two different ways: firstly by renting homes to people who are eligible for subsidized housing, and secondly by providing suitable housing for employees of the city on a lower income. These and other partnerships with municipalities and cities - including the establishment of an independent mediation body in Dresden - demonstrate that Vonovia strives to work in partnership with politicians and society to tackle municipal challenges and that the company is taking specific societal and social challenges into account within its planning.

Our rents saw a moderate and socially responsible increase, underlining our commitment to providing homes for all. The average rent in the reporting year was € 7.38/m<sup>2</sup> (in Germany € 7.19/m<sup>2</sup>) throughout the Group. We respect all regulatory provisions such as rent ceilings and rent indices. The average modernization cost allocation in the reporting year was € 1.24/m<sup>2</sup> - identical to the previous year. This shows that we still had quite a bit of room to maneuver in 2021, in light of our commitment to limit the modernization cost allocation to € 2/m<sup>2</sup>.

### € 7.19

average rent price per m<sup>2</sup>  
(in Germany)

### € 1.24/m<sup>2</sup>

average allocation of  
modernization costs (in Germany)

Nevertheless, there will always be people who are unable to handle rent increases caused by modernization costs, for a number of different reasons. Our well-established hardship management team works with tenants to find individual solutions for their financial and personal difficulties. This can include deferring or reducing rent increases. In the case of personal hardship, this may also mean that we help tenants to move house, rearrange their furniture or find alternative accommodation. The hardship team can be reached directly via a dedicated telephone number. This ensures that our customers have fixed contact persons. When they receive notification of a case of hardship, the hardship managers perform an initial preliminary review before handing the case over to the community managers for further processing, who then personally contact the tenants concerned. During the reporting year, 874 customers submitted hardship cases to Vonovia, of which 654 were approved - a rate of 75%.



# Approval rate: 75%

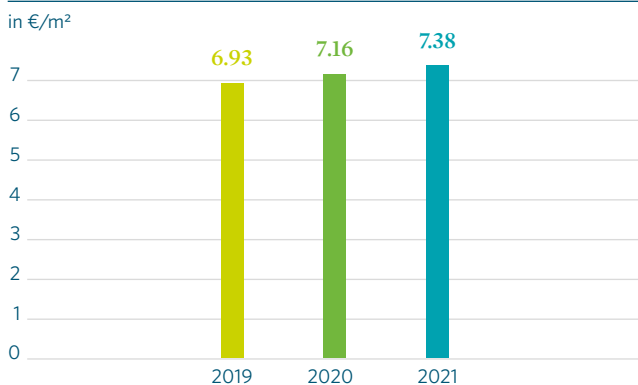
**874 customers have submitted hardship cases to Vonovia, of which 654 were approved**

In 2021, we also cooperated with the German Tenants' Association and other housing companies to agree on consistent standards for dealing with hardship cases in the event of modernization work, applying a common guidance framework. As such, we are contributing to greater reliability and transparency in cases of hardship.

We continued our over-70s scheme to protect older tenants. Since 2019, the scheme has provided individual help for over 500 people off the back of just under 1,000 inquiries. 161 of the 316 inquiries submitted in the reporting year were approved.

The coronavirus pandemic has made it even clearer what a difference our approach to hardship can make for our tenants. Customers need to feel safe within their own four walls, now more than ever. Vonovia has issued a guarantee that nobody will lose their apartment, if they encounter difficulties paying their rent due to the coronavirus pandemic. This guarantee remained in effect in 2021, even though we have seen a slight downturn in outstanding rent.

## Vonovia Rent Growth Since 2019



Increase from 2018 figure to 2019 particularly due to the acquisition of Hembla; rents in Sweden only partially comparable with rents in Germany and Austria due to varying rental systems, which sometimes include heating costs; excl. Deutsche Wohnen.

People who are homeless or at risk of becoming homeless are a particularly vulnerable group in society. That is why we continued to engage in a number of projects and measures in this area in the reporting year. Our "Housing First" approach ensures that homeless people are provided with a standard tenancy agreement with all of the normal rights and obligations, regardless of any mental or physical health conditions that they might have. It is only after this that they are offered help in order to get some stability into their lives. Vonovia provides homes as part of a wide range of partnerships. We have an agreement with the Sozialdiensten katholischer Frauen und Männer and Cologne Drogenhilfe. The latter provide assisted living for addicts and run events that provide information about addiction prevention. A joint case management team was set up in order to provide tenants with information about addictive behavior and other conflicts, in addition to being a port of call for additional help. In Bonn, we work with the Verein Frauen to help women as part of the "A Home at Last" initiative in North Rhine-Westphalia. We entered into a similar partnership with the city of Leipzig at the beginning of 2022. This followed on from our efforts to provide housing for a homeless project, which began in November 2021.

## Implementation of and support for numerous projects and measures

**in line with the "Housing First" approach**

We provided new facilities in a building bought by BUWOG to "Haus Strohalm", a homeless facility in Berlin Treptow-Köpenick, after their old location - which was owned by the SPI association had to close. We made sure that the SPI association was closely involved in the planning process for the building, which has space for over 44 people. The construction project took their requirements into account.

We support other groups in need of protection. In Berlin, we work in partnership with the Hestia e.V association. We will make 15 homes available to this association over the next four years for women and children fleeing from violent situations.

We continue to provide homes for refugees. Currently, in 2022, we are providing housing for people who have been displaced from Ukraine due to the ongoing war, and are trying to do this as quickly and unbureaucratically as possible. To do this, we are using a tool that proved its worth during the 2015/2016 refugee crisis. We established the house map platform that local authorities could use to access housing from a variety of residential real estate companies. We will also be using this extremely successful format in 2022. We are also giving our craftsmen the opportunity and the materials to set up homes for refugees, even if these homes are not in our portfolio.

## Needs-based Housing (Demographic Change)

GRI 103-1, 103-2, 103-3

### Our Approach

The demand for senior-friendly housing is expected to outstrip supply in Germany by around two million by 2035. In an aging society, we want to provide people with the opportunity to live on their own terms and in their own homes for as long as possible. We want to use our varied property portfolio to meet the changing needs of our customers and the requirements of real estate markets, particularly the need for accessible homes and homes that are suitable for elderly tenants. In the event that architectural conditions no longer support independent living, it is important to Vonovia that the barrier to accessing further care services is low. This underlines the importance of our neighborhood-based approach. Making sure that homes meet people's needs doesn't stop at their door; we also need to consider their everyday requirements and the wider social context.

By taking a consistent approach to making sure that our construction and refurbishment projects meet people's needs, we can respond to demographic changes by providing our older tenants with homes that are adequate and affordable. We are investigating the possibility of partial modernization in order to minimize costs and disruption. New leases in particular offer us a good window of opportunity to carry out appropriate renovation measures. In Austria, all new buildings are constructed in such a way that they can be adapted to meet future needs. In doing so, we are following the respective building regulations and OIB guidelines as well as other standards, using these as a basis for planning barrier-free and accessible new buildings.

In addition, we are continuously expanding our range of social services and partnerships and our investments in the social infrastructure of our neighborhoods in order to meet the needs of our tenants.

### Organizational Focus

Responsibility for the senior-friendly housing programs lies with the Chief Rental Officer (CRO). The structure of the refurbishment program is managed centrally and is implemented via the regions. Changes affecting the structural condition of our buildings are usually conducted by the technical service department.

In Austria, needs-based refurbishments and renovations are carried out in close coordination between the technical real estate management and regional/asset management. In the development stage, we determine and define the location and project-specific housing breakdown, as well as their features and fittings, in advance.

**Objectives & Measures**

We want our tenants to stay safe and healthy in their homes over the long term. We therefore pursue the target of modernizing 30% of newly rented apartments every year so that they meet the demands of an aging society. To this end, we review existing buildings to determine their potential for accessibility. We mostly achieve this with partial modernizations, which is our way of keeping the product affordable. This allows us to retrofit apartments one by one, ideally according to the stage of life of our customers, in line with their needs.

When planning construction and modernization work, we also consider adapting the size of apartments. Homes that are completely barrier-free, according to German industry standard DIN 18040-2, are only necessary in very rare cases. Rather, a small number of measures, such as the fitting of non-slip flooring or flush-to-floor showers, are often sufficient to significantly increase the level of living comfort in old age. In 2021, 10,000 apartments were (partially) modernized to make them more accessible and senior-friendly. That accounts for around 30% of new tenancies in Germany during the reporting year.

# Around 10,000 apartments

**in Germany (partially) modernized for the elderly (approx. 30% of new rentals)**

In addition to structural measures, the social infrastructure in the neighborhood also plays a key role. As such, we are also investing in alternative forms of housing with more extensive support services. This is in addition to building extensions suitable for senior citizens and the disabled. This also includes care and support services for older tenants in cooperation with social institutions and service providers, such as specialized communities for tenants with dementia and establishing neighborhood meetups. Vonovia has signed a partnership with the Humanika Group, a provider of alternative housing for people who need support in North Rhine-Westphalia. The companies aim to roll out their well-established and successful range of communities for tenants with dementia from Essen to Rhineland. Some projects are already in the planning phase. Our new Alboingärten neighborhood in Berlin will provide 15 homes for people with mental impairments. AWO pro:mensch gGmbH is responsible for the management of the therapeutic community. We provide space for communities for artists to collaborate in the Eltingviertel area of Essen free of charge,



as well as an area for people to meet and discuss in the district, all in the context of a holistic approach to neighborhood development (see → project box "Eltingviertel Does Art").

**Our new Alboingärten neighborhood in Berlin will provide**

# 15 homes

**for people with mental impairments**

We want to talk to our customers and target groups so that we can understand their requirements better. This is why we remained in contact with women's organizations in Austria, as well as initiatives that advocate senior-friendly homes, e.g., JUNO, ROSA and Kolokation.

# Eltingviertel Does Art

The Eltingviertel district in the north of Essen, not far from the city center and the university, used to have to contend with a weak social structure, vandalism, a high vacancy rate, outdated housing infrastructure, and high levels of tenant fluctuation – until Vonovia launched its first large-scale community development project here in 2015. Today, the neighborhood is a sought-after residential area, and some are already hoping that it will become a cultural capital within Essen. In addition to the energy-efficient modernization of the buildings and the residential environment, the Vonovia team has paid special attention to networking and joint activities with stakeholders on site – from municipal and social institutions to public institutions and private and business people.



“Our dedication has had an impact and spurred other property owners in the neighborhood to invest as well. The Eltingviertel has experienced a 180-degree image shift – today, the district is home to art and culture.” Ralf Feuersen-ger, Regional Manager, Essen-Mitte.

The idea of revitalizing the neighborhood with social and art projects played a key role from the very beginning. Residents can now enjoy a variety of art projects, ranging from “herrmann” studio pieces to a sculpture in the neighborhood square (winner of the Vonovia sculpture competition). Something very special happened in the reporting period. In 2021, the Museum Folkwang and the Neue Essener Kunstverein launched the “Neue Folkwang Residence” program. Every year, two grants are awarded to international artists for a five-month residency in Essen. The grant includes a solo exhibition at the Neue Essener Kunstverein or the Museum Folkwang. In October 2021, the first two recipients of the grant, Olu Ogunnaike from London and Min Yoon from Vienna, moved into Vonovia’s new residential and studio building in the Eltingviertel district. The program is made possible by the association Folkwang-Museumsverein and the Olbricht Foundation, and is financed by Vonovia.

Opening of the new artist residence



## Contribution to New Build Projects in Metropolitan Areas

In recent years, the influx into cities has increased the pressure on residential property markets, especially in metropolitan areas. By building new housing in urban and central locations, Vonovia aims to help reduce this pressure. To this end, in recent years we focused even more intensely on developing entire neighborhoods (see → [Community Development and Contribution to Infrastructure](#)). As part of this we are stepping up our development activities and, in addition

to conventional methods, are focusing on a modular approach to new construction work in the case of densification and roof extensions in order to create new living space quickly and efficiently (see [Portfolio in the Development Business](#)). Densification continues to be of great importance to Vonovia, as it enables us to identify previously unused potential in our spaces and optimize their use. Furthermore, when it comes to forward-looking mobility concepts, we are reducing car parking spaces wherever possible and freeing up the space for alternative uses, such as homes and green areas.

The development business of the BUWOG companies is spearheading new construction projects. We refrain from speculating with building land and place increasing emphasis on implementing ecologically, socially and economically sustainable projects that meet the needs of all of our stakeholders in the long term.

For more on the topic of new construction, see → [Sustainable Construction and Development](#).

## Maintenance of Existing Properties

GRI 416-1

We want our tenants to be healthy and safe, and to stay with us over the long term. That is why Vonovia aims to manage its portfolio efficiently and to make it optimal and livable for customers. With this in mind, preserving the fabric of buildings and ensuring the quality of the living space itself are of great importance.

We define maintenance as all regular and long-term planned economic expenditure with the goal of preserving the fabric of the building. We do not offload these costs onto rent prices. More information can be found in the 2021 Annual Report [Group FFO](#).

### Investment in Maintenance

in € million	2020	2021	Change in %
Expenses for maintenance	321.1	332.7	3.6
Capitalized maintenance	270.9	333.7	23.2
<b>Maintenance services total</b>	<b>592.0</b>	<b>666.4</b>	<b>12.6</b>
Intensity of maintenance (€/m <sup>2</sup> )	22.31	25.18	12.9

The focus is on ensuring the health and safety of tenants both inside and outside their homes. We reduce the risk of danger by complying with all the requirements for road safety and fire protection, and by preventing and combating mold growth and legionella outbreaks. This includes, for example, measures such as preparing fire protection concepts, regular checks on building safety in compliance with building regulations, or preventing and controlling mold growth – for example by providing information on proper ventilation, but also by reacting quickly in the event of a hazard.

In the residential environment, we ensure structural facilities are maintained and improved, for example by repairing and replacing playground equipment, conducting regular inspections of the open spaces, and ensuring that tree care work is carried out in a professionally correct and safe manner (see → [Safety Inspections](#)).

## Customer Satisfaction and Service Quality

GRI 103-1, 103-2, 103-3

### Our Approach

Customer satisfaction is instrumental in the success of a company. For us, this is mainly associated with the question of whether our tenants feel at home in their apartments and residential environments and whether they feel that they are treated fairly by us as their landlord. Here, the quality of customer care and services plays a major role. Our experience shows that accessibility, speed and transparency in service are decisive factors for meeting customer expectations.

Our customer service team plays a particularly important role as the primary point of contact for our customers. Our customer service department's main task is to provide fast and uncomplicated assistance and to support our customers in a wide variety of matters. More than 800 employees working in two service centers in Essen (previously in Duisburg) and Dresden are available to our customers through a variety of channels. By choosing these two locations, we also want to express our commitment to two of the large housing portfolios that Vonovia has – in Dresden and in the Ruhr region.

Direct contact with our tenants and getting them involved, e.g., in community developments, are valuable opportunities for us to learn about their wants and make them a part of our decision-making process. On site, caretakers and our own craftsmen, for example, take care of our tenants' concerns. This allows us to ensure a fast and reliable service and increase acceptance of our measures. We also conduct regular surveys to ascertain the wishes and needs of our customers. The related customer satisfaction index (CSI) was included in the sustainability performance index in 2020 as one of six non-financial performance indicators. It therefore has an impact on the remuneration of our top management and the Management Board.

In addition to personal contact, the digitalization of our services that address customer concerns is an important field for us in order to make accessibility even faster, more convenient, and flexible. This is why we are continuing to expand self-service functions such as our "My Vonovia" customer app. Protecting the data and privacy of our customers is always our top priority, because this is the only way we can build trust. In this sense, every Vonovia employee is called upon to actively contribute to improving customer satisfaction and to fulfilling the company's service promise.



### Organizational Focus

Responsibility for the customer service center lies with the CRO. While customer satisfaction is assigned to the central customer service center in strategic terms, it affects all customer-facing operating departments and is ensured by each and every Vonovia employee. Designing and controlling the customer app and the customer portal is also the responsibility of the central customer service center.

In Austria, responsibility for customer satisfaction lies with the quality management team, who report the results of the customer surveys to the departments and to management on an ongoing basis and derive appropriate measures from this.

### Objectives & Measures

The goal of Vonovia is to increase customer satisfaction by continuously improving its services and products.

Customer satisfaction is measured using a quarterly customer survey and is reflected in the Customer Satisfaction Index (CSI). The survey includes aspects such as image, loyalty and overall satisfaction. We use it to collect feedback on customer care, maintenance and modernization measures, the residential building and outdoor facilities, and necessary repairs. The results are then analyzed by all of our operational departments. Measures are then derived based on customer feedback, implemented, and reviewed to further improve service quality.

In 2021, Vonovia reached an all-time high in the CSI. This success is further reflected in an award given by analysis institute AktivBo, which Vonovia received in the fiscal year under review as the company with the largest improvement in the service index. The aim is to cement this positive trend on a permanent basis. BUWOG in Austria and Victoriahem in Sweden also carry out regular customer satisfaction surveys. Looking forward, we aim to introduce a harmonized CSI in Germany, Sweden and Austria in order to be able to compare the results of the individual surveys.

In Austria, we also use customer satisfaction surveys as a tool, primarily online for all new construction projects in Vienna and for 5–10% of the portfolio every year. The results are discussed directly with the departments in order to develop suggestions for improvement. Measures are always implemented using a feedback loop and include a report to management. We create transparency for our customers with regard to the results of these measures, e.g., by posting notices or allowing them to contact our community developers personally. Based on customer feedback and the optimization potential identified in the process of handling complaints, we also develop training courses for employees in Austria to enhance their skills in dealing with customers.

# Customer satisfaction

also represents a fundamental benchmark for business processes in Austria and Sweden

In Sweden, too, customer satisfaction is a fundamental benchmark for all business processes. The aim is to achieve ongoing positive development in the CSI. Indicators such as the vacancy rate and tenant fluctuation support our analyses in this regard.

To achieve our customer satisfaction target and to be able to offer our customers a transparent and fast service, we are continuously working on improving our customer service. This includes direct contact with tenants, expanding self-service functions in order to provide round-the-clock service and, in Austria, improving the website to include customer-relevant topics, and designing barrier-free customer communication. In 2021, we considerably increased the telephone availability of our customer services team, thereby significantly reducing waiting times.



# Availability considerably increased,

thereby significantly reducing waiting times

In order to further boost flexibility and speed, we are pressing ahead with the digitalization of our service functions. The key channel in this regard is the tenant app, which has already been downloaded more than 325,000 times and is used actively by some 92,000 users. In 2021, we added two new features to the app - the digital lease agreement and the apartment search (see → **project box "Digital Tenant Service: Expanding the Customer App"**). As a result, the entire customer journey can now be shown in the app: from searching for an apartment and scheduling viewing appointments through to digital contract drafting, ancillary expense bills and all other topics for existing customers. In the future, the app will be expanded to include additional features such as consumption data that can be read remotely. The systematic implementation of digital solutions also helps the environment and has already enabled us to save more than a million sheets of paper.

## Tenant app

downloaded 325,000 times and used actively by around 92,000 people

Due to the fact that a large proportion of our customer service processes have been digitalized, we are still able to provide a high level of service despite the ongoing coronavirus pandemic.

Our customer service team addresses a wide range of concerns, the majority being everyday questions related to tenancy agreements and heating and operating cost statements. We also provide a wide range of special promotions for our customers. For example, telephone campaigns were conducted to offer elderly tenants assistance with shopping or to organize meal deliveries.

The knowledge database for employees in Austria went live in the fall of 2021 as planned. This will help these employees to provide assistance for customers that is even more efficient and effective in order to contribute to customer satisfaction. We intend to launch a customer platform for owners and tenants in Austria in spring 2022.

During the reporting year, the customer service team relocated from Duisburg to Essen in response to the requests provided by colleagues in the employee survey. The new site provides a wide range of meeting and training rooms, is easier to divide up and has better acoustics and better air. The team in Dresden also moved, but stayed within the city.

# Digital Tenant Service: Expanding the Customer App



The Vonovia tenant app: 92,000 active users and downloaded 325,000 times

The “My Vonovia” customer app was previously only available to Vonovia tenants, but now it has two new functions (apartment search and lease agreement signing) that make it attractive to new customers. The customer app was also expanded as planned in 2021 to include an energy feature. From now on, our tenants can view and update their energy and gas contracts or book relevant offers.

New Vonovia tenants who want a digital contract can simply upload all documentation relevant to their contracts. Standing orders for rent payments can also be set up directly within the app. Apartment hunters can create a profile and will be notified of apartments fitting their requirements. Viewings can also be quickly and easily booked via the app.

Digital contract solutions are in demand and are desired by the majority of people in Germany. The success of the new lease agreement feature on our customer app is making Vonovia a digital pioneer.

