



S

- 44** Society and Contribution to Urban Development
- 45** Neighborhood Development and Contribution to Infrastructure
- 50** Inclusion, Diversity and Social Cohesion
- 53** Dialogue with Tenants and Participation
- 55** Homes and Customers
- 56** Living at Fair Prices
- 60** Homes That Meet People's Needs and Demographic Change
- 63** Maintenance for Health and Safety
- 65** Customer Satisfaction and Service Quality
- 67** Corporate Culture and Employees
- 68** Appeal as an Employer
- 72** Training and Personal Development
- 75** Remuneration and Flexible Working Models
- 78** Diversity and Equal Opportunities
- 79** Promoting Health and Safety



Society and Contribution to Urban Development



GRI 3-3, 203-1, 413-1

UNGC Principle 1



Disclosure

The requirements for planning, new construction and conversion of residential buildings and entire neighborhoods are becoming increasingly complex, particularly in light of climate-neutral and low-energy construction and living (see → **Environment and Climate**). Added to this are the continual changes in individual needs and social structures (see → **Living at Fair Prices**), the ongoing trend of moving into urban areas and, last but not least, the demographic change toward older societies (see → **Homes That Meet People's Needs and Demographic Change**). All of these factors are interdependent. They represent the main challenges for a sustainable real estate sector that is fit for the future. And they put the limelight on the issue of the best-possible, future-proof design of neighborhoods.

Our focus lies on the neighborhood as the main design area for integrated living concepts. Vonovia specifically targets social and ecological needs because sustainability is more than just climate-neutral housing stock: Social and economic aspects play an important role, especially in terms of building functionality that is suitable for the intended use, a high quality of accommodation and living, and long-term stability of value.

People want to live in a safe environment and feel "at home." A balanced mix of rented apartments and condominiums, the integration of small businesses, attractive and accessible open and communal spaces, the availability of local suppliers, modern transport connections and mobility, good educational facilities, and social and cultural amenities – the interplay of all these factors promotes diverse and vibrant neighborhoods. This is also becoming increasingly important to tenants. The real estate sector has a significant responsibility here and can simultaneously offer its own expertise from direct contact with tenants to the design processes involved. The interaction of these factors encourages climate-friendly, diverse and lively neighborhoods that are fit for the future.

HIGHLIGHTS 2022

- > Holistic orientation of future neighborhood development projects while taking our environmental and social responsibilities seriously
- > Portfolio segmentation aligned with neighborhood approach: around 70% of our portfolio located in areas that make up urban quarters
- > 18 neighborhood development projects with around 9,600 residential units under implementation (investment volume of € 78.5 million)
- > Internal knowledge management for neighborhoods (Neighborhood Academy and Vonovia Neighborhood Guide) successfully expanded and continued
- > Immediate aid and employee volunteering for Ukrainian refugees in Germany
- > Grants for social/cultural projects and facilities of approx. € 1.2 million
- > More than 9,800 m² of rent-free or discounted commercial space made available for social institutions (in Germany)

In order to successfully implement the measures and changes to the neighborhoods, we not only need the support of the residents but also often political assistance. We include both in the planned measures. This allows us to take any concerns on board and include them in the development of solutions. We believe talking to local residents and including them is a great opportunity to develop our neighborhoods together, which has a positive impact on the satisfaction of our tenants and promotes social cohesion.

As a big player in the real estate industry, Vonovia is aware of its role in terms of enabling forward-looking, philanthropic and sustainable urban development. We believe that the social infrastructure in neighborhoods, including the communal facilities and local engagement that give it its character, is vital for cohesion of society as a whole. 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.

We have identified **Neighborhood Development and Contribution to Infrastructure** as a material topic. It is supplemented by the important topics of **Integration, Diversity and Social Cohesion**, as well as **Dialogue with Tenants and Participation**. 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.

Neighborhood Development and Contribution to Infrastructure

GRI 3-3, 203-1

Our Approach

As the main arena for action and development and as innovation platforms, the neighborhoods are vitally important to our company. They represent the connection between the needs of their inhabitants and the overarching idea of vibrant cities and communities. It is where we provide people with a home. This includes good neighborly relations, a sense of security and different generations living together in a way that is beneficial to all.

We are convinced that a livable neighborhood strengthens tenant loyalty and increases the value of residential properties. Thinking and acting in terms of neighborhoods is our answer to these relevant and crucial megatrends – it is also the approach we adopt to find solutions for the economic, environmental and social (new) development of our urban housing portfolios, which are largely located in neighborhoods. We want to create infrastructures that suit the specific situations in our neighborhoods. In every neighborhood, this means focusing on the needs of the tenants and combining climate protection, building design and social offers.

Our portfolio in Germany consists of approximately 70 percent apartments grouped in neighborhoods – also referred to as urban quarters. Urban quarters – as per the definition of the Association of German Housing and Real Estate Companies (GdW) – are 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. It comprises at least 150 apartments. In addition to urban quarters, we also have urban clusters that we apply our strategy and the Vonovia business model to in an adjusted format (see [🏠 The Company](#)).

Structural prerequisites, social environment, needs and location factors: every neighborhood is different. With this in mind, Vonovia creates specific offers and measures for a tailor-made, neighborhood-specific infrastructure. Our neighborhoods are always aligned with clear climate protection requirements (see [→ CO₂ Reduction in the Housing Portfolio](#)) and social compatibility criteria (see [→ Living at Fair Prices](#)). We combat climate change with individual and innovative concepts, in particular measures designed to reduce carbon emissions. We design our residential environments and green spaces (see [→ Protecting Biodiversity](#)) to be sustainable from an ecological perspective. Environmental and social aspects go hand in hand here. We create space for local suppliers, medical services and educational institutions, social facilities and services, and creative artists (see [→ Inclusion, Diversity and Social Cohesion](#)). We actively involve our tenants in the intensive coordination processes (see [→ Dialogue with Tenants and Participation](#)). We also cooperate with authorities and other municipal and social institutions and exchange ideas with political representatives (see [→ Contribution to Socio-Political Dialogue](#)). Only if our concepts and ideas are supported by everyone can we implement them successfully and promote value creation.

Organizational Focus

We plan and manage neighborhood development on a decentralized basis via the regions. The regional managers are responsible for the respective projects and implement them along with their area managers. The Chief Rental Officer (CRO) is the Management Board member responsible for the property management business as well as for customer service and portfolio 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 investment and participation formats are also the responsibility of, and are managed by, the regions, just like Vonovia's social commitment. This approach is supplemented by centrally controlled donation and sponsorship measures via corporate communications.

Objectives and Measures

Our goal is to create housing that meets people's needs and is worth living in. This specifically means that:

- > We design affordable homes by means of vertical expansion, densification and new construction.
- > We implement modernization in a socially responsible manner.
- > We are optimizing the energy requirements of our portfolio and – where necessary – driving forward the CO₂-neutral change of energy source.
- > We are implementing the expansion of photovoltaics in the neighborhood context.
- > We think about and design the residential environment, including recreational areas, playgrounds, and holistic mobility concepts, in an integrated way.
- > We include local suppliers, day-care centers, doctors and social and cultural institutions.
- > We redesign vacant and/or unused (commercial) spaces, giving them a new lease on life in order to create low-threshold participation opportunities in the neighborhood.
- > We promote dialogue with tenants and stakeholders in order to encourage acceptance and influence.

To achieve these aims, we initiate neighborhood development projects together with cities and municipalities and put in place measures to improve infrastructure and realize integrated energy and urban development concepts.

Long-Term Investment Program

Our investment program, which spans several years, comprised 18 neighborhood development projects throughout Germany and around 9,600 residential units in the reporting year. This program will also be extended to Deutsche Wohnen's portfolio and developed further as part of the integration process. However, due to the deterioration in the investment climate during the reporting year, we were recently forced to push back the start date for new neighborhood developments to reflect general economic conditions. A number of changes to subsidy eligibility conditions – e.g., for new-build energy standard requirements and the sudden discontinuation of certain types of support – made neighborhood development planning, which is long-term and complex, immensely difficult. This is an area that is especially dependent on reliable funding systems. We were therefore unable to use the € 117.8 million that had been earmarked for investment in neighborhood developments in Germany for

the 2022 fiscal year in full. We also expect a reduced investment volume for 2023.

Despite the current conditions, we are sticking to our climate pathway and pushing ahead with the planning of further neighborhood developments. We will continue to refine our plans for more neighborhoods in such a way that we can begin to implement them as soon as the investment environment allows. In the meantime, we will also continue to further improve our internal structures and processes.

18 neighborhood developments projects with

around 9,600
residential units

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

In 2022, Vonovia invested

€ 78.5 million

in 18 neighborhood development projects

We employ various tools and enter into partnerships in our neighborhood development projects. In converting and giving a new life to vacant commercial spaces, for instance, we create community spaces that we make available to local initiatives and social institutions rent-free (see → [Dortmund Westerfilde – Social and Ecological Added Value](#)). In addition, we establish local services, neighborhood meet-ups and day-care centers hand in hand with cooperation partners that focus on the greater good.

We also provide regular funding for the rental and set up of spaces for child day care, social services and assisted living facilities in the local areas. Many are already benefiting from this in Berlin, Munich, Lübeck and many other communities throughout Germany. In Austria, we set up community development programs – where necessary – right after completion of our new construction projects, which will support the new surrounding area until its structures have been fully established.



The colorful facade art by artist Igor Jablunowskij is part of the redesign of our Westerfilde neighborhood in Dortmund.

Dortmund Westerfilde – Social and Ecological Added Value

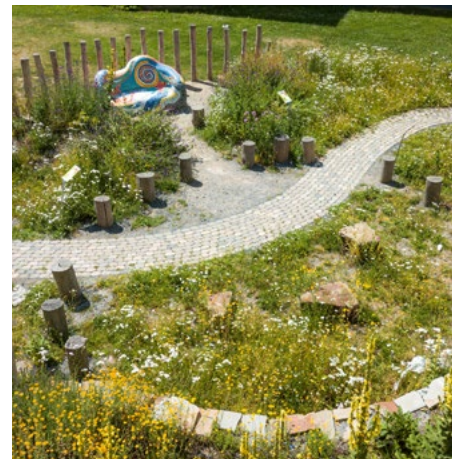
The Westerfilde district in the northwest of Dortmund is characterized by a lively social structure. With around 650 residential units, it is one of our largest neighborhood development projects. We want all residents in the neighborhood to enjoy living there and feel completely safe. We have therefore implemented a variety of ideas since the start of the modernization work in 2016, such as moving the entry areas of two residential buildings from the basement to the ground floor and connecting them with a glass portal, making the residential units barrier-free as well as safer and more convenient. Vonovia also has an office in the new entrance area, with a concierge service, established for the first time in 2021, which is available to address all tenant concerns.



“The new concierge office and the other measures have increased the sense of security and identity, and improved service on site.”

**Ralf Peterhülseweh,
Regional Area Manager**

The PikoPark was improved through various planting and clean-up activities with children and residents, and now serves as a central, green feel-good space.



We have also introduced a number of other measures to improve the residential environment: For instance, artist Igor Jablunowskij has painted many facades, giving them a colorful new look. The refurbishment of both underground garages has also improved the quality of the residential environment and the sense of security in the neighborhood. One highlight of our initiatives is provided by the non-profit organization “Tausche Bildung für Wohnen”: The project in Westerfilde became the fifth of its kind established in Germany in August 2022. Young adults act as education mentors for children in disadvantaged districts and in return can live in an apartment rent-free. An enriching experience for all involved that brings social value added in and around Westerfilde.

The PikoPark, maintained since 2017 through various partnerships and since 2022 by us in cooperation with NABU, is especially popular with the neighborhood’s residents. The nature-packed garden park hosts workshops which have resulted in a number of projects, such as the well-being path and an apple tree planted together with children.

We also want our tenants to identify with and appreciate their residential environment. In this context, protecting historic buildings and maintaining architectural culture are important topics for us – as can be seen in the historic neighborhoods in the Deutsche Wohnen portfolio that have been named UNESCO World Heritage Sites. When planning and implementing neighborhood development measures, we take the applicable requirements to preserve historic buildings into account and take care to ensure that the neighborhoods retain their original character. Our Swedish subsidiary Victoriahem is also promoting the advantages and potential of its own portfolio properties built in the 60s and 70s – created as part of the “Miljonprogrammet” – in a wide-ranging image campaign (see → [Redesigning the Milestones of Architectural History](#)).

Implementing Modern Mobility Concepts

Another central aspect of our neighborhood development work is the promotion of modern mobility concepts. The right solutions are not only beneficial for the climate but level up the residential environment in general. Neighborhoods that are well planned in terms of traffic benefit from smaller parking lots, lower traffic volumes and lower emissions. This also reduces costs for our customers, which can also have a positive impact on customer loyalty to the company.

We regularly review the continuation and implementation of existing e-mobility offers, which include the following:

- > 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 infrastructure for cars and e-bikes
- > Providing and renting out e-cargo bikes

The continuation of existing
**e-mobility
offers**

For instance, we launched a project to make e-cargo bikes available with transport company BOGESTRA (Bochum-Gelsenkirchener Straßenbahnen AG) in the Heßler district of Gelsenkirchen in the reporting year. The expansion of an affordable e-bike offer for tenants is also being reviewed for the coming reporting year.

Training and Partnerships

We have carried out many neighborhood development projects in recent years and have employees across Germany with extensive expertise in this area. This is helpful as neighborhood development is complex and requires teamwork.

To ensure the success of the neighborhood development projects, we offer centralized support services for the local decision makers and operational employees. This includes the internal training and networking format – the Vonovia Neighborhood Academy. Through the Academy, Vonovia trains employees from various areas and with different levels of experience to experts in neighborhood development. In addition to disseminating future-oriented, practical modules and basic knowledge on development and managing the neighborhoods of tomorrow, participants can also gain specific skills. The Vonovia Neighborhood Academy encourages a systematic exchange of experience on neighborhood-related topics (see → [Training and Personal Development](#)). This is supported by a web-assisted knowledge management system, the Vonovia Guide, which can be used throughout the Group.

Vonovia Neighborhood Academy

as an internal platform for
qualification, exchanging information and
networking on all neighborhood topics

In order to spearhead research in the field of neighborhood development and living, Vonovia also sponsors a foundation professorship at the EBZ Business School in Bochum.

Redesigning the Milestones of Architectural History

What do the Berlin Modernism Housing Estates and the Swedish concrete architecture of the 60s and 70s have in common? Both revolutionized the idea of how living could be. The six Berlin Modernism Housing Estates were named a UNESCO World Heritage Site in 2008. Four of them, the Hufeisensiedlung, the Carl Legien housing estate, the White City and the Siemensstadt Ring Estate, belong to the part of the Deutsche Wohnen portfolio. The housing estates were designed by renowned architects, such as Bruno Taut or Otto Rudolf Salvisberg – some inspired by the “garden city” concept. With plain, light-colored buildings and practical floor plans, they were built around the needs of city-dwellers from the beginning, while also addressing the housing shortage of the early 20th century. The apartments, designed to let in plenty of light and air, now offer a special home in the middle of the metropolis for Vonovia and Deutsche Wohnen tenants.

Just like the Berlin Modernism Housing Estates, our Swedish portfolio also offered exceptional living comfort and quality

The “White City,” as it is known, was built between 1928 and 1931 and is one of four Berlin Modernism historical housing estates in the Deutsche Wohnen portfolio.



The Carl Legien housing estate in Berlin was renovated and refurbished in line with listed-building preservation requirements and is very popular.



of living for their time. The state-initiated “Miljonprogrammet” (Million Programme) aimed to build one million new homes within ten years and was launched to counter the housing shortage at the time. Today, there is a social stigma attached to the homes, due to their primarily satellite-city-like locations, and some are in need of renovation. Our Swedish subsidiary has now launched an image campaign – because behind the facades, there are many interesting stories and ideas for neighborhood development today. This applies to the cost and resource-efficient serial building method and also the close interaction between research, industry and politics in the construction process.

Whether Berlin Modernism or Swedish “Million Program”, these neighborhoods with their rich histories are in constant flux and offer great potential for further development to make living fit for the future, attractive and sustainable.

Inclusion, Diversity and Social Cohesion

GRI 413-1

People of different ages, from different cultures and with a variety of social backgrounds are at home in our neighborhoods. In the reporting year, Vonovia once more gained new tenants from more than 140 different nations.

We promote social and environmental measures to boost the sense of community in our neighborhoods, increase diversity and create a lively residential environment. We cooperate with social institutions, cities and municipalities, and other residential real estate companies as needed for this purpose. The aim of our support activities is to provide our residents with a vibrant and diverse living environment in our neighborhoods.

Support Measures

Our [Group guidelines for donations and sponsoring](#) define the framework within which we enter into cooperative partnerships in response to people's local needs and take the individual living environments in our neighborhoods into consideration. Our desire to create social added value for our customers locally in the neighborhoods and for society in general is reflected in the broad range of support measures and programs (see [Vonovia in Society](#) (in German)). This spectrum reflects both the diversity of society and the diversity in our neighborhoods and includes:

- > Establishing neighborhood meetings and day-care centers
- > Cooperating with social institutions/sponsors and municipal neighborhood managers
- > Providing premises and services in kind for social and cultural initiatives
- > Promoting cultural diversity by supporting small art projects
- > Helping those in need, e.g., by supporting food banks
- > The personal commitment of our employees and trainees, e.g., in clean-up and gardening drives or one or several days of volunteering their help or work

Making neighborhoods more ecologically sustainable and livable and promoting social cohesion are tasks that are related directly to our core business and the associated social responsibilities that we have as a residential real estate company. We fulfill these responsibilities first and foremost – but not exclusively – through our financial commitment to centrally managed, overarching and decentralized support measures. At the overall company level, we maintain strategic and long-term cooperations with civil organizations in order to achieve common goals with pooled resources and skills and positive results for our tenants and wider urban society in general.

Through our nationwide cooperation with Naturschutzbund Deutschland e. V. (NABU) and the non-profit organization Acker e. V. we contribute to the preservation of biodiversity in the residential environment in a number of neighborhoods and knowledge transfer regarding environmental and biodiversity protection as well as organic farming (see [→ Protecting Biodiversity](#)).

Our social commitment is complemented at regional and local level by our decentralized support management system, which provides all regional managers with an individually usable support instrument in the form of a fixed budget for strengthening the local community. Targeted support through individual donations is intended to address neighborhood-specific resident needs and meaningful local projects and initiatives that benefit the neighborhood or a specific target group and often contribute to proven assistance approaches being maintained in the neighborhoods over the long term. Simultaneously, we perform a central quality check for the projects and initiatives in order to ensure that the measures and projects that we finance have the greatest effect for our tenants and the (target) groups and stakeholders involved in our neighborhoods.

Vonovia's commitment is supplemented by our foundation work, primarily within the framework of the Vonovia social foundation, Vonovia Mieterstiftung e. V. and "Stiftung Mensch und Wohnen." With their help, we implement measures that benefit everyone who lives in our neighborhoods (not just our tenants). Here, too, the focus is on living together in the neighborhoods and supporting children, young people and the elderly. We continue to support tenants facing social hardship. In the reporting year, our foundations' funding volume was approx. € 200,000.

Foundations' funding volume of approx.

€ 200,000

freiRaum – A Space for Ideas, Getting Involved and Urban Society

Lively, livable neighborhoods: In summer 2022, Vonovia handed over a former electronics store in the Striesen district of Dresden to the urban society as a first pilot site of the project “freiRaum.” The space is intended as a meeting place for local groups, initiatives, clubs and individuals, right in the middle of the neighborhood – where people are the main focus.

Vonovia transformed the former commercial property into a space for new ideas and local initiatives – and made it accessible, as “freiRaum” is intended as a space to bring down barriers in every sense. Everyone interested in getting involved in the neighborhood community is able to use the space free of charge, regardless of whether they have a Vonovia lease agreement. “Anybody who has an idea that they want to bring to the neighborhood is very welcome,”



“Whether it’s playing cards, yoga or crafting – we’ve tried to make sure that all rooms can be used by and are inviting for everyone from young to old.”

Sebastian Krüger,
Regional Manager in Dresden and co-initiator
of the “freiRaum” pilot project.



explains Regional Manager Lidia Sieniuta, who also manages freiRaum.

One of the first initiatives is the Repair Café: People living in the neighborhood have been receiving expert advice for repairing small electronic appliances since July 2022. The idea behind it is to encourage people to repair rather than throw away. “freiRaum” therefore not only promotes a sense of community in the neighborhood but also encourages a more sustainable lifestyle.

Vonovia Award for Photography

With the “VONOVIA AWARD FOR PHOTOGRAPHY,” held since 2017, we also want to make an overarching contribution to promoting art and photography. Six to twelve photo series, each outstanding in terms of form and content, that interpret, depict and personally bring to life the theme of “home” will be rewarded in the competition. The prize money amounts to € 42,000 and the competition is open to both professional and amateur photographers. Last September, the award-winning works were presented at the Sprengel Museum in Hanover as part of the ZUHAUSE No. 6. exhibition. The war in Ukraine was the main photographic focal point of the 2022 Award, which was also reflected in the award-winning work of Philip Cheung (1st place – best photo series). This documented the war and highlighted the destruction and loss of people’s homes, but also the resilience of individuals, families, and entire communities.

Employee Volunteering

One particular focus of our Group-wide commitment in the current reporting year was making help available locally, quickly and in a straightforward manner for refugees from Ukraine. By implementing spontaneous aid initiatives – such as those organized together with AWO in Bochum – Vonovia and Deutsche Wohnen were able to help at the German towns of arrival with volunteers from the workforce: A number of aid initiatives were organized decentrally and Group-wide throughout Germany, such as collecting and packaging aid items destined for Ukraine and donation drives, volunteer work and charity events. The Deutsche Wohnen workforce partnered up with “Die ARCHE” children’s foundation in Berlin, among others (see → [Direct and Rapid Help on Arrival in Germany](#)).

We also implement specific measures to ensure that children and families feel safe, particularly in neighborhoods that are high-risk. Victoriahem, for example, organized a project in a particularly crime-ridden neighborhood in the Eskilstuna district during the reporting period, in which employees from the company accompany children on their way home from school once a week, provide meals for them and speak to them to establish contact with them in order to build trust. The idea is that they prevent older young people in particular from getting involved in crime. The increased presence in the area has raised the sense of safety in the neighborhood lastingly and also reduced costs related to

vandalism. Our Swedish subsidiary is also particularly committed to equal opportunities, and connected more than 700 young people with temporary jobs in the neighborhoods as part of a summer job project (see → [Recruiting New Talent: 700 Summer Jobs in Sweden](#)).

Providing Space

A central element of our support strategy that is based directly on our core skills as a letting company and contributes to our social sustainability targets is the subsidized or rent-free provision of space. This involves providing subsidized homes to particularly vulnerable groups such as refugees, the homeless (e.g., through our housing first approach), the elderly or low-income households (e.g., by providing supported homes and through social agreements with communities) (see → [Living at Fair Prices](#) and → [Homes That Meet People’s Needs and Demographic Change](#)).

In Katernberg, Essen, and Westerfilde, Dortmund, we were the first to provide rent-free homes for dedicated young people as part of an innovative exchange approach in cooperation with the ☒ “Tausche Bildung für Wohnen” initiative (in German), national winner of the 2018 German Neighborhood Awards. In return, they design and organize extracurricular learning and leisure time activities for children in the neighborhood. We therefore support this initiative at two of their five project locations. A similar concept is also being used in the Bremen district of Wohlers Eichen. We support the local sports club with homes for young people that are doing their voluntary social year at the club. In return, they offer sporting and leisure activities for local residents while they live with us rent-free.

In addition to providing homes, we offer vacant commercial space to initiatives and organizations that focus on the greater good in order to create more opportunities for low-threshold commitment and contact. This is how an inclusive location for integration, co-working and networking was created in Bremen together with Afrika-Netzwerk Bremen e. V. in a temporary lease of vacant commercial space in 2021.

With our concept “freiRaum,” we want to unleash the potential of vacant spaces and create vibrant and low-threshold inclusive locations in our neighborhoods for initiatives and groups by redesigning and developing socially innovative use concepts that focus on public interests. These spaces are fully furnished and have immediately usable equipment available as well as myriad use types, which can also be designed by residents themselves. From collection drives for the homeless, crafting afternoons and homework

help for school kids to integration help, cooking groups and seniors' meetups, Vonovia's "freiRaum" projects offer the opportunity to for all target groups to get involved in social events. The communal neighborhood center in the Striesen district of Dresden is the first of our "freiRaum" projects. For this project, the commercial space of a former electrical store was converted and redesigned specifically for the neighborhood. The project implemented here is designed to serve as a blueprint for the establishment of more central meeting spaces in various Vonovia neighborhoods (see → freiRaum – A Space for Ideas, Getting Involved and Urban Society).

>9,800 m²

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

Around
€ 1.2 million

invested in social/cultural projects (in Germany)

Dedicated to Social Cohesion and Integration

Vonovia's social commitment is primarily focused on promoting social cohesion and integrating the various needs of different groups in society. We continued to support the nationwide hotline Silbernetz e. V., which aims to alleviate loneliness among the elderly. We actively inform our tenants about the offer, and we provide the association with rooms for training courses and support the association's infrastructure with an annual donation.

Dialogue with Tenants and Participation

GRI 2-29

Participation processes are particularly important, and not just 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 can exert influence on the design of projects. For example, the focus can range from general questions regarding the design of the residential environment to specific topics such as the design and arrangement of parking lots.

Actively designed participation processes and citizen involvement procedures therefore begin at the planning phase – sometimes several years before the actual construction work begins. This enables us to find solutions for the neighborhoods together with the local communities. We rely on various formats such as tenant surveys, door-to-door or one-on-one meetings, tenant meetings and workshops, as well as informational 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.

Participation measures are becoming increasingly important to strengthen acceptance for community development and the associated, often long-term, measures. Taking the partially heterogeneous interests of numerous stakeholders into account is also gaining constantly in significance. Our experience shows that participation procedures achieve the best results in the end.

114

tenant meetings and consultation procedures carried out despite the pandemic

Restrictions relating to the pandemic continued to have an impact on the type and scope of participation formats we were able to organize in the first half of the reporting year. Since 2020, we have increased the use of contactless ways to include our tenants. We often communicate with older and long-term tenants via telephone, for instance. Tenants have been able to post written replies in centrally located participation mail boxes. In-person appointments also took place, and in strict compliance with hygiene regulations. We have replaced large informational events with neighborhood tours in small groups and video conferences. But we still believe that participation only works when people participate, and this is where digital formats have been less successful (so far). With the removal of the last hygiene restrictions in February 2023, we decided to revive our in-person formats, bringing them back to pre-pandemic levels in the coming reporting year, in order to maintain direct communication with our tenants.

Open and transparent communication with municipal authorities also has an important role to play in the success of urban development projects. For information on our activities to help shape the political dialogue, see → [Contribution to Socio-Political Dialogue](#).

Consultation Projects in 2022 (Examples):

- > **Miquelallee neighborhood in Frankfurt am Main:** Before the comprehensive maintenance and energy refurbishment construction work begins in spring 2023, the tenants were informed in advance of the planned changes and construction stages in their neighborhood using a comprehensive communication concept including tenant assemblies, regular local tenant contact hours and viewings of model homes. The participation measures will run for the duration of the entire project.
- > **Huckarde neighborhood in Dortmund:** Vonovia invited all residents of the neighborhood on Insterburger Strasse to an open dialogue to answer the question "How do we want to live in the future?" in September 2022 in order to discuss the shaping of their residential environment. Ideas were collected using a tenant survey and over the course of three tenant workshops and later included as ideas for the initial concepts from several landscape architecture firms. On this basis, new design concepts for the outdoor areas and residential environment of the neighborhood will gradually be developed over the course of further neighborhood development measures.
- > **Waldau neighborhood, Kassel:** In the Waldau neighborhood in Kassel, at the beginning of 2022, the local tenants were actively involved in the preparations for planned energy-efficient modernizations and climate-friendly redesigns in the residential environment. As part of this involvement, a written survey was conducted to obtain tenants' opinions on aspects such as the current housing situation, the quality of neighborly relations, social infrastructure, the residential environment and green space, and climate- and mobility-related aspects. The core results of the survey included the residents' desire for energy-efficient buildings and an ecologically and socially upgraded residential environment. As one of the first upgrading measures, the "Pumpenhäuschen" was redesigned in fall of the reporting year together with children and young people from the neighborhood.

Homes and Customers

GRI 2-24, 2-25, 3-3, 203-2, 413-1
UNGC Principle 1



Disclosure

Our business is geared toward providing people with homes – one of their basic human needs. The life circumstances of individuals are all different in a number of ways – and so are the needs of our customers. Together, our customers reflect society as a whole. The demand on the housing market also varies by region. Particularly in large metropolitan areas – and increasingly also in the areas surrounding them – the available housing is scarce and demand correspondingly high. This scarcity is exacerbated further by the influx of refugees due to Russia's war of aggression on Ukraine. This coincides with an increasingly unfavorable investment environment resulting from rising construction and land costs, fewer subsidies, a growing lack of skilled labor and disproportionately higher interest rates.

These developments continue to unfold against the background of high climate protection requirements, the fulfillment of which is particularly cost-intensive in the buildings sector. When it comes to energy-related refurbishments in particular, it is important for housing providers like us to take into account the ability of individual tenants to afford such upgrades in order to provide them a home over the long term. The fundamental challenge in this action area is combining European and national climate protection requirements with social responsibility – that is, providing a broad range of homes at fair and transparent prices while also adhering to our climate path.

Housing was once more a hot topic in the public debate in the reporting year. It has been and remains the focus of many political debates and election campaigns. This is particularly true in large metropolises such as Berlin. Following the declaration that the rent index was invalid, the need for another state parliamentary election, and an ongoing commission on how to deal with public referendums on the socialization of housing portfolios of large residential real estate companies in Berlin, the debate is especially fraught in Germany's capital. At the national level, the federal government responded with the "Alliance for Affordable Housing" in 2022. The aim is to support a campaign of

HIGHLIGHTS 2022

- > Numerous cooperation agreements concluded with cities and municipalities to secure homes and fair rents
- > "Alliance for Housing" in Berlin signed
- > Average allocation of modernization costs of € 1.20/m²
- > More than 41,000 price-linked apartments in Germany
- > Special housing offers for Deutsche Bahn employees introduced
- > Established social management program rolled out further and positive decisions reached for 391 out of 546 hardship cases – more than 70%
- > Numerous projects and measures carried out under "Housing First" initiative to combat homelessness
- > Around 10,000 apartments in Germany (partially) modernized for the elderly (one third of new rentals)
- > Customer satisfaction up 1.3% on the previous year and again at an all-time high
- > Customer apps' functionality expanded. Around 180,000 active users

construction, investment and innovation, first and foremost for social housing.

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 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. This also requires offers for people at a stage of life where living in their own homes is no longer possible. That means offering suitable nursing care facilities with well-equipped service options.

However, the focus is always on the individual tenant as a person and an individual. The health and satisfaction of an individual are the fundamental basis for a fulfilled life in their own home – and thus also for Vonovia's success. Intact homes, free from mold and other unhealthy substances are our basic, non-negotiable standard. We want our customers to feel well in their homes and in our neighborhoods. The quality of customer care and services also plays a major role in guaranteeing their satisfaction. 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 are **Living at Fair Prices, Homes That Meet People's Needs and Demographic Change, Customer Satisfaction and Service Quality**. Another vital topic is **Maintenance for Health and Safety**.

Living at Fair Prices

GRI 3-3, 203-2, 413-1

UNGC Principle 1

Our Approach

As a responsible company, we are committed to providing our customers with affordable housing that meets people's needs. As such, we meet the basic human need for housing. We want to offer as many people as possible a long-term home. The fundamental challenge involves being able to provide a broad supply of housing at fair and transparent prices, while at the same time achieving our climate objectives, which include a virtually climate-neutral housing stock by 2045, even in a more challenging environment.

We believe that social responsibility and the transparency of our rents are important levers in this context. By expanding our core business through letting and new construction, we make a substantial contribution to easing the situation on housing markets. Our rental prices are based on the usual local rents and – if available – on qualified rent indices. We are in favor of regulatory intervention in the housing markets, as we believe that it helps to ensure social balance and creates a stable business environment as a result. When letting, we always observe the applicable country-specific legislation.

Agreements with cities and municipalities

to protect tenants

and secure existing rents

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. In Germany, around 41,000 of our homes are 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 play into wider-reaching social agreements. We are concluding more and more extensive agreements with cities and municipal authorities – first and foremost in Berlin, but also in Frankfurt, Cologne, Dresden and elsewhere. The fundamental concept on which all agreements are based is Vonovia's work in partnership with politicians and society to tackle municipal challenges and that the company takes

specific societal and social challenges present within cities into account within its planning.

The use of public subsidies – now and in the future – 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 in our neighborhoods.

When passing on modernization costs, we are always mindful to ensure that the burden placed on our tenants is socially just and offer individual solutions as part of our social management system. That said, reasonable compromises must be made in favor of additional climate change mitigation measures.

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 and after modernization to a higher standard. All of these apartments are price-controlled.

**41,000
price-controlled
homes**

**in Germany across the Group,
almost 20% price-controlled**

Individual support programs constitute a further supplementary component of our work to enable fairly priced housing. As part of our **established social management system**, we apply uniform standards to hardship cases in the event of modernization work and follow guidelines based on those of charitable associations. These standards and guidelines were agreed with the Tenants' Association and other residential real estate companies in 2021. As such, we are contributing to greater reliability and transparency in cases of hardship.

Our special vested rights for people aged over 70 are also still in place. As of January 2023, these have also been extended to Deutsche Wohnen's portfolio, just like our active support for people who have fallen into payment difficulties as a result of the coronavirus pandemic.

We also offer solutions for particularly vulnerable people such as refugees and the homeless. We do this through, for example, the framework of special agreements with state governments, cities and municipalities as well as other residential real estate companies (see → **Inclusion, Diversity and Social Cohesion**). 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 individual measures are planned and coordinated in the Portfolio Management department. This department is also responsible for managing cases of hardship. It is supported by community developers in the individual regions in order to provide even better support for the tenants concerned. The Chief Rental Officer (CRO) is the Management Board member responsible for the property management business as well as for customer service and portfolio management.

Objectives and Measures

As homes become increasingly scarce and general conditions deteriorate, we continue to focus on providing homes at fair and transparent prices, suited to every budget.

Rental growth

**significantly
below rate of
inflation in 2022**

Approx. 1% index-linked lease agreements

Our focus is on moderate and socially acceptable rental price development. Across the Group, the average rent price came to € 7.49/m² (in Germany € 7.40/m²) in the reporting year, which corresponds to an organic increase in rent of 3.3%. This is both less than the increase in the previous year (3.8%) and significantly below the rate of inflation, which averaged almost 8% in Germany in the reporting year. We respect all regulatory provisions such as rent ceilings and rent indices. Index-linked rents, i. e. rents linked to inflation, make up just around 1% of our lease agreements.

Vonovia's Group-wide portfolio has grown considerably as a result of the merger with Deutsche Wohnen, especially in Berlin. At the same time, the housing situation there is extremely challenging. As responsible partners, Vonovia and Deutsche Wohnen together sent several signals in 2021 that we wish to change the situation in Berlin through cooperation between politicians, society and housing companies.

Partnerships with Cities and Municipalities

As part of the "Future and Social Housing Pact" agreed with the Senate of Berlin in 2021, we have made three voluntary commitments: to strengthen the municipal housing portfolio, build more new homes and limit rises in rents for existing properties. In June 2022, Vonovia – one of only two private residential real estate companies to do so – signed the "Alliance for New Housing Construction and Affordable Housing in Berlin," which replaces the previous agreement and will remain in effect until at least 2027. The Alliance now provides a new basis for commitments to Berlin's tenants that far surpass the scope of the old agreement and strengthens protection for low-income people in particular.

Deutsche Wohnen also has its own regulation, the "Tenants' Promise," which will apply to its portfolio until mid-2024 and continue to exist in parallel with the Berlin Alliance. However, the agreement that is more favorable for our tenants shall always apply.

We also offer subsidized and independently financed homes for people on low incomes in other cities and municipalities and are responding to location-specific challenges with services tailored to needs. We have reached agreements with a number of municipalities for this purpose. The focus of such services can vary: In Frankfurt am Main, we are addressing the issue of homelessness, for instance, while in

Cologne we are focusing our efforts on a new construction offensive, and in Dresden our aim is to strengthen the municipal housing association as well as to work together to develop neighborhoods and ensure a coordinated climate strategy.

Moderate Rents and Modernization Costs

In Germany, the costs of energy-related refurbishments can be passed on in the net rent – within a specific framework. The state has restricted the ability to pass on costs to € 3/m² (€ 2 in the case of rents under € 7/m²). The resulting increase in the rent is balanced out for the tenants through a reduction in heating costs. In the 2022 reporting year, **an average of € 1.20/m² in modernization costs was passed on** – and thus actually decreased in comparison with the previous year. This shows that we are usually well below the legal limit.

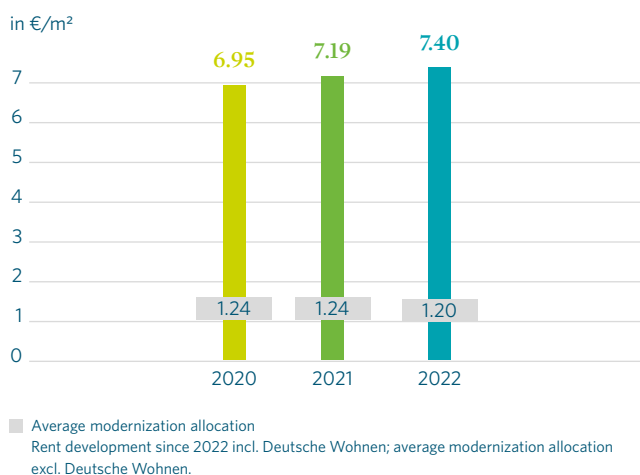
€ 1.20/m²

average allocation of modernization costs
(in Germany)

Nevertheless, there will always be people who are unable to handle rent increases caused by modernization costs by themselves for a number of different reasons. 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. 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. During the reporting year, 546 customers submitted hardship cases to Vonovia, of which 391 were approved – a rate of more than 70%.

We have made a special promise to protect people over the age of 70 so that our elderly tenants can safely stay in their homes – including in cases where there are rent increases that are normal for the area. This has enabled us to help 185 people so far in the reporting year (from 334 applications).

Development of Rents and Modernization Allocation (Vonovia Germany*)



Comprehensive Social Management

Another popular topic for public debate in Germany in 2022 was the price of energy – particularly gas. Prices rose sharply as a result of the Russian invasion of Ukraine, which has had a significant negative impact on the available household income of many tenants. In 2022, the German government introduced a number of measures to help people in Germany. In addition to a one-off credit for gas and heating customers, the price of gas and heating will be capped by the government as of January 1, 2023 (see our [website](#) (in German)). Though these measures will help counteract the high prices, all tenants are encouraged to reduce consumption and thus lower costs. We have gathered advice and tips that we have made available to our tenants via our [website](#) (in German) and our customer magazine. We have also taken other measures, such as lowering the temperatures in our portfolio at nighttime in order to save energy and help prevent energy shortfalls.

However, regardless of modernization work or higher energy prices, there may still be situations where our tenants struggle to make payments. This is where our social management steps in. The available options range from deferring rent and allowing payment to be made in installments, to offering help with housing allowance applications and other dealings with the authorities, relocation assistance and other practical forms of help. Our goal – as it is when it comes to hardship management – is always to support people's ability to pay so that they can stay in their homes and that their homes remain affordable. We employ 17 trained social managers for this purpose.

Comprehensive

social management

established

The German General Act on Equal Treatment (AGG) is designed to prevent discrimination. This includes having access to a home. Housing is a human right and was included in the Universal Declaration of Human Rights back in 1948. It is particularly important to us that we offer homes without discriminating. This explicitly includes, even if it is not legally covered by the AGG, social background and socio-economic circumstances. This means that we, as a landlord, never exclude anyone and are fundamentally open to all tenants.

Room for Vulnerable People

People who are homeless or at risk of becoming homeless are a particularly vulnerable group in society that often experiences discrimination. Supporting them is a matter that is particularly important to us. As such, 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 for this purpose as part of numerous cooperative initiatives and provides further support through various other accompanying measures. In Bremen, we support "Gast-Haus," an important contact point for people in need run by volunteers.

We also provide homes for refugees. Currently, in 2022, we are providing housing for people who have had to leave Ukraine due to the ongoing war. We have provided homes as quickly and unbureaucratically as possible and are providing further support in the form of, for instance, furniture donations (see → [Direct and Rapid Help on Arrival in Germany](#)). Around every tenth new rental agreement in 2022 was entered into with Ukrainian citizens. In Berlin, Deutsche Wohnen cooperates with Gemeinsam Vielfalt leben e. V., an association run by a youth support charity, in order to help a particularly vulnerable group – unaccompanied minors. Shared apartments were set up as soon as the crisis began in order to create contact and arrival spaces for minors. This is a professional partnership that has paid off: Even three quarters of a year later, the young people who arrived in May 2022 still live in these shared apartments.

Effective help for homelessness with

“Housing First” approach

Refugees helped with homes and donated furniture

Partnerships for Homes

We’re not just interested in protecting the especially vulnerable when it comes to making homes available to particular target groups. In order to support the mobility transition and contribute to the stability of an important component of the country’s infrastructure, Vonovia also cooperates with Deutsche Bahn. The railway company’s employees can rent homes from us at favorable conditions. The aim is to give the company’s train conductors, drivers and technicians the opportunity to find affordable and appealing homes near their place of work. Through this cooperation, we have already entered into more than 630 lease agreements, many of them in large cities and more than 100 in Berlin.

Homes That Meet People’s Needs and Demographic Change

GRI 3-3

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. Self-determination and autonomy are important factors in being satisfied with your life – including and especially as we age.

We want to fulfill the associated needs with the homes we offer. In the event that architectural conditions no longer support independent living, it is important that the barrier to accessing further care services is low. This underlines the importance of our neighborhood-based approach. Because homes that fulfill these needs are not just accessible, but take the everyday needs of the tenants and the wider social environment into account.

With this approach of 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 renovation 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.

Direct and Rapid Help on Arrival in Germany

A similar show of solidarity was seldom so required politically, economically and socially as following the Russian invasion of Ukraine. As one of Europe's largest real estate companies, it is important for us to help wherever help is directly needed – for example where refugees arrive and need a safe haven. We thus rapidly and unbureaucratically provided mainly one thing in 2022: homes. Together with other residential real estate companies, we used the house map instrument that had already been tested during the refugee crisis of 2015/2016. Using



A substantial furniture donation was used to fit out a shelter being built for up to 300 refugees at the barracks in Bernau.

the common platform, the municipalities were offered vacant homes specifically for fleeing families.

Deutsche Wohnen #wirhelfen campaign in figures

- > 12 organizations supported
- > 800 hours of work donated
- > 180 employees involved
- > 3,000 aid packages packed with care and hygiene items
- > 200 school bags filled with stationery and candy

We also offered our resources and skills to aid organizations. Using the hashtag #wirhelfen, Deutsche Wohnen quickly created an effective social media aid campaign. Following a € 10,000 donation to "Die Arche," a children's foundation that supports living communities for people with and without disabilities around the world – including in Ukraine – the company also delivered furniture to Lviv, for instance. The campaign also helped Ukrainian designer Ewa Herzog to provide a Berlin living community consisting of Ukrainian refugees with desperately needed furniture. Since May 2022, Deutsche Wohnen has also been able to make a total of 140 apartments available under the #wirhelfen campaign.

3,000

aid packages packed with care and hygiene items

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 and Measures

Our aim is to ensure that our tenants can stay safe, healthy and independent in their homes over the long term. In the event that architectural conditions no longer support independent living, it is important that the barrier to accessing further care services is low.

Barrier-free (Partial) Modernization

We therefore aim to modernize around 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 consequently allows us to retrofit apartments one by one, ideally according to the stage of life of our customers, in line with their needs.

We are already planning to make a large share of our newly built apartments accessible and/or wheelchair-friendly and are also looking for opportunities to adjust apartment sizes. More important, however, is the low barrier for equipping and refurbishing apartments for people with impaired mobility. 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.

Around 10,000 apartments

in Germany (partially) modernized for accessibility
(approx. one third of new rentals)

NON-FINANCIAL PERFORMANCE METRIC

32.4%

Proportion of accessible (partially) modernized

newly rented apartments
in Germany

In 2022, approx. 10,100 apartments were (partially) modernized to make them more accessible and senior-friendly. That accounts for around one third of all new tenancies in Germany during the reporting year.

Due to the limited investment opportunities, however, we expect the share of accessible, (partially) modernized apartments to account for only around ten percent of new rentals in 2023. However, we are planning to have this share back at its historical level as soon as possible. As of 2023, Deutsche Wohnen has joined the program of (partial) modernization measures to make its portfolio properties fully accessible.

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 (see → [Neighborhood Development and Contribution to Infrastructure](#)). 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.

Care and Assisted Living

Since the merger with Deutsche Wohnen, the Vonovia Group now also has 72 nursing care properties with a total of around 9,540 nursing places. Similar to in the rental business, our activities in the care segment focus on cities and regions with positive development forecasts, as these are the areas with a particularly high demand for nursing and other care services (full inpatient care, as well as assisted living combined with outpatient and day patient care). We place particular emphasis on high-quality properties, as well as high-quality care, support and service.

Around 9,500 nursing places

in 72 nursing care properties across Germany.

The Care segment, which is new for Vonovia and for which reporting is carried out separately, comprises Deutsche Wohnen's nursing care and nursing care properties business segments. As of December 31, 2022, we employed a total of 3,798 people in care service or care home management within this segment. Care business operations are based on an independent system and process landscape. 39 retirement and care homes are operated under the brands KATHARINENHOF and PFLEGEN & WOHNEN HAMBURG (around 5,240 places), 38 of which are owned by Deutsche Wohnen. There are also an additional 33 nursing care properties (around 4,300 places) run by other agencies.

These facilities provide full residential care, the aim being to maintain an active lifestyle and residents' independence to the greatest possible extent. Demand remained at a consistently high level in the reporting year. Senior citizen-friendly services are also provided within the context of assisted living. With its Care segment, Deutsche Wohnen makes a positive contribution to finding solutions to the challenges of demographic change.

Maintenance for Health and Safety

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. You can find more information in our 2022 Annual Report under [Details on results of operations by segment](#).

Investment in Maintenance

in € million	2021	2022	Change in %
Expenses for maintenance	374.5	443.6	18.5
Capitalized maintenance	378.8	412.6	8.9
Maintenance services total	753.3	856.2	13.7
Intensity of maintenance (€/m ²)	26.17	24.80	-5.2

Health & Safety

The health and safety of our employees are among our highest priorities. Our focus is always on risk prevention. Health and safety also play an important role in the personal well-being of our customers, and a subjective sense of safety is also decisive in establishing this feeling.

We make sure that places in our portfolio that might make people feel ill at ease – such as unlit parking lots or paths – are eliminated and that all paths, parking lots, entryways and hallways are sufficiently lit. We also offer security solutions to improve burglary protection, such as reinforced bolts and safer front doors.

We reduce the risk of danger permanently by strictly 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, property inspections, regular checks on building safety in compliance with building regulations, checks for hazardous substances, hiring experts to optimize construction measures in the portfolio 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.

We carefully select materials that meet modern standards for our construction work. This means that we exclusively use safe materials in our apartments and take meticulous care to prevent mold. If mold should be discovered in one of our apartments despite our meticulous care, the technical service immediately eliminates the mold and launches prevention measures.

Our product manual contains information regarding the materials that we regularly use in the refurbishment and maintenance work in our properties. There are clear specifications and strict quality standards in place for material selection. We expect our subcontractors to fully adhere to all of our product guidelines so that we can ensure all measures exhibit the same quality. With the requirements laid out in the product manual, we are able to respond quickly to changes in the law and make the corresponding adjustments (see → [Sustainable Materials and Products](#)).

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 → [Key Figures Portfolio Security](#)). We initiate measures immediately on identifying defects or risks in order to prevent accidents in open spaces on our properties.

Reducing Noise Pollution

Noise in our neighborhoods can come from a variety of sources. But whatever the source, noise always has a negative impact on our tenants' well-being. We want our tenants to live with as little noise pollution as possible, and therefore install sound-proof windows along streets with heavy traffic, for example.

Complaints are often made about noise caused by other tenants. In these situations, Vonovia acts as mediator and strives to find a solution that is mutually acceptable to both parties. House rules in different languages serve to create a common understanding of living together.

Noise caused by construction work cannot be prevented. We aim to foster understanding for this among residents by announcing construction as early as possible at tenant meetings and during office hours as well as through tenant parties (see → [Dialogue with Tenants and Participation](#)). We endeavor to keep the disturbances caused by construction work as low as possible, because in certain cases, such as vertical expansions, apartments in the building remain occupied by tenants.

In terms of the negative impacts of noise and pollution, modular approaches for new construction work are a good approach, as it enables us to keep construction times to a minimum as the prefabricated residential modules only need to be put together by our technicians and finalized with interior fittings.

Customer Satisfaction and Service Quality

GRI 3-3

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 neighborhoods and whether they feel that they are treated fairly by us as their landlord. Here, the quality of customer care and services plays a central role. Our experience shows that accessibility, speed and transparency in service are decisive factors for achieving customer satisfaction.

Our central, multilingual (telephone) customer service department acts as the first port of call, whereas our care-takers and craftsmen look after the needs of tenants on location. This allows us to ensure a fast and reliable service and increase acceptance of our measures. We run our own customer service centers in Essen and Dresden, and since January 2023 also in Berlin. This takes the merger with Deutsche Wohnen – and the increase in customers that came with this – into account. The aim is to be able to guarantee the same level of quality for the entire portfolio in Germany. Our customers can reach our staff of more than 1,100 employees through a variety of channels.

Our customer service team addresses a wide range of concerns, the majority being everyday questions related to tenancy agreements, payment difficulties and heating and operating cost statements. Our services also include numerous supplementary initiatives and tips to support our customers.

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 key performance indicators. This is then fed into 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” and “DeuWo Digital” tenant apps. 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

At Vonovia, responsibility for the central 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. The design and management of the tenant apps are 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 and Measures

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

Customer Satisfaction Index (CSI)

Customer satisfaction is measured using a quarterly customer survey and is reflected in the Customer Satisfaction Index (CSI). It is incorporated into the Management Board’s remuneration as a direct non-financial indicator and component. 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.

Year-on-year, we once again succeeded in achieving an all-time high for Vonovia in the CSI, surpassing the previous year’s result, which at that time had been our best yet. The aim is to continue this positive trend on a permanent basis. BUWOG in Austria and Victoriahem in Sweden also carry out regular customer satisfaction surveys. Satisfaction continues to rise among our Victoriahem tenants according to the latest customer survey, which was performed in cooperation with our partner company AktivBo in Sweden. The clear improvement in our service in comparison with the previous year has led to Victoriahem receiving the “Kund-kristallen” award for the second time in a row for the greatest increase in the service index in the category of real estate companies with more than 11,000 homes in Sweden. 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. The first ever

consolidated survey on the CSI in Germany, i.e., including Deutsche Wohnen, is scheduled for 2023.

Customer satisfaction

at all-time high in Germany

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 neighborhood managers 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.

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 around-the-clock service and, in Austria, improving the website to include customer-relevant topics, and designing barrier-free customer communication.

Tenant Apps

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 are the tenant apps, which have already been downloaded more than half a million times and are used actively by some 180,000 users. The new features introduced to the app in 2021, the digital lease agreement and digital apartment search, were well received. In 2022, the feature for providing consumption data that can be read remotely was added. As a result, we can show the entire customer journey in the apps: from searching for an apartment and scheduling viewing appointments through to digital contract drafting, ancillary expense bills and all other topics for existing customers. The Vonovia customer app has thus replaced the customer portal, which was previously run in parallel to the app. The portal was closed down at the beginning of the fourth quarter of 2022.

Tenant app

replaces customer portal,
complete customer journey
covered by tenant apps

We plan to roll out the BUWOG customer app in Austria in 2023. With the expansion of user-oriented elements, the new and improved app is more efficient, offers faster processing times for customer inquiries, and features high-quality information architecture.



Corporate Culture and Employees



GRI 2-24, 3-3, 405-1, 405-2, 406-1

UNGC Principle 3, Principle 6



Disclosure

As the largest residential real estate company in Europe, Vonovia employs more than 15,000 people in Germany, Austria and Sweden. In our decentrally organized Group, our colleagues in the regions and neighborhoods, in customer services and administration are there for a diverse range of tenants every day. A local presence is an integral part of our business strategy. Specifically, this means that the main tasks in our value chain – from caretaker work to green space maintenance and modernization work – are all largely performed by the company's own employees. This allows us to offer our tenants a reliable level of service quality and better monitor and manage the growing risk of labor shortages – especially in the technical and craftsmen professions that are so relevant to our business.

Demographic changes in particular are having a noticeable impact on the labor market: According to the micro census, around 30% of the population working in 2021 will exceed the retirement age by 2036. We will therefore only be able to prevent quality restrictions, if we manage to position ourselves as an appealing employer. We can achieve this by systematically approaching motivated potential candidates and arousing their interest in a position with Vonovia through targeted measures. As a training company, we also have a responsibility to prepare young, talented individuals for their future careers to the best of our abilities and convince them to stay with the company.

We are aware that it is our own employees who guarantee the success of our company by performing our customer-oriented and excellent services in their personal everyday work. The current trend on the labor market and in companies shows that the realities and needs of employees' lives are becoming ever more important. Therefore, we at Vonovia must offer clear answers on how we can provide our work force with a sense of stability in times of crises, deal with the changing circumstances and promote the long-term development of our employees in the company. A more dynamic working world, the increasing importance of a healthy work-life balance, and the desire for work that is

HIGHLIGHTS 2022

- > Around 2,100 new hires
- > The training rate at Vonovia in Germany is above average at 5.2%
- > Program to recruit qualified employees from non-EU countries successfully established
- > Training and education programs in the focus of HR management
- > Again, no incidents of discrimination in 2022
- > Expansion of social and additional benefits for employees
- > Vonovia and Deutsche Wohnen workforces continue to grow together

personally fulfilling and matches the qualifications are all important criteria that are having more of an influence than ever before on future job applicants' career choices.

Therefore, it is even more important that we address a pool of qualified applicants as broad as possible and also retain experienced staff for our company. Topics such as flexible working conditions, personal and professional development opportunities, and individual employer benefits play an ever-greater role in this.

Another pillar that determines how we are perceived in public is our approach to managing diversity. We believe that if we want to encourage social cohesion in our neighborhoods, we must also practice what we preach. The skills and professional expertise of employees from more than 80 countries are combined in Vonovia's workforce – and

since the merger, this has been enriched further by the colleagues of Deutsche Wohnen. Our workforce represents a variety of different interests as well as cultural, religious and socio-economic backgrounds and lifestyles which we see as a great opportunity and one of our strengths. Recognizing this opportunity and promoting this diversity as a strength is an important task that we have set ourselves. If we cannot convincingly fulfill this aim, we will risk our reputation as a future-oriented company.

We have identified our **Appeal as an Employer** and **Diversity and Equal Opportunities** as material topics. We have also identified some other topics that are important to us: **Training and Personal Development, Remuneration and Flexible Working Models** and **Promoting Health and Safety** given that these areas also play a role in our appeal as an employer.

Appeal as an Employer

GRI 3-3, 401-1, 401-3

Our Approach

We create good and attractive jobs through a combination of an appreciative corporate culture, integrated and forward-looking personnel planning, and the continual adjustment of measures.

That is why we take a long-term approach with our personnel strategy: targeted recruiting is complemented by ongoing training and education, talent promotion and fair remuneration as well as extensive social benefits to promote employee loyalty. Accordingly, we consistently refined our human resources strategy during the reporting year, focusing on these three central levers.

With our insourcing strategy, we can offer our tenants high levels of quality, efficiency and security: Numerous tasks are performed by our own employees; the administration and organization areas are responsible for our technical service (VTS) and our internal residential environment service.

We believe the best way to cater to the variety of talent, skills and needs is through a response and support that is individual and differential. Our recruiting measures are therefore increasingly flanked by targeted advertising formats on social media channels and focus on the design of training concepts that particularly suit the individual roles, strengths and potential of our employees. Our aim is to ensure the constant support and development of our employees in every step of their career.

Our appeal as an employer is reflected in the satisfaction of our employees. Evaluation of employee satisfaction as a Group non-financial key performance indicator has therefore been an important element of the Sustainability Performance Index (SPI) since the 2021 reporting year.

All our HR processes and measures have a solid foundation: We are committed to upholding international working standards and statutory regulations as the minimum standard for our workplace. In the latest version of our Declaration of Respect for Human Rights, published by the Management Board in 2022, we specifically highlight the relevance of global human rights standards to us. This Declaration also applies to our subsidiaries. Neither we, nor any of our partners tolerate forced or child labor under any circumstances (see → [Human Rights Due Diligence and Supply Chain](#)). We also make sure to comply with all relevant legislation in Germany, Austria and Sweden. We make sure that all changes to the law are reflected in our processes. Our [Code of Conduct](#) provides clear expectations for how the company and its employees are expected to behave. Vonovia is committed to the core labor standards of the International Labour Organization (ILO) in all areas, particularly with regard to freedom and rights of association. We aim to ensure that applicable laws (e.g. individual and collective labor laws), are complied with at all our sites. This means, among other things, that employee co-determination is made possible. We are committed to fostering a trusting and constructive exchange between management and employees in all of Vonovia's business units through channels like works councils. Our employees are also free to form trade unions and exercise their statutory right to freedom of association.

Organizational Focus

At Vonovia, the CEO is responsible for HR work, which is established centrally as a shared service for a variety of areas within the HR department. In 2021, the shared service approach was transformed into an HR business partner model that continues to be developed on an ongoing basis. From January 1, 2023, this will also include the Deutsche Wohnen subgroup. Austria and Sweden have their own HR departments. Austria reports to the HR department in Germany via dotted-line reporting, whereas Sweden is still not firmly established in the reporting line. Here, monitoring and reporting takes place as and when required. The Head of HR discusses developments with the CEO on a regular basis. The objectives and focus of HR work are developed in collaboration with the Management Board and are then

Vonovia and Deutsche Wohnen Growing Together



Portfolios, employees, work processes: Vonovia and Deutsche Wohnen are growing together, and have been officially following a shared path since January 1, 2023. And to boost the sense of togetherness in advance of the merger among what is now a workforce of around 15,000 employees, a “Growing together” initiative was launched in the reporting year. One fundamental component of this initiative is a virtual content hub with a wealth of informative and varied content on the joint collaboration and the overall integration process that has officially been concluded in 2023.

One highlight of the “Growing together” initiative was the joint Vonovia Day at the Vonovia Ruhrstadion in Bochum: Instead of a soccer match, colleagues from three countries and a total of 70 locations in Germany, Austria and Sweden gathered on Friday, September 23 in person to get to know each other and celebrate together. The crowning glory of this special day was a Fantastische Vier concert. The band was on top form and everyone had a great time.

The Virtual Content Hub Offered Support for the Integration Process

Various digital formats helped to guide Vonovia and Deutsche Wohnen employees through the integration process. The “Von Schrippen und Stullen” (about bread rolls and sandwiches) podcast delivered relevant information for the workforce with respect to the integration process. Project managers from both companies introduced tasks and areas in the “Five Questions – Five Answers” series of interviews. In the technical service, the focus has been laid on project managers getting to know each other, followed by various videos on the many exciting and everyday insights into the whole integration process.



The Fantastische Vier put on a unique show for their many fans in our workforce at their concert in the Vonovia Ruhrstadion.

cascaded down throughout the organization. With the exception of the SYN VIA group and the companies in the Care and Assisted Living business area, the organizational integration of Deutsche Wohnen was completed by January 1, 2023 (see [Nursing and Assisted Living](#)).

Objectives and Measures

In terms of our processes in the field of corporate culture and employees, the 2022 reporting year was dominated by the integration project and the associated Growing Together initiative: Real estate portfolios, work processes and the structures of Vonovia and Deutsche Wohnen were and are being combined throughout the whole Group. In addition, different working cultures, processes and views are in the process of forming a new whole. Preparations were intensively made for this process in the reporting year and will be continued in 2023. Our aim is to create a harmonious basis for our cooperation that is based on trust, and to recognize and develop the potential we have gained.

Various team-building measures were implemented in both parts of the company in the course of the “Growing Together” integration campaign to bring the corporate cultures and the employees together under one Group roof. Alongside this process, Deutsche Wohnen organized further training for employees, e. g., on how to handle changes within organizations and transformation processes. These measures were accompanied by a number of different formats such as our Growing Together hub with varied and informative content regarding the integration process, the “Von Schrippen und Stullen” (about bread rolls and sandwiches) podcast, with its insights into the corporate cultures on both sides and the joint Vonovia Day event in the Ruhrstadion for the entire workforce (see [→ Vonovia and Deutsche Wohnen Growing Together](#)).

Employee Satisfaction

Following our satisfaction survey in 2021, we once again gave our staff the opportunity to rate Vonovia as an employer in the realm of an interim survey in the 2022 fiscal year. Unlike in previous years, we only asked employees one overarching question, with the reply providing an insight into the general satisfaction with their work place. Following an increase in employee satisfaction in the previous year, we recorded a downturn for the first time of 8 percentage points. Our aim is therefore to put the right measures in place to return to the previous year’s level. We are fully committed to achieving this goal. Up until 2021, Deutsche Wohnen carried out surveys to measure employee satisfaction within its own



group of companies. Due to the ongoing integration project, the survey did not take place in the reporting year. Another employee satisfaction survey, including Deutsche Wohnen colleagues, is planned once the integration process is complete. In Austria, the “trust index” increased by 15 percentage points compared to the 2019 survey; this led to a certification that has been acquired in 2021. Having also taken part in the “cultural audit” for the very first time in 2022, BUWOG now officially ranks among Austria’s 40 best employers.

Recruitment

We want to find qualified and motivated individuals and interest them in the positions available at Vonovia, particularly in the craftsmen and technical fields. In the context of recruiting, we rely on a set of measures comprising the further development of the application and hiring process, the recruitment of skilled workers from abroad, and an optimized training concept and targeted further training for technical skilled workers and auxiliary staff. Our initiative to recruit skilled electrical installation and landscaping workers from Colombia, which was also launched in 2021 in partnership with the German Federal Employment Agency, led to the subsequent, initially temporary, employment of 17 skilled workers at several locations with the prospect of permanent employment, once their vocational degree is officially recognized. A second round of the initiative has since been



Support from Colombia: 17 team members aged between 21 and 35 have been supporting Vonovia's electronics and gardening teams since fall of 2022.



“We always appreciate good support and are happy to welcome our new team members from Colombia.”

**Konstantina Kanellopoulos,
Chief Representative of the Value Add
Department (Vonovia)**

New Team Members from Colombia

In order to counter the immense labor shortage, Vonovia has recruited 17 qualified specialists from Colombia as part of the German Federal Employment Agency's "TEAM" project. Colleagues were exclusively sought out from professions where Germany had a shortage and Colombia an excess. This is stipulated in the immigration law that enables recruiting measures such as these. Vonovia is one of the first companies in the country that has actively grasped this opportunity to gain qualified staff from outside the EU.

The recruitment was preceded by a comprehensive recruiting and qualification process supported by the Colombian employment agency. After we received around 400 applications and conducted approx. 90 virtual interviews, we shortlisted 17 highly motivated applicants. To begin with, they all attended a German language course in Bogotá and passed the respective test.

At the beginning of fall 2022, the new team members were welcomed by Vonovia in Hanover. The 15 men and two women have joined their teams in Kiel, Lübeck and Berlin. They are contributing their expertise and intercultural experience and backgrounds while attending dual-study courses. After 12 to 18 months of recognized employment in their positions and successful acknowledgment of their training, the new colleagues will receive permanent employment contracts. A solution that benefits all.

launched. This process is an element of our recruitment strategy that we intend to expand in the future (see → [New Team Members from Colombia](#)).

Around 2,100

new hires in the reporting year, despite and during coronavirus pandemic

We also published specific job vacancies and launched image campaigns through various channels such as social media and radio, and expanded our [“Hand aufs Werk”](#) (in German) recruiting initiative in the reporting year. Our Austrian subsidiary BUWOG came third in the current year in the independent sector ranking for “Best Recruiter” after revising its employer branding concept. Our Swedish subsidiary Victoriahem is employing local recruiting measures, including in schools and in the neighborhoods – e.g. with the “Miljövärds” program, which focuses on the environment, and the summer jobs program, which finds temporary jobs for young people. Around 700 young people found a position in the reporting year (60 of them directly with Victoriahem in the project in Eskilstuna) (see → [Recruiting New Talent: 700 Summer Jobs in Sweden](#)). Vonovia is planning to revise its employer branding strategy and associated recruiting and HR marketing measures in 2023.

>90%

of Vonovia employees have a permanent employment contract

Despite and even during the pandemic, we were able to hire a total of around 2,100 new employees in the 2022 fiscal year. The overwhelming majority of our employees – over 90% – have a permanent employment contract. We do not out-source jobs to other countries and only employ workers on a temporary basis in exceptional cases. In addition, we completely reject irregular employment relationships, such as seasonal work or false self-employment. We also had no need to use the works agreements on company shutdowns and short-time working in 2022.

Training and Personal Development

GRI 404-1

Training plays an important role in how we fill future vacancies. Our aim is therefore to further increase the number of trainees. With an increase from 561 in 2021 to 617 trainees in the reporting year, we were able to set a new record in 2022. As a result of the merger with Deutsche Wohnen, Berlin has also been in the spotlight as a training location. A new training center for manual trades is therefore in the planning for 2023. In Austria, we reinstituted the apprentice program in 2021. There are five apprentices in the program in the current reporting year, four are already in their third year. In addition, a trainee program was initiated at BUWOG. Both trainees were taken on as permanent employees following the successful completion of their courses at the beginning of 2023.

617 trainees

in the reporting year

As a nation-wide training company, Vonovia fulfills its responsibility of qualifying young people for their future careers – and with great success. Three Vonovia trainees who completed their programs were awarded as “Training Stars” by the Central Ruhr Area Chamber of Industry and Commerce (IHK) in November 2022 for their outstanding results in the commercial field.

There is a broad range of formats, all with the aim of creating the optimal training conditions. This includes our mentoring model of individual support for new trainees. We also organize a variety of events for our trainees. In the reporting year, a joint event involving our CRO and celebrating the start of the new training year was held in the Vonovia Ruhrstadion with more than 160 commercial trainees and dual-studies students in the first to third year at Vonovia, Deutsche Wohnen and Austrian BUWOG.

In addition to recruiting new staff and training young people, personal and professional development is the third major lever in our personnel strategy. Vonovia’s aim is to continually improve as a company from within in order to recognize and promote existing potential. The succession planning process for the management level is also an important element that complements our personnel strategy. This process involves young candidates being mentored by talented individuals who are already employed by us in order to prepare them for a career in a future management function. Selected young candidates for management and expert roles will continue to be promoted and developed in a

Recruiting New Talent: 700 Summer Jobs in Sweden



Alan, 20 years old, initially came to Victoriahem for a summer job and is now with the company as a caretaker on a project basis.

“We hope some of the summer job applicants will develop a lasting taste for the real estate sector.”

**Sara Grandin,
Area Manager for Eskilstuna
and Strängnäs**



With its summer job project, our Swedish subsidiary Victoriahem is creating real social added value locally that has a long-term positive effect on the entire neighborhoods, the living situations of the tenants, and the recruitment of young talent.

Victoriahem provides young people in its neighborhoods, such as Eskilstuna, the opportunity to gain an insight into the real estate sector and gather valuable work experience with a job during the summer months. The young people are recruited specifically from their neighborhoods and given jobs in administration or in joint projects with the communities and other real estate owners. Depending on the location, the young people then complete three to four weeks of work. The program always includes at least one day of training on social topics – in Eskilstuna there is an entire introductory week. The focus lies on disseminating fundamental knowledge, planning various tasks and determining responsibilities. This includes meetings with the local police and fire departments, an introduction to handling various tools and establishing general rules for the placement.

60 young people were employed directly by Victoriahem in Eskilstuna this year. The aim is to create jobs for at least 700 young people every summer. The offer was also expanded in the reporting year: New and exciting tasks for the summer job applicants now also cover the fields of environment and sustainability, as well as the rights, obligations and responsibilities associated with rental apartments.

targeted manner through our internal programs. The “Strategy Circle,” for instance, offers participants the opportunity to develop company-wide strategic projects – similar to a simulation. We also aim to provide the optimal conditions for young and experienced talented individuals in the company to plan their progression at Vonovia through our structured annual employee appraisals and the individual development targets set during the appraisals. We support our employees in actively shaping their careers in accordance with their individual abilities and interests, and boost their opportunities for advancing their careers at Vonovia. These appraisals are held using a standardized questionnaire which is based on our mission statement. A specific form for determining individual development targets is also available as part of the annual employee appraisals. By systematically connecting the annual appraisal, development plan, target plan and learning activities in the Vonovia Academy, employees and managers can track and individually manage development.

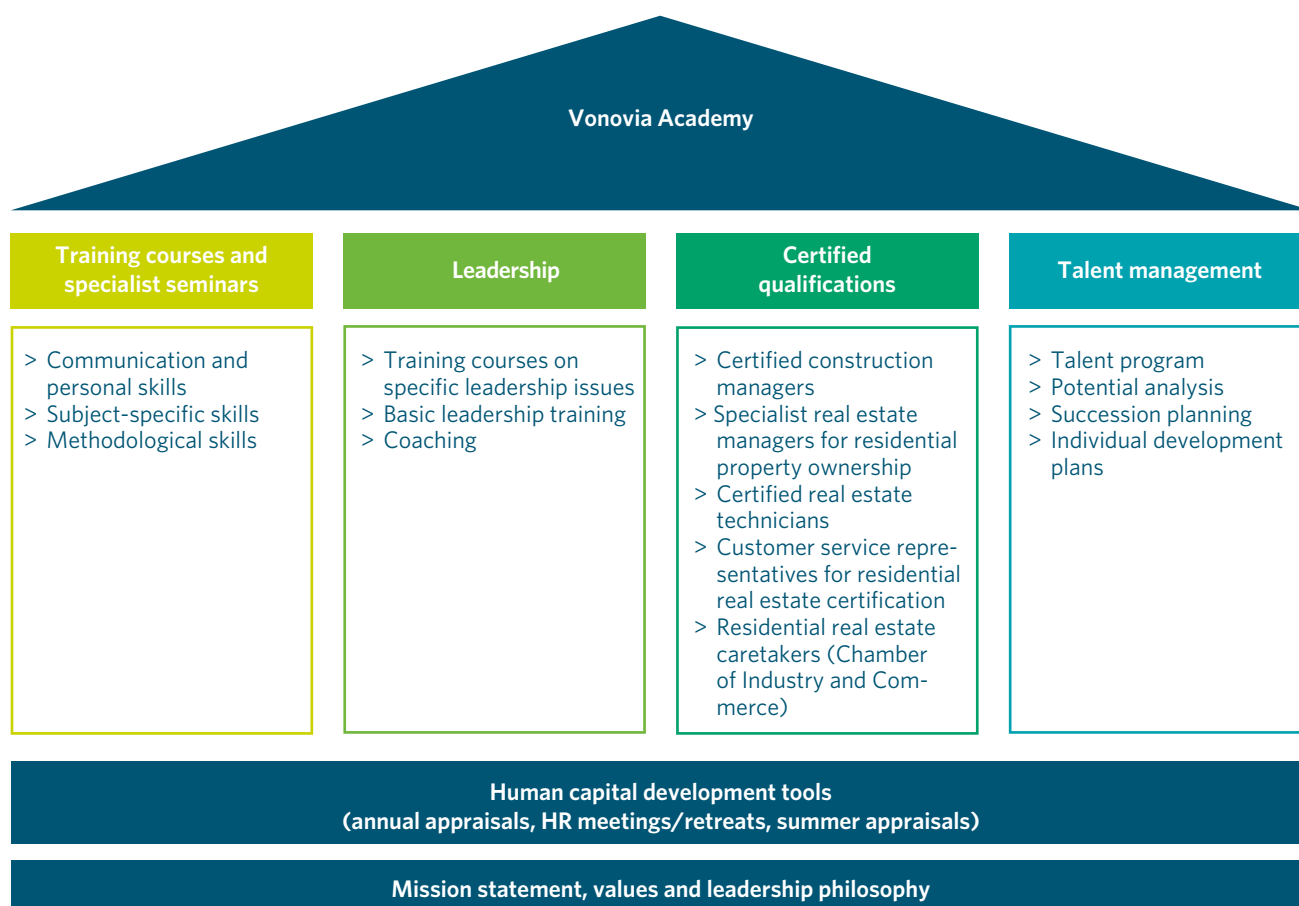
Vonovia Academy

At our Vonovia Academy, we are developing our employees’ skills and knowledge in an even more targeted way with a view to specific roles, functions and requirements in the workforce. Further, we have expanded our offer by including new training programs, curated learning content and guides. On-demand and eLearning services, such as digital training courses for managers and employees on the topics of self-management, storytelling and leadership issues, are designed to make further training and additional qualification at Vonovia a more flexible and personalized experience at large in the future.

Vonovia Academy

The Vonovia Academy is one of the main levers in our human resources development. In the past reporting year, our extensive portfolio of training programs was again primarily designed by the Vonovia Academy – in cooperation with the EBZ European Business School for Real Estate Management in Bochum and other educational establishments. The Vonovia Academy’s catalog of training courses is

The Pillars of the Vonovia Academy



continually adapted to meet the needs of our departments. The offers range from internal and external training courses, coaching, professional and management seminars to career and qualification measures such as certification, study courses, advanced qualifications in manual trades and part-time degrees.

Our internal caretaker course, for example, is a customized training course in the Vonovia Academy (see → [eLearning Course for Caretakers](#)). It was held for the first time in an interactive online format in the reporting year, including a virtual tour of a Vonovia neighborhood. A customized online curriculum based specifically on the needs of our gardening and landscape trainees was also introduced in the reporting year. There was also a variety of tutoring and training offers, such as communication training, for all trainees. Another flagship project in that regard was our internal training program, the Vonovia Neighborhood Academy, which took place for the second time in the reporting year. A total of 19 colleagues from various areas of the company spent a full year in the development program, whose methodology and content is geared towards an enhanced neighborhood development. The program not only covers the traditional topics in neighborhood development, but also personal competencies, such as social-communicative skills, knowledge for interdisciplinary project work, and methodological knowledge for innovative work. Building on the success of previous years, the third year is scheduled to start in spring 2023. With formats such as these, our training offers contribute to creating climate-friendly neighborhoods with a high quality of living for our tenants and also the general public in the urban society (see → [Neighborhood Development and Contribution to Infrastructure](#)).

19 colleagues

completed a neighborhood development training program over the course of a year

Human Capital Development Programs (Selection)

- > Talent programs “Management Talent” and “Strategy Circle”
- > Virtual caretaker course for sight checks and functional inspections with a virtual 360°-tour of an exemplary Vonovia neighborhood
- > Further development of the mandatory Code of Conduct and AGG training and additions to other compliance topics such as conflicts of interests
- > Online course for gardening and landscaping trainees
- > Part-time business studies courses, e. g., in Property Management
- > Leadership training and programs such as “Fit for Leadership” and “Basic Management Education”
- > Communication training and tutoring program for trainees
- > eLearning services for employees, such as time management and storytelling, and managers, such as “Managers as coaches” and “Leading with empathy”

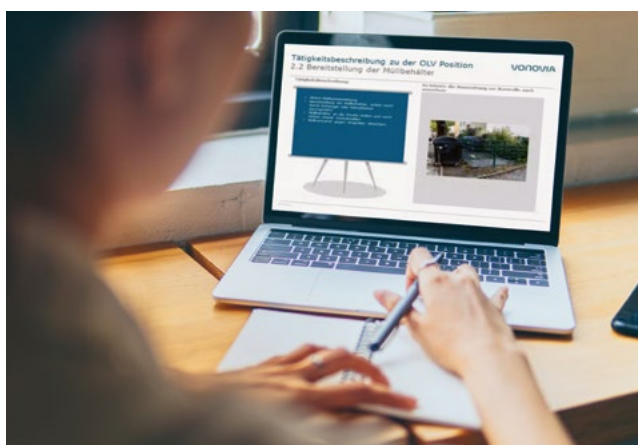
Remuneration and Flexible Working Models

GRI 2-19

Performance-Based and Value-Based Remuneration

Appropriate remuneration that matches performance is an important sign of appreciation toward employees and trainees for Vonovia as an employer and a training company. As we are currently seeing sharp rises in the prices for gas, electricity and in the general cost of living, Vonovia has decided to pay out a premium to cover inflation over the period of the next 24 months totaling up to € 3,000 and an income-based pay rise. By this means, we firstly want to show our appreciation for employees’ good performances and secondly, prove our competitiveness as an employer. The benefits apply to a majority of the Vonovia employees in Germany and Deutsche Wohnen employees and focus on income groups that are particularly hard-hit by rising prices. Our employees in these income groups can therefore rely on a marked increase in salaries in the 2023 calendar year in order to cushion their personal additional costs.

eLearning Course for Caretakers



With the newly designed eLearning module, which includes a virtual 360° sight checks, caretakers can develop their viewing and functional inspection skills virtually.

They are the face of Vonovia: Our caretakers have an important job – they represent the company at a local level for our tenants. Since 2012, all employees in this position have been offered the certified course “Residential Real Estate Caretaker (Chamber of Industry and Commerce)” designed especially for Vonovia.

The course modules cover concepts such as communication, conflict resolution and de-escalation strategies, in addition to a solid grounding in tenancy law, final inspections, handovers and building technology. From presentations and checklists to a range of illustrative learning videos, the participants are taught about all relevant aspects of their position in an interactive and practical manner using a variety of formats.

In order to keep up with the digital transformation, the training concept has been continually developed further. The latest comprehensive redesign is an eLearning course, which covers our caretakers main task “Sight Checks and Functional Inspections.” With a 360°-tour of a real Vonovia property in the portfolio, a virtual element was integrated in order to make the “Viewing and Functional Inspection” part of the course as direct and tangible as possible. The fundamental topics of final inspections and handovers are presented in learning videos. This enables future caretakers to benefit from initially getting to know their tasks virtually and always having the ability to review them during the onboarding process. The new eLearning program proved ideal during the onboarding process of our Deutsche Wohnen colleagues.

Decision made to pay out a premium over the next 24 months

to compensate for inflation

and an income-dependent pay rise

Good and very good performances during training are rewarded by Vonovia with additional benefits. As part of the applicable works agreement, we have expanded our premium model for trainees from the technical service to the residential environment organization and the commercial area in the reporting year. In addition to closely supporting our young talent, we also want to motivate them and position ourselves as an attractive employer. For the same levels of performance in interim and final examinations, premiums were paid to a total of 85 trainees.

We want to give our young employees and trainees the best possible start to their careers with a range of trainee benefits. These include a company iPad or laptop, high-quality work wear, subsidized text books and intensive exam preparation courses. We are planning to introduce a performance-dependent subsidy of a maximum of € 2,500 for driving licenses in 2023 for commercial trainees. We want to ensure the mobility of our future employees in the Value-add segment following completion of their training.

Provision of

company iPads and laptops

and high-quality work wear and subsidized text books

Flexible Working and Digitalization

The hybrid working models established in 2021 and continually updated since, and our transformation to flexible and digitalized work processes have proven successful once more in the reporting period. Accordingly, the works agreement on mobile working that had already been negotiated between senior management and the works council in 2019 and corresponding agreements for our Austrian colleagues at BUWOG remain in place. In addition to the flexible option of working from home, our employees in the holding company are also largely free to work the hours that suit them – within the daily framework of 6.30 a.m. to 10 p.m. – and enjoy a high degree of personal responsibility. Personal working time accounts can range between minus 80 hours and plus 150 hours – but they do have to be balanced out within a certain timeframe.

Vonovia has also continued working on making HR processes more flexible, aimed at making our employees' everyday work easier, particularly through the gradual development of further digital offers. These offers include the option of calling in sick via an app or digitally clocking in and out. A relaunch of the company's intranet is also planned for 2023, which is aimed at making access to company-relevant information, services and benefits easier as part of a new design.

Social Benefits

When it comes to social benefits, we strive to achieve equity when considering our employees. For example, our employee share program is also in place in Austria, along with a works agreement on mobile working. The standardized company pension scheme introduced in 2021 is available to all Vonovia employees in Germany (including Deutsche Wohnen, excluding SYN VIA and the Care segment) and is subsidized by Vonovia. With this scheme, Vonovia is going well beyond the requirements of the Company Pension Scheme Contributions Act (Betriebsrentenstärkungsgesetz), and making a special effort to fulfill its social responsibilities toward its employees.

BUWOG's HR department prepares a mandatory biennial salary report for the works council in accordance with Austrian law and also submits monthly salary lists to the works council. The aim is to ensure gender equality in terms of salaries and enable rapid responses to any indications of inequality.

Current figures show that there is a salary difference of 4.8% at Vonovia in favor of female employees (see → [Employee Key Figures](#)). This is due to the higher proportion of men in the technical occupations and a more balanced gender ratio in the on-average better paying commercial roles.

Diversity and Equal Opportunities

GRI 3-3, 405-1, 405-2, 406-1

Our Approach

Diversity is a part of Vonovia's profile. This applies to both, our tenants and our employees. We see diversity as a significant opportunity and attach great importance to the structural equal acknowledgment of all groups within our workforce. Our focus lies on the overall conditions for cooperation as much as on the everyday work in Vonovia's various fields of operations. We believe raising awareness for diversity among our workforce and managers is one of our most vital tasks.

Specifically promoting equal opportunities – including through various offers ensuring a healthy work-life balance and adjusting our recruiting processes to the demands of a pluralistic, multicultural society – is an important aim of our corporate policy. We apply an array of measures designed to fulfill the various and constantly changing demands of a diverse workforce. At the top level of management, the diversity concept for the composition of the management and control bodies, set out in detail in the [Corporate Governance Declaration](#), applies. Works councils represent all Vonovia employees in Germany and Austria. Since July 2022, they have also represented Deutsche Wohnen employees. As for the German branch, we have also appointed representatives for young people and trainees and the severely disabled.

(Inter-)national Guidelines

- > Core labor standards of the ILO
- > UN Global Compact
- > Diversity Charter
- > General Act on Equal Treatment (AGG)

Organizational Focus

All managers in the company are responsible for implementing and respecting our diversity and equal opportunity standards and complying with the corresponding policies on a daily basis.

Objectives and Measures

We see the strengthening of women in the company as an important mission, as they – chiefly due to the technical occupations in the field of skilled trades – are considerably underrepresented with a share of 28.2% of the workforce (excluding SYN VIA and the Care segment) as a whole.

The SPI indicator “Proportion of women in leadership roles in first and second management level below Management Board” is recorded annually. This underscores our commitment to our aim of actively promoting women and opening doors to management positions and technical careers for them. When setting the target – 30% by 2026 – we were guided by the representation of women in the Group as a whole. At the top level of management, the diversity concept for the composition of the management and control bodies is set out in detail in the corporate governance declaration. In Austria, we were awarded the equalitA certification for the internal promotion of women in 2021.

We strive for equal opportunities and diversity in our everyday work at the company. In order for every employee to know and understand our central equal opportunities and diversity principles, we adapted our anti-discriminatory behavior training to current focal points and added it to the Vonovia Academy in the reporting year. Participation in our regular online training courses on the General Act on Equal Treatment (AGG) is mandatory for all new employees. This material is closely related to the digital training course on our Code of Conduct, which all employees are required to complete every two years.

We are happy to announce that there were zero cases of discrimination reported in the 2022 reporting period. In order to more firmly anchor the issue of diversity at the strategic level of the company in the future, a comprehensive range of management development courses – focusing, for example, on the topic of “unconscious bias” – is currently being developed and is scheduled to be rolled out in 2023. We are also focusing on including more people from abroad and people with a refugee background into our technical service

NON-FINANCIAL PERFORMANCE METRIC

25.1%

Proportion of women in management positions

(first and second level below the Management Board; incl. Deutsche Wohnen for the first time)

teams and in the Value-add segment. This not only encourages intercultural exchange in the workplace, but also contributes to expanding individual knowledge and expertise, which benefits all employees. Vonovia is also a partner company of the Klischeefrei (Cliché Free) Initiative. Its aim is to establish career and study choices throughout Germany that are free from gender stereotypes. It is a broad social alliance for anyone involved with career choice processes.

Once again zero cases

of discrimination

One important criteria for employees with children in terms of gaining their loyalty is our ability to provide a healthy work-life balance. We offer our employees information on our intranet platform about pregnancy and parenting, childcare and financial help for single parents. We also make child-friendly spaces available for parents at our various locations to cover short-notice childcare situations. In 2022, BUWOG in Austria also had various offers for employees, including child- and family-friendly workplaces and a one-week childcare program organized for BUWOG employees in cooperation with an external provider in the reporting year for the summer vacation. Our Austrian subsidiary has been certified as a family-friendly company by the Austrian Federal Ministry for Labor, Family and Youth since 2017. A recertification is planned in 2023.

Promoting Health and Safety

GRI 403-2, 403-4, 403-5, 403-6

Safety in the Workplace

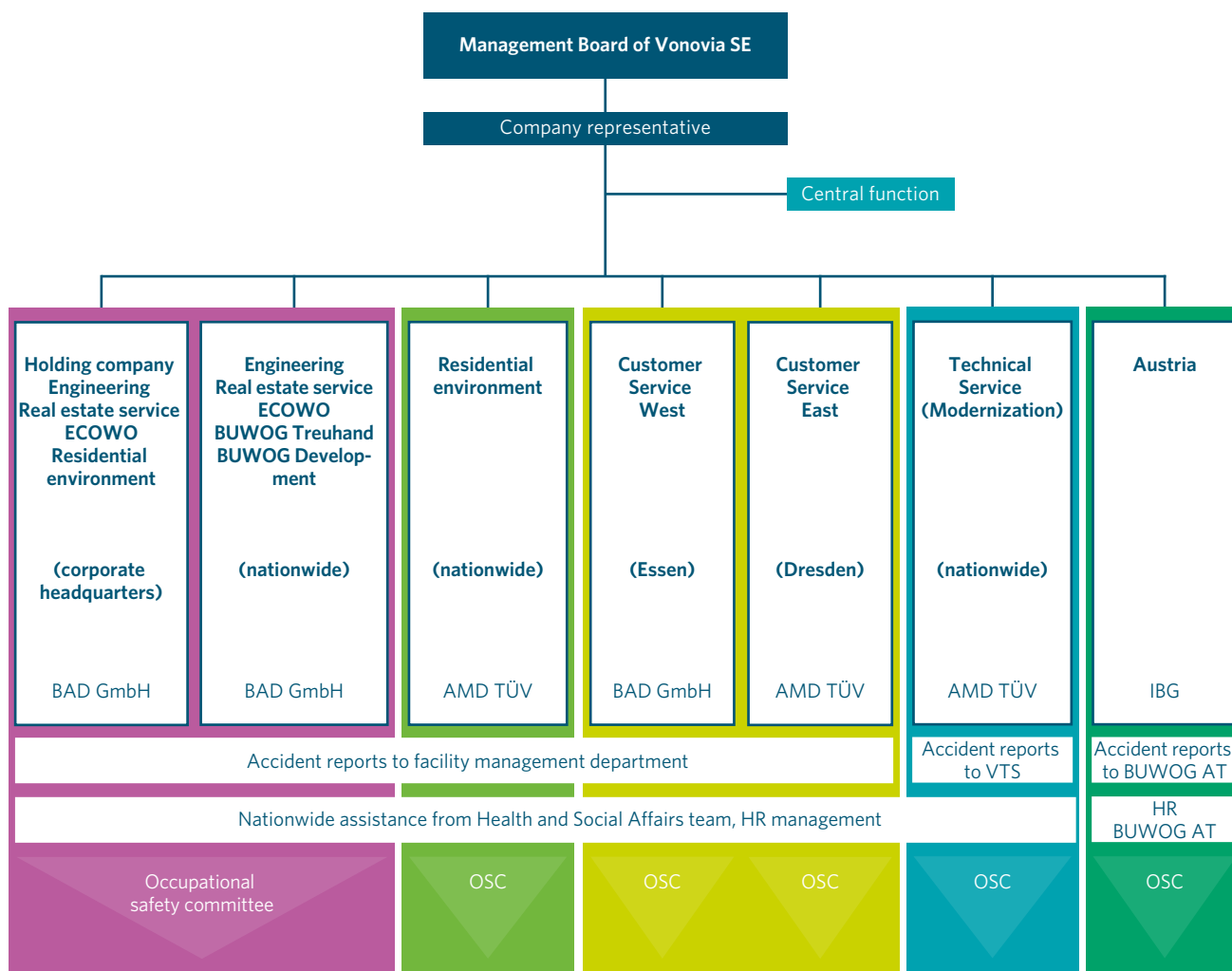
The health and safety of our employees is a top priority for Vonovia. The company uses its professional health and safety management policy to minimize potential hazards and promote a working atmosphere that effectively protects all employees from health risks in the workplace. We design working processes and structures that are conducive to good health and offer preventive health care programs as part of our corporate approach to health management.

Internal coordinators for occupational health and safety meet four times a year. Additional meetings can also be arranged on an ad hoc basis. The existing offers and potential adjustment measures are evaluated at these meetings. In line with our Group policies, the Management Board is informed once a year about all occupational health and safety measures and the accident figures for the previous year. Our Group guideline on occupational safety has been available in English since 2021. The Swedish occupational safety standards correspond with the requirements of the Group guidelines in all aspects and provide a strict framework that is adhered conscientiously in the implementation of all occupational safety measures. An occupational safety committee has been responsible for evaluating occupational safety and implementing appropriate measures on Victoriahem sites since 2021. With the merger with Deutsche Wohnen, new real estate service commercial sites will be established in Berlin along with the new business area 05, with around 200 caretakers and 40 technicians from the former FACILITA, and in Mainz from 2023. Occupational health and safety will be safeguarded through the implementation of the existing Group-wide occupational safety organization in the real estate service, the technical service and the residential environment service.

Risk Assessment and Prevention

All other measures and activities are based on risk assessments. The expansion of photovoltaic plants in our existing neighborhoods led to a reassessment of risks, for instance. The measures derived from this reassessment include expanded and specialized training courses and instruction for the employees in this area. In addition to training, making specific protective gear available further supports the prevention of occupational accidents.

Organizing Occupational Safety at Vonovia



Our sites meet the training quotas of the DGUV (German Social Accident Insurance) for first aiders and fire safety personnel. Our fire safety officers in the Central Technology department provide the Vonovia Technical Service with support when required. Fire and first-aid training courses for employees were also offered in Sweden in the reporting year, and a variety of mandatory and voluntary medical examinations were performed by company physicians.

As some of our business activities also include new construction and modernizations, construction sites remain the largest occupational risk for our employees. Team meetings are held to discuss safety on construction sites. This topic is also covered as part of our TEOX training module. External safety coordinators ensure technical safety at the construction sites themselves in accordance with site regulations. We have also increased our inspections of construction sites in the current reporting year. For this purpose we have partnered with TÜV Rhineland, who send out inspection

personnel twice a year to select locations to perform the corresponding checks. In addition, the responsible occupational safety officers are accompanied and advised by a company physician once a year.

The purpose is to reduce accidents, with a particular focus on keeping the number of work-related fatalities at zero.

Coronavirus Protection Measures

The pandemic again had a noticeable impact on our health management in the reporting year. The multiple adjustments to safety regulations by the authorities, particularly in the first half of the reporting year, led to the continual alignment of our measures, including the associated Group-wide communication to employees. We also established a regularly recurring meeting for the technical service, where around 60 employees were able to exchange their experiences with the coronavirus restrictions at their locations. Unannounced official inspections by the respective regional

authorities found no issues with our approach. In addition to the tried-and-tested digital health management offers, we also made local coronavirus testing and vaccination available for free in accordance with the official request of municipal and federal authorities. However, since the booster vaccinations, these offers have been rolled back due to lack of demand. Protective masks, lateral flow testing and disinfectants, on the other hand, were available at all locations and in all offices throughout the year.

Preventive Care Benefits

As part of our company-wide health management, we aim to raise awareness among employees for taking care of their own health. The corresponding measures include providing employees with information about stress management, relaxation and mindfulness, and managing the challenges of mobile working. We also offer our employees the opportunity to turn to the advice helpline run by BAD, free of charge, during times of personal crises with our Employee Assistance Program (EAP). We also offer information regarding healthy nutrition and exercise, for example through our internet portal. Flu vaccinations and colorectal cancer examinations are also available to all Vonovia employees in partnership with certified external service providers. These offers have been taken up by many employees.

Bicycle lease program

786
users

Our bicycle lease program, introduced in 2021, has proven extremely popular: Demand among the workforce has increased further in comparison with 2021 to 786 users in the 2022 reporting year. We are also expanding our range of information and support related to health issues and our diverse fitness partnerships. We added the fitness chains John Reed and FitX to our cooperation network of sport and fitness service providers in the reporting year.