

The Company and Its Shares

Megatrends continue to dominate the macroeconomic environment

Excess demand in the residential real estate sector driven by influx of people and short supply

Capital and liquidity discipline as the main levers to combat inflation and higher interest rates

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Dear Shareholders, Dear Employees, Dear Readers,

Here at Vonovia, we have adopted a clear stance that has been guiding us in everything we do for many years now. One of our guiding principles is “Seeing the Big Picture – Taking Action.” The message this conveys is that we are masters of our trade. And **we are rising to the challenges associated with it**. We are resolute in the entrepreneurial decisions we make. This has allowed us to evolve into Europe’s leading residential real estate company over the last few years. We are improving the services we offer our tenants, increasing customer satisfaction and cutting costs. We are doing our bit to help solve social issues. We provide safe homes for well over a million people from across the globe. This is a responsibility that we live up to.

Despite the mounting uncertainties in the world around us, our guiding principle remains unchanged. We once again got down to getting things done last year. We took action as opposed to adopting a “wait and see” approach. The intensity of the interest rate turnaround was unusual. It marked the most drastic rise in interest rates in such a short space of time since the Federal Republic of Germany was established.

Our response to this development has been to exercise capital discipline. We adapted our investment strategy, launched an ambitious sale program and entered into new **joint venture partnerships** to take considerable pressure off our balance sheet. We still have good access to capital in an ongoing difficult environment. At the beginning of 2024, we placed a significantly oversubscribed bond on the UK financial market for the very first time, followed by our first bond in Swiss francs. This is testimony to the trust that international investors place in us. Our **ratings** are also stable at a high level.

In 2023, we realized **real estate sales, including joint venture structures**, worth around € 4 billion, doubling our original target for the year. Transactions on this sort of scale are currently a rarity on the market. We sold apartments at prices close to or above the carrying amount; commercial properties were sold at prices slightly below the carrying amount.

While the adjustments we made to our **new construction strategy** in response to the high interest rates and construction costs were urgently required, we did not decide to stop our construction activities altogether. It goes without saying that we will complete all of the projects we have already started. As a result, 2,425 residential units were created in 2023. We will complete a similar number of apartments this year, too. We are also continuing to develop new construction projects, but only until the building permit stage for the time being. This is our way of sending out a clear signal: It remains our aim to provide affordable homes. We want to, and we will, continue to build. In order to do so, however, we need policymakers to create reliable long-term overall conditions and a stable market environment.

We are also continuing to invest heavily in climate protection. Last year saw us invest € 1.5 billion in the **long-term quality of our residential property** as we continue on our climate pathway: By 2045, we will



From left to right: **Daniel Riedl**, Member of the Management Board (CDO); **Arnd Fittkau**, Member of the Management Board (CRO); **Rolf Buch**, Chairman of the Management Board (CEO); **Philip Grosse**, Member of the Management Board (CFO); **Ruth Werhahn**, Member of the Management Board (CHRO)

manage a virtually climate-neutral portfolio. This, too, remains an ambitious task in financial, energy technology and operational terms. In 2024 we will be increasing our investment volume and, in particular, stepping up our energy-efficient refurbishments. We will also be driving ahead with the expansion of photovoltaics and the installation of heat pumps.

One piece of very good news is that we have had **Ruth Werhahn** on board as our CHRO since October 1, 2023. She is a proven expert with a wealth of experience. Over the past ten years, our workforce has quadrupled. They put their talents and skills into practice day after day to serve customers - helping us to live up to our most important service promise. Our independent HR executive division will help us to further boost our appeal as an employer.

Let's take a look at our financial figures:

Our **core Rental business** continues to perform well. It is supported by a sustained low vacancy rate and synergies resulting from the merger with Deutsche Wohnen. Adjusted EBITDA from our rental activities rose to € 2.4 billion, up 6.5% on the previous year despite disposals.

Adjusted EBITDA Total, including the non-strategic Care business, amounted to € 2.6 billion. Accounting for 92% of our overall business, rental is by far the largest item. The Value-add, Development and Recurring Sales segments fall short of the previous year's figures as was to be expected due to market conditions.

Group FFO is down to € 1.8 billion due to interest rate developments. We are reporting Group FFO per share of € 2.23 for 2023. This means we have met our forecast for 2023 for all key figures.

With a vacancy rate of 2.0%, Vonovia's portfolio of residential properties is virtually **fully occupied** as of the reporting date. Rents increased by 3.8%.

On the reporting date, **our portfolio** comprised around 546,000 apartments and had a fair value of € 83.9 billion. The residential real estate portfolio value dropped 6.6% in the first half of 2023 and 4.2% in the second half due to the changes in the market environment and disposals. On a positive note, however, this trend weakened as the year progressed. As a result of the development in fair value, the EPRA NTA is 16.6% lower than the December 2022 figure at € 38.1 billion. The EPRA NTA per share came to € 46.82 on the reporting date. The pro forma loan-to-value ratio LTV amounts to 46.7%. The target corridor of 40% to 45% remains the relevant reference value.

Based on this financial development and together with the Supervisory Board, we will be proposing a dividend of € 0.90 per share to you on May 8, 2024. This proposal is around 6% higher than the dividend for 2022. We believe that this strikes a good balance between the ongoing need for cost discipline and appropriate participation in our business results. It goes without saying that the decision on the dividend lies with you, our shareholders. We hope, however, that our proposal gives you a clear basis on which to make a decision.

So what lies ahead for us in 2024?

One thing is certain: It will be an interesting year, and one that we have set ambitious targets for. As usual, we will be passionate in our pursuit of these targets. Following the extremely successful sales in the previous year, we aim to sell residential property worth € 3 billion in 2024 to stabilize the LTV. We will be there for our customers, will continue on our climate path and will again invest heavily in our portfolio.

Going forward, we will be making a clearer distinction in our management system between earnings orientation and liquidity orientation. This is our way of reflecting the current market environment and the resulting need to manage our liquidity. Taking into account what is currently a much more relevant sale segment, Group FFO does not allow us to make a sufficient distinction in this regard. While it reflects the earnings contributions made by disposals, it does not capture the liquidity inflows they generate in full. In this respect, Group FFO is a mixture of earnings and cash flow, meaning that it is not a clear performance indicator.

Going forward, Vonovia will reconcile Adjusted EBITDA to Adjusted earnings before taxes (Adjusted EBT), establishing this as the central measure of earnings. EBT is a standard performance indicator for companies; as such, it offers high levels of transparency and allows for comparisons to be drawn with other industries. Like our existing Adjusted EBITDA, Adjusted EBT is adjusted to reflect effects that do not relate to the period, recur irregularly or are atypical for business operation. Unlike Group FFO, this Adjusted EBT includes depreciation and amortization as a measure of loss in value, but does not include current income taxes, as these are not part of operating value creation.

As the leading indicator of internal financing and, as a result, liquidity management, Vonovia will also be reporting its operating free cash flow (OFCF) in the future.

The overall framework will remain challenging. Nevertheless, we are also witnessing a number of positive trends. The latest inflation data, which reached its lowest level in two and a half years in January 2024, suggests that the investment climate is starting to brighten up. The central banks are signaling stable interest rates at the very least, with a chance of initial interest rate hikes.

The plans we have made are such that we can take action from a position of strength at all times: Our unsecured liabilities are already covered in full, taking into account the latest bond issues, until the end of the third quarter of 2025.

For the financial year, we expect an Adjusted EBITDA contribution in the range of € 2.55 billion to € 2.65 billion, while Adjusted EBT is expected to be in the range of € 1.70 billion to € 1.80 billion. From 2024, we will no longer manage the Care business held for sale as a segment, and will report it under Development to hold in the valuation, but no longer in Adjusted EBITDA. Looking ahead to future developments, we will focus more on increasing our income again once we know for certain that real estate valuations have bottomed out.

The replacement of Group FFO necessitates a new basis for the dividend from 2024. The aim is to ensure a solid dividend based on Adjusted EBT and sufficient financing for investments at all times. As in previous years, shareholders will again have the choice between a cash dividend and a scrip dividend.

I'd like to finish on a personal note:

Since the beginning of the year, more than one million people in Germany have taken to the streets to demonstrate against right-wing extremism. These peaceful demonstrations send out a strong signal for our democracy and for values that are shared by many countries around the world. These are values shared by Ruth Werhahn, Arnd Fittkau, Philip Grosse, Daniel Riedl and myself – as the entire Vonovia Management Board. The determination these people have shown is encouraging.

Vonovia is like Germany itself: diverse, tolerant, humanitarian and reliant on immigration. Just take the example of the Ruhr region: Without immigration, this region could never have established itself as an economic powerhouse and brought prosperity to people throughout Germany.

In this spirit of cohesion and openness, let us address the tasks waiting for us in 2024 with a positive attitude – together with my Management Board team, our employees, our business partners and you, our shareholders.

Bochum, March 2024

Sincerely,



Rolf Buch (CEO)

Chairman of the Management Board

Report of the Supervisory Board

Dear Readers,

Overall conditions on the capital markets have changed significantly over the past two years. The abrupt turnaround in interest rates put the economy – and the real estate market along with it – under severe pressure. Vonovia did not escape these developments unscathed either. The impact was particularly evident in the value adjustments that had to be made to the residential property portfolio and in the Management Board's decision to adjust the company's investment policy, particularly with regard to the new construction business.

In a challenging environment, the Management Board proposed an appropriate solution for the challenges of 2023. Selective portfolio sales and increased cost discipline ensured that the Group remains on a stable foundation. The intact business model, which Vonovia used to provide its customers with reliable support once again over the past year, remains a key pillar.

In the 2023 fiscal year, the Supervisory Board continuously monitored the Management Board's management activities and provided the Management Board with regular advice concerning the running of the company. We were able at all times to establish that their actions were lawful, expedient and regular. The Management Board notified us regularly, promptly and comprehensively, both in writing and verbally, of all circumstances and measures that were relevant to the company. The Management Board fulfilled its information obligations to an appropriate extent at all times.

At our plenary meetings and in our committees, we always had ample opportunity to critically appraise the reports and proposals submitted by the Management Board and to contribute our own suggestions. We discussed and tested the plausibility of all business occurrences of significance to the company, as communicated to us by the Management Board in written and verbal reports, in detail. Where required by law or the Articles of Association, we granted our consent to individual business transactions.

Meetings of Supervisory Board and Committees in the 2023 Fiscal Year

| Member | Supervisory Board | Audit Committee | Executive and Nomination Committee | Finance Committee | Governance and Nomination Committee | Audit, Risk and Compliance Committee | Strategy, Finance and Sustainability Committee | Human Resources and Compensation Committee | Participation rate in % |
|----------------------------------|-------------------|-----------------|------------------------------------|-------------------|-------------------------------------|--------------------------------------|--|--|-------------------------|
| Jürgen Fitschen* | 2/2 | - | 2/2 | 2/2 | - | - | - | - | 100 |
| Vitus Eckert | 7/7 | 2/2 | - | - | 3/3 | 2/2 | - | - | 100 |
| Prof. Dr. Edgar Ernst* | 2/2 | 2/2 | - | - | - | - | - | - | 100 |
| Jürgen Fenk | 7/7 | 2/2 | - | - | - | - | 5/5 | 3/3 | 100 |
| Dr. Florian Funck | 7/7 | 2/2 | - | - | - | 2/2 | - | 3/3 | 100 |
| Dr. Ute Geipel-Faber | 7/7 | - | - | 2/2 | - | 2/2 | - | - | 100 |
| Dr. Daniela Gerd tom Markotten** | 5/5 | - | - | - | - | - | 4/5 | - | 90 |
| Matthias Hünlein | 6/7 | - | 2/2 | - | - | 2/2 | - | - | 91 |
| Daniel F. Just* | 2/2 | - | - | 1/2 | - | - | - | - | 75 |
| Hildegard Müller | 6/7 | - | 2/2 | - | - | - | 5/5 | - | 93 |
| Dr. Ariane Reinhart | 7/7 | - | 2/2 | - | 3/3 | - | - | 3/3 | 100 |
| Clara-Christina Streit | 7/7 | - | 2/2 | 2/2 | 3/3 | - | 5/5 | 3/3 | 100 |
| Christian Ulbrich | 6/7 | - | - | 2/2 | - | - | 3/5 | - | 79 |

* Member of the Supervisory Board until May 17, 2023.

** Member of the Supervisory Board since May 17, 2023.

Cooperation Between the Management Board and the Supervisory Board

The Supervisory Board consisted of twelve members in the past fiscal year, and ten members as of the end of the Annual General Meeting on May 17, 2023. We were on hand to support the Management Board in the various meetings held and also in its key decisions. We also kept a close eye on the company's business development outside of meetings. The Management Board regularly informed us about key events and the company's strategic direction as part of a collaboration based on trust.

My predecessor Jürgen Fitschen and I, as Chair of the Supervisory Board, maintained regular and close dialogue with the Chairman of the Management Board in particular, but also with the other Management Board members, even outside of the Supervisory Board meetings. The employee representative bodies were involved in communications on key company matters via the Management Board.

The Chairman of the Management Board informed me on company-related topics emerging from the Management Board's discussions with representatives of the Group works council, going into an appropriate level of detail. Other members of the Supervisory Board were notified of any important findings promptly, or at the latest by the next board meeting.

Last year, we decided to carry out an effectiveness test within the Supervisory Board with the involvement of an

experienced external consultancy firm. The evaluation was performed at the end of 2023. It revealed that our Supervisory Board works efficiently in both its work in plenary sessions and in its committee work. In the first quarter of 2024, we will address the results of the evaluation again separately in order to see how we can implement the recommendations for action they include.

Main Remit

In line with the duties assigned to the Supervisory Board by law, the Articles of Association and the rules of procedure, we once again closely scrutinized the Group's operational, economic and strategic progress in the 2023 fiscal year. The main issues covered included the development of overall conditions on the markets, changes in the capital market environment and their impact on portfolio and new investments. We also discussed the topics of digitalization, portfolio strategy and regulation with the Management Board in detail.

Once again, the topic of governance was a key issue for the Supervisory Board. The regulatory requirements also require us to analyze our business activities and the corresponding implementation. We will be providing close support in this matter.

We also took an in-depth look at the future structure of the Supervisory Board and the Management Board. As far as the Management Board is concerned, we discussed the management structure, including possible succession arrange-

ments. In 2023, the Supervisory Board was faced with the task of (re)appointing candidates for numerous Supervisory Board mandates. Discussions were held and preparations made in this regard as part of the strategic succession planning process.

The Chair of the Supervisory Board is engaged in dialogue with the relevant investors on governance issues as part of a regular Governance Roadshow, the last of which was held at the end of February 2023.

Meetings

In the 2023 fiscal year, the Supervisory Board met a total of seven times to consult and pass resolutions: four times at face-to-face meetings (March, May, September, December) and three times via conference call (February, August, October). The Committee made decisions using a written circular in seven cases (February, April, three times in May, twice in December).

Any individual members absent from the seven meetings had always been excused. Particularly in the case of the extraordinary meetings, these absences were work-related. The absent members looked at the meeting documents in detail and participated in the decisions made by issuing voting instructions to the Chair of the Supervisory Board.

The attendance rate for Supervisory Board and committee meetings averaged 96%. No member of the Supervisory Board took part in less than half of the meetings during their term of office. The same applies to participation in committee meetings. In preparation for the meetings, the Management Board submitted timely, comprehensive and valid written reports and resolution proposals to us.

Information on the Individual Meetings and Written Resolutions

On **February 28, 2023**, the Supervisory Board came together at an extraordinary meeting held as a video conference. The joint venture project with Apollo was the main topic of discussion. Following a detailed discussion of the key economic and legal parameters, we approved the joint venture transaction proposed by the Management Board and authorized the Management Board to conduct the final negotiations and sign the agreement. We also discussed possible dividend scenarios and took the findings from the Governance Roadshow on board. We also discussed HR matters relating to the Management Board and the Supervisory Board. Prior to the discussions on HR matters relating to the Management Board, a resolution regarding amendments to the relevant employment contracts had been adopted using the written procedure on February 20, 2023.

On **March 16, 2023**, we met to adopt the balance sheet. We approved the company's annual and consolidated financial statements as of December 31, 2022, including the combined management report and the Non-financial Declaration. We also approved the ESG Report, the Remuneration Report and the Supervisory Board Report for 2022.

We approved the proposal for the appropriation of profit to be made to the Annual General Meeting as well as the proposal that the dividend be paid either in cash or in the form of shares. Within this context, we transferred the corresponding authorities to utilize the authorized capital 2022 to the Finance Committee. We approved the recommendation made by the Audit Committee to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in Essen as the auditor of the annual and consolidated financial statements for the 2023 fiscal year, and as the auditor for the review of interim financial reports for the 2023 fiscal year and the first quarter of 2024. We also engaged PwC to review the Non-financial Group Declaration and ESG reporting, as well as the Sustainability Report for the 2023 fiscal year.

Over and above the Group's overall performance, we discussed the operational and economic situation in the Development, Value-add and Care segments in particular. Other points of discussion included capital market developments, the joint venture project with the potential partner Apollo, and further portfolio disposals.

One extraordinary topic of discussion was a compliance case that led to a search being performed at the corporate headquarters on March 6. The Management Board explained that Vonovia was listed as an injured party in the investigation proceedings. It gave us a detailed account of the context and the measures it had taken/initiated. The Management Board assured us that, based on the information currently available, this would not result in any material impact on Vonovia's net assets, financial position and results of operations. We acknowledged and approved these statements.

Under the "HR-related matters" agenda item, we discussed remuneration issues relating to the Management Board (including target agreements, short-term and long-term incentive plans, the target achievement level under the 2022 short-term incentive plan, payment of the 2019 long-term incentive plan tranche) and passed corresponding resolutions. We discussed and adopted resolutions on the candidates proposed for election to the Annual General Meeting with regard to the composition of the Supervisory Board. As regards the Management Board, we discussed the establishment of a Chief Human Resources Officer (CHRO) position and a corresponding appointment.

We used the written procedure to approve the joint venture with the investor Apollo regarding a stake in the Südewo portfolio on **April 23, 2023**. On May 3, 2023, we passed written resolutions on two contractual provisions with members of the Management Board and an adjustment to the distribution of duties within the Management Board.

After the Annual General Meeting, we held our inaugural meeting on **May 17, 2023**. At this meeting, Clara-Christina Streit was appointed Chair and Vitus Eckert her deputy. We then passed a resolution to amend the rules of procedure for the Supervisory Board and the Management Board, and elected the Supervisory Board committees in accordance with the new rules of procedure. Clara-Christina Streit (as Chair), Vitus Eckert and Dr. Ariane Reinhart were elected to the Governance and Nomination Committee. Dr. Ariane Reinhart (as Chair), Jürgen Fenk, Dr. Florian Funck and Clara-Christina Streit were elected as members of the HR and Remuneration Committee. Dr. Florian Funck (as Chair), Vitus Eckert, Dr. Ute Geipel-Faber and Matthias Hünlein were appointed to the Audit, Risk and Compliance Committee. The Strategy, Finance and Sustainability Committee was elected with Jürgen Fenk (as Chair), Dr. Daniela Gerd tom Markotten, Hildegard Müller, Clara-Christina Streit and Christian Ulbrich. We confirmed these resolutions in a video conference held on **August 3, 2023**.

On **September 6 and 7, 2023**, we held a two-day meeting to discuss the company's strategy in detail. Together with the Management Board, we discussed the changes in the overall conditions on the capital markets and their impact on Vonovia in the first part of the meeting. The Management Board explained the measures taken by the company in response to the lower value of the portfolio in order to safeguard Vonovia's financial stability, and presented scenarios for future action. We encouraged the Management Board in its strategic approach, taking into account the issues of balance sheet stability, cost discipline and perception on the capital market (including rating).

We continued with the strategic discussions in the second part of the meeting, addressing the corporate mission statement, the business model in the context of megatrends, the potential offered by the management platform, optimization of the capital structure and the cost of capital, and the investment program. Further topics of discussion included development opportunities for the Value-add and Development segments, as well as potential courses of action for the companies outside of Germany.

We also took an in-depth look at the reports from the newly established committees: We approved the recommendation made by the Governance and Nomination Committee to seek professional support for succession planning for the Management Board going forward, and to engage an HR

consultancy firm for this purpose. We also discussed proposals for external consultancy services for the planned Supervisory Board effectiveness test. The HR and Remuneration Committee reported on the results of the review of the remuneration system to ensure compliance with corporate governance requirements and check that the remuneration components were in line with standard market levels.

On **October 25, 2023**, we held an extraordinary video conference with the Management Board to discuss a further joint venture with Apollo and, within this context, the sale of shares in a selected portfolio of residential properties. We authorized the Management Board to finalize the negotiations and conclude the agreements.

At a face-to-face meeting of the Supervisory Board held on December 5 and 6, 2023, we discussed the 2024 budget presented by the Management Board in detail and addressed, among other things, the reports from the committees: During the first part of the meeting on December 5, 2023, we mainly dealt with matters relating to the Supervisory Board and HR matters concerning the Management Board. In line with the recommendation put forward by the Governance and Nomination Committee, we decided to carry out an effectiveness test within the Supervisory Board with the support of an experienced external consultancy firm.

We also discussed the topics to be addressed in further training sessions for the Supervisory Board and confirmed our decision to continue to include specific topics related to the residential real estate sector and governance in future training. We also took advantage of presentations offered by management and executives within this context. We took a detailed look at rent trends, the rent indices and their application, as well as the effects of application on business development.

As part of our discussions on HR-related matters, we discussed succession planning for the Management Board and Supervisory Board. The Governance and Nomination Committee is supported in this work by an HR consultancy firm. Based on an evaluation of market mapping exercises carried out based on predefined qualifications profiles, we compiled a pool of potential candidates to fill any Board positions that become vacant. These lists of potential candidates are being maintained in order to safeguard succession planning by the Supervisory Board committees.

With the help of an experienced remuneration consultant, we looked at the remuneration paid to the Management Board and found it to be in line with market practice. As a result, we followed the recommendation made by the HR and Remuneration Committee and confirmed the appropriateness of the remuneration paid to the Management Board

members. This involved discussing whether an individual performance criterion should be agreed with the members of the Management Board for the purposes of their variable remuneration (short-term incentive).

We also endorsed the recommendation made by the Governance and Nomination Committee to issue an updated Declaration of Conformity.

The second part of the Supervisory Board meeting held on December 6, 2023 focused on the Management Board's budget and medium-term planning. The Management Board provided us with information on current economic developments and explained its key planning assumptions for 2024 and beyond. The Management Board also addressed development opportunities for the Development segment within this context. We approved the 2024 budget presented and acknowledged the five-year plan presented by the Management Board.

On **December 18, 2023**, we used the written procedure to approve the target values for the Sustainability Performance Index (SPI) as part of the 2024 budget.

Also on **December 18, 2023**, we used the written procedure to adopt the agreement of an individual target with the members of the Management Board as part of their variable remuneration. The individual contributions to be made by the members of the Management Board are to be defined in the first quarter of 2024.

Committees and Their Work

We have established committees within the Supervisory Board in order to perform our duties effectively. The committees prepare subjects which are to be discussed and/or resolved by the Supervisory Board. In addition, they pass further resolutions that we have delegated to them instead of passing them on the Supervisory Board as a whole.

Up until the Annual General Meeting held on May 17, 2023, our work was supported by three committees: the Audit Committee, the Finance Committee and the Executive and Nomination Committee.

At the inaugural meeting on May 17, 2023, we split tasks and key topics among four committees. The Executive and Nomination Committee was abolished and two new committees formed, a Governance and Nomination Committee and an HR and Remuneration Committee. Duties were reassigned and additional duties were entrusted to the committees.

> **Governance and Nomination Committee:** This committee holds regular discussions on long-term succession plan-

ning for the Management Board and Supervisory Board, as well as the company's corporate governance.

> **Audit, Risk and Compliance Committee:** This committee handles, in particular, the monitoring of the accounting process, issues related to valuation, the effectiveness of the internal control system, risk management system and internal audit system, the audit of the annual financial statements and compliance.

> **Strategy, Finance and Sustainability Committee:** This committee advises the Management Board on corporate and divisional strategy and on sustainability strategy, in particular on planning the strategic framework for all Group-wide sustainability measures and on matters of strategic importance to the company and its affiliated companies. It also advises the Management Board on issues related to the digitalization of society, including the topics of technological innovation and transformation.

> **HR and Remuneration Committee:** This committee prepares resolutions of the Supervisory Board regarding the introduction of, and amendments to, the remuneration system for the Management Board, including key contractual elements, targets and performance, as well as the definition of the specific remuneration to be paid to individual Management Board members. It also advises the Management Board on matters related to HR strategy (including employer branding, human capital development, performance management, remuneration) and restructuring measures.

Details on the establishment of the committees and their tasks were included in the rules of procedure for the Supervisory Board and are explained in the corporate governance declaration.

The Audit Committee, and later the Audit, Risk and Compliance Committee, maintained close contact with the auditors of the financial statements at the quarterly meetings. The Committee, represented by the Chair, and the auditors also maintained close dialogue in the run-up to the quarterly Audit Committee meetings.

In addition to regular dialogue between the Audit Committee/Governance and Nomination Committee and the auditors at the quarterly meeting, there is also regular communication between the Chair of the Audit Committee and the auditors, particularly before the quarterly meetings of the Audit Committee.

Audit Committee (until May 17, 2023)

The Audit Committee had four members up until the 2023 Annual General Meeting. The Chairman was Prof. Dr. Edgar Ernst. The other members were Vitus Eckert, Jürgen Fenk and

Dr. Florian Funck, Jürgen Fitschen and Clara-Christina Streit attended the meetings held in 2023 as permanent guests. The Audit Committee met twice in 2023 (March, May).

At the hybrid meeting held on **March 15, 2023**, the Committee assessed the annual and consolidated financial statements as of December 31, 2022, as well as the combined management report for the 2022 fiscal year. The Committee's review took account of both the company's reports and the reports prepared by the auditor KPMG. The auditor audited the presentation of the consolidated financial statements in ESEF format (European Single Electronic Format), as required in the 2022 fiscal year, and confirmed that it is legally compliant. KPMG also issued an unqualified audit opinion for the Non-financial Declaration, including the taxonomy reporting as part of a limited assurance engagement.

The Committee recommended that the Supervisory Board adopt the annual financial statements and the combined management report for the 2022 fiscal year and that it approve the consolidated financial statements and the combined management report for the 2022 fiscal year. The Committee also recommended that Vonovia SE's Non-financial Declaration and ESG Report be approved. The Audit Committee approved the proposal for the appropriation of profit made by the Management Board.

In line with a decision already made as part of a selection procedure, the Committee recommended that the Supervisory Board appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in Essen as the auditor of the annual and consolidated financial statements for the 2023 fiscal year, and as the auditor for the review of interim financial reports for the 2023 fiscal year.

The Audit Committee also addressed the 2022 annual report of the Internal Audit function and a compliance case that led to a search being conducted at the corporate headquarters as a result of criminal investigations against current and former employees. It obtained detailed information about the background, the current situation and the measures taken by the company. It acknowledged and approved these measures, asking to be kept up-to-date on further developments at regular intervals. The Committee also acknowledged and approved the Internal Audit reports on the internal control system.

At a hybrid meeting held on **May 3, 2023**, the Audit Committee looked at the condensed consolidated interim financial statements as of March 31, 2023. The new auditor PwC confirmed that the transition to the mandate had gone smoothly. The Committee acknowledged and approved the auditor's report and the condensed consolidated interim financial statements and interim statement as of March 31,

2023. It consulted with the Management Board on the economic development of the Group and the segments, the valuation of the portfolio and planned transactions.

In connection with the compliance report, the Committee also discussed the status of the ongoing investigations into the above-mentioned compliance case in detail at this meeting. The Committee also addressed the Group's risk-bearing capacity, the risk management report, the report on the company's tax situation and the Internal Audit status report.

Audit, Risk and Compliance Committee (as of May 17, 2023)

The Audit, Risk and Compliance Committee had four members in the reporting year. Dr. Florian Funck was Chair of this Committee. The other members were Vitus Eckert, Dr. Ute Geipel-Faber and Matthias Hünlein. Clara-Christina Streit attended the meetings as a permanent guest. The Audit, Risk and Compliance Committee held two meetings in 2023 (August, November).

At its first meeting held on **August 3, 2023** as a hybrid event, the Committee discussed the future organization of collaboration and the future focus of its work. The decision was made to involve the auditing firm even more closely in the topics to be covered at the meetings. The Committee acknowledged and approved the consolidated half-year financial statements, including the interim financial report, as of June 30, 2023. The Committee approved the 2023 audit budget and the additional audit expenses for 2022. Other topics of discussion included real estate valuation and compliance, including the current compliance case.

On **November 2, 2023**, the Audit, Risk and Compliance Committee discussed the condensed consolidated interim financial statements as of September 30, 2023 at a hybrid meeting, acknowledging and approving them. The discussions covered topics including the report of the company and the auditor. The Committee joined the Management Board to discuss the success of sales projects, financing issues and credit ratings as well as the forecast for 2023 and the outlook for 2024.

The auditor presented information on the procedure for the audit of the annual financial statements and quality assurance. The following key audit matters were also explained: the valuation of investment properties, the goodwill impairment test, the valuation of development projects and the valuation of shares in affiliated companies.

The Committee obtained detailed information on the importance of cyber security for the Vonovia Group and the implementation status of the cyber security measures. Other topics covered included risk developments in the second half of 2023, key legal disputes, potential conflicts of interest, the

compliance report and the internal audit report on the status of the audits. The Committee approved the Internal Audit department's audit plan for the 2024 fiscal year.

Finance Committee (until May 17, 2023)

In 2023, the Finance Committee comprised five members. The Chairperson was Clara-Christina Streit. The other members were Jürgen Fitschen, Dr. Ute Geipel-Faber, Daniel F. Just and Christian Ulbrich. The Finance Committee met twice in the reporting year (February and May).

In a video conference held on **February 23, 2023**, the Finance Committee discussed the status of negotiations with the joint venture partner Apollo. As well as discussing the contractual details, the Management Board explained to the Committee the financial appeal of the joint venture structure compared with other currently available financing options and explained the likely classification of the investment as equity by the rating agencies. The Committee also discussed possible dividend considerations with the Management Board.

On **May 1, 2023**, the Finance Committee used the written procedure to approve a transaction to sell a real estate portfolio with a volume of € 550 million.

At a hybrid meeting held on May 16, 2023, the Finance Committee addressed the topic of dividends and approved the Management Board's fundamental resolution on the partial use of the 2022 authorized capital in connection with the 2023 scrip dividend.

Strategy, Finance and Sustainability Committee (as of May 17, 2023)

The Strategy, Finance and Sustainability Committee comprised five members in 2023. It was chaired by Jürgen Fenk. The other members were Dr. Daniela Gerd tom Markotten, Hildegard Müller, Clara-Christina Streit and Christian Ulbrich. The Strategy, Finance and Sustainability Committee met five times in the reporting year (twice in August, once in November, twice in December).

On **June 9, 2023**, the Committee used the written procedure to approve the Management Board's resolution on the use of the 2022 authorized capital as part of a non-cash capital increase in connection with the granting of the 2023 scrip dividend.

At its meeting held on **August 3, 2023**, the Committee addressed the preparation of the strategy discussion at a plenary Supervisory Board session in detail. At the meeting, the Management Board explained the importance of the capital market, the general market situation and sustainability for the company's future strategic course.

The Committee continued these discussions in a video conference held on **August 28, 2023**. The interplay between the situation on the real estate and financial markets and Vonovia's business decisions was examined in greater depth.

A committee meeting held on **November 16, 2023** by video conference focused on the development strategy and budget planning for 2024. The Management Board supplied the committee members with information on the company's response to the changes in market conditions and explained its decision to continue to develop construction projects for the future so that they would be ready for construction at the right time.

The video conference held on **December 1, 2023** once again addressed the topic of the budget for 2024. With the support of the Management Board, it went into greater detail during the discussion, taking into account relevant aspects such as earnings, investments, liquidity, debt and dividends.

At its final meeting of the year held on **December 14, 2023**, the Committee discussed the Sustainability Performance Index (SPI) target values, confirmed them for the 2024 budget in line with the Management Board's proposal, and recommended that the Supervisory Board approve them.

Executive and Nomination Committee (until May 17, 2023)

In the fiscal year under review, the Executive and Nomination Committee consisted of five members. The Committee was headed up by Jürgen Fitschen as Chairman of the Supervisory Board. The other members were Matthias Hünlein, Hildegard Müller, Dr. Ariane Reinhart and Clara-Christina Streit. The Executive and Nomination Committee met twice in 2023 (March and April).

At a video conference held on **March 8, 2023**, the Committee discussed the appointment of the position of CHRO on the Management Board and Management Board remuneration issues. Prior to the discussions on HR-related matters relating to the Management Board, a resolution regarding amendments to the relevant employment contracts had been adopted using the written procedure on **February 14, 2023**.

Following a discussion on target achievement for the purposes of variable remuneration under the STIP (Short-Term Incentive Plan) for the 2022 fiscal year and the LTIP (Long-Term Incentive Plan) 2019 tranche, the Committee decided to recommend to the Supervisory Board that the payout amounts be defined in accordance with the results presented.

The Committee also discussed and approved the nomination proposals for appointments to the Supervisory Board to be presented at the Annual General Meeting on May 17, 2023.

On **April 28, 2023**, the Executive and Nomination Committee held a video conference to discuss, among other things, the distribution of duties within the Management Board. The Committee recommended to the Supervisory Board that Ruth Werhahn be appointed to the CHRO position on the Management Board. Another topic was possible succession planning for Supervisory Board mandates at the 2025 Annual General Meeting.

On **May 2, 2023**, the Committee passed written resolutions on two decisions regarding contractual provisions with members of the Management Board and an adjustment to the distribution of duties. It also made a corresponding recommendation for a resolution to be adopted by the Supervisory Board.

Governance and Nomination Committee (as of May 17, 2023)

The Governance and Nomination Committee consisted of three members in the reporting year. The Committee was headed up by Clara-Christina Streit as Chair of the Supervisory Board. The other members were Vitus Eckert and Dr. Ariane Reinhart. The Governance and Nomination Committee met three times in the fiscal year (July, September, November).

At a video conference held on **July 31, 2023**, the Committee addressed the Supervisory Board effectiveness test conducted with the support of an external consultancy firm. The Committee discussed performance management and mandatory succession planning for the Supervisory Board. The Committee also discussed the involvement of experienced external HR consultants in the mandatory succession planning process for the Management Board. In addition, the Committee addressed the topic of a permanent education agenda in order to be able to recommend a selection of suitable further training events to the Supervisory Board.

At the meeting held on **September 6, 2023**, the Committee addressed the succession planning process for the Management Board. With the support of an HR consultant, the committee members agreed on skills and qualifications profiles to be used in the market mapping process. The Committee recommended that the Supervisory Board draw up a list of names for existing management functions to enable the Supervisory Board to approach potential candidates if need be.

The meeting on **November 30, 2023** involved a discussion of the results of the suitability assessment performed by the Supervisory Board in November. As part of the self-assessment, the Supervisory Board members provided information on their qualifications and skills profile as well as other governance requirements. This was used as a basis to confirm and expand the qualifications and skills profile already stored for the Supervisory Board. The Committee

verified the information provided by the members of the Supervisory Board and found that the company complies with the governance regulations. It made a recommendation to the Supervisory Board regarding the issue of the annual Declaration of Conformity. It also recommended that the Supervisory Board appoint a consultancy firm to support the Supervisory Board in its effectiveness test.

The Committee also dealt with the disclosure of a conflict of interest by a member of the Supervisory Board. In the context of a tender for consultancy services, a company in which the Supervisory Board member concerned holds a management position was to be included. The committee acknowledged the Supervisory Board member's declaration stating that he was not involved in the tender process and decided that the company could participate in the tender. This decision did not set any precedent regarding the need for the Committee's approval of any contract that might be concluded. The Committee also dealt with HR matters relating to the Management Board.

HR and Remuneration Committee (as of May 17, 2023)

In the fiscal year under review, the HR and Remuneration Committee consisted of five members. Dr. Ariane Reinhart assumed the position of Chair. The other members were Vitus Eckert, Jürgen Fenk, Dr. Florian Funck and Clara-Christina Streit. The HR and Remuneration Committee met three times during the fiscal year (in September and twice in November).

At the meeting held on **September 6, 2023**, the Committee addressed the Management Board remuneration system. A review assisted by a remuneration consultant confirmed both that the system complied with the German Corporate Governance Code (GCGC) and that the remuneration components were in line with market practice.

Given that the Management Board remuneration system was found to be compliant with the relevant regulations, the Committee used the video conference held on **November 16, 2023** to discuss areas of action that could be taken into account in an adjusted remuneration system to enhance the latter in order to be able to present these findings to the Annual General Meeting for approval in 2025.

The Committee used the meeting on **November 30, 2023** to verify that the Management Board remuneration was in line with market practice. The Committee consulted market data and the expertise of a remuneration consultant as part of this process. The Committee found that the remuneration paid to members of the Management Board does not exceed the standard market remuneration, and recommended that the Supervisory Board confirm the appropriateness of the remuneration for members of the Management Board. The Committee also discussed the variable remuneration paid to

the Management Board (STIP and LTIP). As regards the STIP, the Committee recommended to the Supervisory Board that an individual target be agreed with each member of the Management Board.

Corporate Governance

The Management Board and Supervisory Board of Vonovia SE are committed to the principles of good corporate governance. As a result, the members of the Supervisory Board once again looked at the German Corporate Governance Code in the reporting year. On December 12, 2023, the Management Board and the Supervisory Board issued a Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). The Management Board also reports, including on behalf of the Supervisory Board, on corporate governance at Vonovia in the declaration on corporate governance. Both declarations will be permanently published by the company on its website for perusal.

Audit

After being appointed at the Annual General Meeting on May 17, 2023 to audit the financial statements for the 2023 fiscal year, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Essen, has duly audited the annual financial statements and consolidated financial statements of Vonovia SE as of December 31, 2023, and the combined management report for the 2023 fiscal year and has expressed an unqualified opinion thereon. The Non-financial Group Declaration, which is set out in a separate section of the combined management report, was subjected to a separate limited assurance audit conducted by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Essen, in accordance with ISAE 3000. In accordance with Section 317 (4) of the German Commercial Code (HGB), KPMG also assessed the risk early warning system of Vonovia SE.

The auditor had affirmed its independence to the Chair of the Audit, Risk and Compliance Committee and duly declared that no circumstances exist that could give grounds for assuming a lack of impartiality on its part. The audit assignment was awarded to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Essen, by the Chair of the Audit Committee in line with the Committee's resolution and the choice of auditor made by the shareholders at the Annual General Meeting.

The annual financial statements were prepared by the Management Board in accordance with the German commercial law and stock corporation law provisions, including the generally accepted accounting practice. The consolidated financial statements were prepared by the Management

Board in accordance with the International Financial Reporting Standards (IFRS), as applied in the European Union, as well as the supplementary provisions applicable pursuant to Section 315e (1) HGB.

For the annual financial statements and the consolidated financial statements, Vonovia SE prepared a combined management report based on the requirements set out in Sections 315, 298 (2) HGB. Every member of the Supervisory Board received copies of the annual financial statements, the consolidated financial statements, the combined management report and the auditor's report in good time. On the basis of the preliminary examination and assessment by the Audit, Risk and Compliance Committee, about which the Audit, Risk and Compliance Committee Chair reported to the Supervisory Board, the Supervisory Board has scrutinized in detail the annual financial statements, consolidated financial statements and combined management report of Vonovia SE for the 2023 fiscal year and also considered the Management Board's proposal for the appropriation of profit. With regard to the Non-financial Declaration to be published pursuant to the CSR Directive Implementation Act, the Supervisory Board complied with its review obligation.

At both the joint meeting on March 14, 2024 with the Audit Committee and the Supervisory Board meeting on March 14, 2024, the auditors reported on their findings, including the strategic audit objectives and key audit matters. The strategic audit objectives and the key audit matters set out in the auditor's report had been defined by the auditor within the context of his independent mandate in the second half of 2023, and had already been discussed and agreed upon with the Audit Committee in advance.

In the 2023 fiscal year, with regard to the consolidated financial statements, particularly key audit matters included the valuation of investment properties, the value of goodwill and the valuation of properties in development and construction. One focal point of the audit of the individual financial statements was the valuation of shares in affiliated companies in light of the increased interest rates.

The auditors gave detailed answers to our questions. After an in-depth review of all documentation, we found no grounds for objection. As a result, we concurred with the auditors' findings. On March 14, 2024, we followed the Audit Committee's recommendation and approved the annual financial statements and consolidated financial statements of Vonovia SE, as well as the combined management report. The annual financial statements are thus duly adopted.

Remuneration Report

The Management Board and Supervisory Board prepared a report on the remuneration granted and owed to the members of the Management Board and the Supervisory Board in the 2023 fiscal year. The remuneration report was reviewed by the auditor to check that it included the disclosures required by law under Section 162 (1) and (2) AktG. As well as checking the statutory requirements, Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft, Essen, also audited the content of the report. The remuneration report, including PwC's audit report, was published on the company's website.

Dividend

The Supervisory Board considered the Management Board's proposal for the appropriation of profit. It gave particular consideration to the liquidity of the company/the Group, tax-related aspects and financial and investment planning. Following the audit, we agree with the proposal for the appropriation of profit set out by the Management Board, namely the proposal that, from the profit for the 2023 fiscal year, a dividend of € 0.90 per share or € 733,180,498.20 in total on the shares of the share capital as of December 31, 2023 be paid to the shareholders and the remaining amount be carried forward to the new account or be used for other dividends on shares carrying dividend rights at the time of the Annual General Meeting that go beyond those as of December 31, 2023.

As in the previous fiscal years, including 2022, the dividend for the 2023 fiscal year, payable after the Annual General Meeting in May 2024, will again include the option of a non-cash dividend in shares, to the extent that the Management Board and the Supervisory Board consider this to be in the interests of the company and its shareholders.

Personnel

The following changes arose on the Management Board in the reporting year: With effect from July 1, 2023, Helene von Roeder left the Management Board at her own request. Ruth Werhahn joined the Management Board with effect from October 1, 2023. In her role as Chief Human Resources Officer (CHRO), she is responsible for the newly established HR executive division.

The following changes arose on the Supervisory Board in the reporting year: At the end of the Annual General Meeting on May 17, 2023, Jürgen Fitschen, who had previously chaired the Supervisory Board, his deputy Prof. Edgar Ernst and Daniel F. stepped down from the Supervisory Board. On behalf of the Supervisory Board as a whole, I would like to thank the members of the Supervisory Board who have left

for their long-standing commitment and constructive cooperation in the spirit of trust.

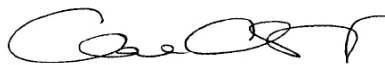
Dr. Daniela Gerd tom Markotten was appointed as a new member of the Supervisory Board at the Annual General Meeting. Clara-Christina Streit took over as Chair of the Supervisory Board at the inaugural Supervisory Board meeting held on May 17, 2023, with Vitus Eckert assuming the position of Deputy Chair. By the end of the Supervisory Board meeting, the number of Supervisory Board members had been reduced from twelve to ten.

Concluding Remarks

On behalf of the Supervisory Board, I would like to thank the Management Board for once again successfully guiding the company through a challenging fiscal year. We would like to thank the company's employees for their considerable commitment and for being there for our customers and partners. We would like to thank the employee representative bodies for another year of constructive collaboration.

Bochum, March 14, 2024

On behalf of the Supervisory Board



Clara-Christina Streit

Management Board

The Management Board of Vonovia SE consisted of five members as of December 31, 2023.



Rolf Buch, Chairman of the Management Board

Rolf Buch has been member of the Management Board and Chief Executive Officer of Vonovia SE since 2013.

After training as a bank clerk and studying mechanical engineering and business management, he began his career as an assistant to the management at Bertelsmann Distribution GmbH in Gütersloh in 1991. In 1996, he was promoted to managing director of Bertelsmann Services France and became a member of the management board of arvato AG in 2002. In 2008, he became Chairman of the Management Board (CEO) of arvato AG and was appointed to the management board of Bertelsmann SE & Co. KGaA.

He was appointed Chairman of the Management Board (CEO) of the company now known as Vonovia SE in 2013. After taking up his office, Rolf Buch led Vonovia as it entered the stock exchange. Vonovia SE was promoted to Germany's leading index, the DAX 30 (now the DAX 40), in 2015. The company is Europe's largest residential real estate company. Rolf Buch is a member of the executive board of the German Association of German Housing and Real Estate Companies (GdW), vice president of the German central real estate committee Zentraler Immobilien Ausschuss (ZIA) and the German Association for Housing, Urban and Spatial Development, member of the Board of Directors of the European Public Real Estate Association ERPA in Brussels and moderator for the Initiative for the Ruhr region (Initiativkreis Ruhr).



Arnd Fittkau, Member of the Management Board

Chief Rental Officer Arnd Fittkau has been member of the Management Board of Vonovia SE since May 2019.

Following completion of a management training program at MAN Gutehoffnungshütte AG (1992-1996), Arnd Fittkau started his career in various controlling functions. After holding positions at MAN AG in Munich and Hochtief AG in Essen, he joined the company now known as Vonovia in 2002. He spent three years as Head of Controlling for the GAGFAH Group starting in 2005. Since 2008, Arnd Fittkau has held several managing directorships at Vonovia subsidiaries in various locations such as Bochum, Munich, Frankfurt and Gelsenkirchen. Most recently, he held the position of chief representative of Vonovia SE from the beginning of March 2018 and chaired the regional management teams.



Philip Grosse, Member of the Management Board

Philip Grosse has been member of the Management Board of Vonovia SE as Chief Financial Officer since January 2022.

After studying business management, he worked in investment banking in Frankfurt and London between 1997 and 2012, most recently as Managing Director and Head of Equity Capital Markets Germany & Austria at Credit Suisse. As of 2013, Philip Grosse worked in leadership roles focusing on corporate finance and investor relations for the Deutsche Wohnen Group. He was appointed to the Management Board of Deutsche Wohnen as CFO in 2016.



Daniel Riedl, Member of the Management Board

Daniel Riedl has been member of the Management Board of Vonovia SE as Chief Development Officer since May 2018.

Daniel Riedl is a graduate in business administration and a Fellow of the Royal Institution of Chartered Surveyors. Daniel Riedl headed BUWOG back between 2004 and 2011, and served on the Executive Board of IMMOFINANZ AG from 2008 to 2014. He was Chairman of the BUWOG Supervisory Board from the start of 2012 until October 2013. Daniel Riedl was appointed CEO of the BUWOG Group in November 2013. He led BUWOG through the spin-off from IMMOFINANZ AG to the successful stock exchange listing and held the position of CEO until the company's delisting at the end of 2018.



Ruth Werhahn, Member of the Management Board

Ruth Werhahn joined the Management Board of Vonovia SE on October 1, 2023, as Chief Human Resources Officer (CHRO).

Starting in 2018, Ruth Werhahn was member of the Executive Board and Labor Relations Director at TÜV Rheinland AG. As well as heading up the HR division, she was responsible for the international regions, coordinating cross-divisional activities of the technical inspection body.

A qualified lawyer, she started her career in HR at Düsseldorfer Veba AG in 2000. Starting in 2001, she held various positions within the newly established E.ON Group. From 2004 until the end of 2007, for example, she headed up the central staff function for the Board of Management and Supervisory Board before moving to the management of E.ON Nordic AB in the Swedish city of Malmö in 2008, where she assumed responsibility for business development and mergers & acquisitions. In the period from 2010 to 2013, she led the establishment of the new electromobility business area within the E.ON Group. Ruth Werhahn returned to HR in 2013 and went on to take over at the helm of the HR division for E.ON SE's German business.

Supervisory Board

The current Supervisory Board consists of ten members. Since the Annual General Meeting held on May 17, 2023, the terms of office have been between one and four years.

Clara-Christina Streit

Chair (since May 17, 2023)

Member of Supervisory and Advisory Boards of German and International Companies

Jürgen Fitschen (until May 17, 2023)

Chair

Senior Advisor at Deutsche Bank AG

Vitus Eckert

Deputy Chair (since May 17, 2023)

Attorney, Partner in Wess Kux Kispert & Eckert Rechtsanwälts GmbH

Prof. Dr. Edgar Ernst (until May 17, 2023)

Deputy Chair

Self-employed management consultant

Jürgen Fenk

Managing Director of Eastdil Secured GmbH

Dr. Florian Funck

Chief Financial Officer of Franz Haniel & Cie. GmbH

Dr. Ute Geipel-Faber

Member of German Supervisory Boards and International Advisory Boards

Dr. Daniela Gerd tom Markotten (since May 17, 2023)

Member of the Management Board for Digitalization and Technology at Deutsche Bahn AG

Matthias Hünlein

Managing Director of Tishman Speyer Properties Deutschland GmbH

Daniel Just (until May 17, 2023)

Retired Chairman of Bayerische Versorgungskammer

Hildegard Müller

President of the German Association of the Automotive Industry (VDA)

Dr. Ariane Reinhart

Member of the Management Board of Continental AG

Christian Ulbrich

President and Chief Executive Officer of Jones Lang LaSalle Incorporated

Supervisory Board Committees

Governance and Nomination Committee

(since May 17, 2023)

Clara-Christina Streit, Chair

Mag. Vitus Eckert

Dr. Ariane Reinhart

HR and Remuneration Committee (since May 17, 2023)

Dr. Ariane Reinhart, Chair

Jürgen Fenk

Dr. Florian Funck

Clara-Christina Streit

Executive and Nomination Committee (until May 17, 2023)

Jürgen Fitschen, Chair

Matthias Hünlein

Hildegard Müller

Dr. Ariane Reinhart

Clara-Christina Streit

Audit, Risk and Compliance Committee

Dr. Florian Funck, Chair (since May 17, 2023)

Prof. Dr. Edgar Ernst, Chair (until May 17, 2023)

Mag. Vitus Eckert

Daniel Just (until May 17, 2023)

Dr. Ute Geipel-Faber (since May 17, 2023)

Matthias Hünlein (since May 17, 2023)

Strategy, Finance and Sustainability Committee

Jürgen Fenk, Chair (since May 17, 2023)

Jürgen Fitschen (until May 17, 2023)

Dr. Ute Geipel-Faber (until May 17, 2023)

Dr. Daniela Gerd tom Markotten (since May 17, 2023)

Daniel Just (until May 17, 2023)

Hildegard Müller (since May 17, 2023)

Clara-Christina Streit, Chair (until May 17, 2023)

Christian Ulbrich

Corporate Governance

In the corporate governance declaration (also known as the Corporate Governance Report), we report on the principles of management and corporate governance for the last fiscal year in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC, in the current version published on April 28, 2022).

The declaration contains the Declaration of Conformity, information on corporate governance practices, a description of how the Management Board and Supervisory Board work and key corporate governance structures. The declaration is also available to the public on our [website](#). Pursuant to Section 317 (2) (6) HGB, the disclosures pursuant to Sections 289f and 315d HGB are not included in the audit performed by the auditor of the annual financial statements.

Foundation

Fundamental Understanding

In order for a company to be successful, its business model has to be accepted by all relevant stakeholder groups, from its customers through to civil society and the public, investors or business partners. Managing with integrity, the sustainability of business models and the extent to which a company is perceived as living up to its social responsibilities are playing an increasingly important role. This applies no less to the real estate sector.

Any misconduct by a company's management also tends to result in the corporate governance regulations being tightened up, as was the case with the Financial Market Integrity Strengthening Act (FISG). Among other measures, the obligation to establish an appropriate and effective internal control system (ICS) as well as a corresponding risk management system (RMS) for listed stock corporations was introduced in a quest to strengthen trust in the German financial market.

This is why, here at Vonovia, we see corporate governance as the responsible management and supervision of a company. The Management Board and the Supervisory Board have made a comprehensive commitment to the principles of corporate governance as set out in the German Corporate Governance Code.

Standards of Corporate Governance

These principles are the basis for the sustainable success of the company and therefore serve as guidelines for conduct in the company's daily management and business. Good corporate governance strengthens the trust of our shareholders, business associates, customers, employees and the general public in Vonovia SE. It increases the company's transparency and strengthens the credibility of our group of undertakings.

With balanced corporate governance, the Management Board and the Supervisory Board wish to safeguard Vonovia SE's competitiveness, strengthen the trust of the capital market and the general public in the company and sustainably increase the company's value. Corporate governance, acting in accordance with the principles of responsible management aimed at increasing the value of the business on a sustainable basis, is an essential requirement for the Vonovia Group, embracing all areas of the business.

As a major real estate company, we are aware of the particular significance of our entrepreneurial actions for society at large. Our corporate culture is founded on transparent reporting and corporate communications, on corporate governance aimed at the interests of all stakeholders, on fair and open dealings between the Management Board, the Supervisory Board and employees as well as on compliance with the law.

The Code of Conduct provides the ethical and legal framework within which we act and want to ensure our commercial success. The focus is on dealing fairly with each other but also in particular on dealing fairly with our customers, business partners and investors. The Code of Conduct specifies how we assume our ethical and legal responsibility as a company and is the expression of our company values.

Information on the Company's Governing Constitution

The designation Vonovia comprises Vonovia SE and its Group companies. Vonovia is a European company (SE) in accordance with the German Stock Corporation Act (AktG), the SE Act and the SE Regulation. Its registered headquarters are in Bochum. It has three governing bodies: the Annual General Meeting, the Supervisory Board and the Management Board. The duties and authority of those bodies derive from the SE Regulation (SE-VO), the German Stock Corporation Act (AktG) and the Articles of Association. Shareholders, as the owners of the company, exercise their rights at the Annual General Meeting.

According to the two-tier governance system, Vonovia SE has a Management Board and a Supervisory Board. In the two-tier governance system, the management of business and the monitoring of business are strictly separated from each other, meaning that individuals cannot be members of both bodies at the same time. The duties and responsibilities of the bodies are clearly specified by law in the German Stock Corporation Act. In accordance with the governing laws, in particular the SE Regulation and the German SE Employee Participation Act (SEBG), the Supervisory Board is only made up of representatives of the shareholders. The highest representative body of the employees is the Group works council. An SE works council was also set up at the level of Vonovia SE.

The Management Board and Supervisory Board of a company listed in Germany are obliged by law (Section 161 of the German Stock Corporation Act) to report once a year on whether the officially published and relevant recommendations issued by the government commission German Corporate Governance Code, as valid at the date of the declaration, have been, and are being, complied with. Companies affected are also required to state which of the recommendations of the Code have not been, or will not be, applied and, if not, why. The most recent Declaration of Conformity

is valid for at least the next five years and the Declarations of Conformity that are no longer valid can be found on the company's website. If the auditor finds the Declaration of Conformity to be incorrect, the Supervisory Board is informed and this is also noted in the audit report.

The Management Board reports in its declaration, also on behalf of the Supervisory Board, on important aspects of corporate governance pursuant to Section 289f of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC) 2022.

Declaration of Conformity to the GCGC Pursuant to Section 161 of the German Stock Corporation Act (AktG)

On December 12, 2023, the Management Board and the Supervisory Board of Vonovia SE declared that, since the last Declaration of Compliance was issued on December 9, 2022, the company has complied with all the recommendations of the Government Commission on the German Corporate Governance Code (the "Code") as amended on June 27, 2022, published by the German Federal Ministry of Justice in the official section of the Federal Gazette, and will comply in the future with all of these recommendations, with the exception of G.13 sentence 2.

G.13 sentence 2 of the Code specifies that, if post-contractual non-compete clauses apply, the severance payments shall be taken into account in the calculation of any compensation payments. This recommendation has not yet been implemented in one particular case for reasons relating to vested rights. The recommendation set out in G.13 sentence 2 of the Code will be applied to contract extensions and to any contracts concluded in the future.

Shareholders and Annual General Meeting

Shareholder Information: Shareholders can obtain full and timely information about our company on our website and can access current as well as historical company data. Among other information on its website, Vonovia regularly posts all financial reports, important information on the company's governing bodies (including current resumes), its corporate governance documentation (declaration of conformity and governance-related guidelines and voluntary commitments), information requiring ad hoc disclosure and press releases. The company initiates and supports structured dialogue between its stakeholder groups, in particular employees, customers and shareholders of Vonovia (e.g., through customer satisfaction analyses and suitable formats, such as corporate governance roadshows, to involve the various stakeholder groups).

Directors' Dealings: Information on directors' dealings/ managers' transactions notifiable pursuant to Article 19 of the Market Abuse Regulation is published by Vonovia without delay in accordance with the Regulation and is made available on the company's website, with information also being provided on the shares held by each member of the company's executive bodies.

Financial Calendar: Shareholders and interested members of the financial community can use the regularly updated financial calendar on the website to obtain information on publication, conference and information dates, roadshows and the timing of the Annual General Meeting early on.

Annual General Meeting and Voting: The Annual General Meeting decides in particular on the appropriation of profit, the ratification of the acts of the members of the Management Board and of the Supervisory Board, the appointment of the external auditor, amendments to the Articles of Association as well as specific capital measures and individually elects the shareholders' representatives to the Supervisory Board.

Our shareholders can exercise their voting rights at the meeting or instruct a proxy of their choice or one of the proxies provided for that purpose by the company. Our shareholders are also able to submit a postal vote. The details regarding the postal voting procedure are in the respective shareholder's invitation to the Annual General Meeting.

The entire documentation for the Annual General Meeting and opportunities to authorize, and issue instructions to, the company's proxies as well as to submit a postal vote are available to shareholders at all times on the Vonovia website.

Based on positive experience in recent years, Vonovia made use of the option provided by law of holding the 2023 Annual General Meeting as a virtual event. Vonovia still considers this to be a very successful concept. In the spirit of digitalization and sustainability, a proposal was made to, and a corresponding resolution passed by, the 2023 Annual General Meeting to authorize the Management Board to hold the Annual General Meeting as a virtual event over the next two years.

Remuneration Paid to Executive Bodies: In line with the German Stock Corporation Act and the GCGC, the Supervisory Board presented the remuneration system it had adopted for the Management Board members to the 2021 Annual General Meeting for approval, which was granted with 87.75% of the votes cast.

The Management Board presented the remuneration report to the 2023 Annual General Meeting. The remuneration report for the 2022 fiscal year, which was audited by the auditor, was approved by 79.9% of the votes cast before being published on Vonovia SE's website.

The remuneration system of the Supervisory Board of Vonovia SE is governed by the Articles of Association. It was confirmed by a 99.34% majority by the 2021 Annual General Meeting in accordance with the statutory requirements.

The Supervisory Board

Duties and Responsibilities

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the company. The Supervisory Board performs its work in accordance with the legal provisions, the Articles of Association, its rules of procedure and its resolutions. It consists of ten members, eight of whom were elected by the 2023 Annual General Meeting. With the two members elected for a term of three years by the 2022 Annual General Meeting, the term of office of the Supervisory Board members ranges from one to four years.

The Supervisory Board examines and adopts the annual financial statements and the combined management report, which also includes the Non-financial Group Declaration. It assesses and confirms the proposal for the appropriation of profit as well as the consolidated financial statements and the combined management report on the basis of the report prepared by the Audit Committee. The Supervisory Board reports in writing to the shareholders at the Annual General Meeting on the result of its examination.

The Chair of the Supervisory Board is an independent member. The same applies to the chairs of the committees which the Supervisory Board has set up.

The Chair of the Supervisory Board chairs the meetings and coordinates communications. The members of the Supervisory Board generally have the same rights and obligations. Supervisory Board resolutions are above all passed in the Supervisory Board meetings but also, if necessary, using the written procedure or by other communication means. At least two meetings are held every six months. In addition, if necessary and on the basis of the rules of procedure of the Supervisory Board, a meeting of the Supervisory Board or its committees can be convened at any time at the request of a member or the Management Board.

The Supervisory Board is composed in such a way that its members as a group have the knowledge, ability and special-

ist experience, also in those sustainability matters that are significant to the company, required to properly complete its tasks. All of them are familiar with the real estate sector as the segment in which the company operates. At least one member of the Supervisory Board has expertise in the field of accounting and another member has expertise in the field of auditing.

Each Supervisory Board member shall ensure that they have enough time to carry out their mandate.

At the time at which this declaration was prepared, no Supervisory Board members exercised directorships or advisory tasks for important competitors of the company (see → [Conflicts of Interest](#)).

Since 2020, a standard process for related party transactions has been firmly established within the company. This includes reporting on a regular basis to the Annual General Meeting as part of the Supervisory Board report. The Supervisory Board receives information twice a year in the compliance report on the analysis of related party transactions in accordance with the German Stock Corporation Act recorded by Group Accounting. Members of the Supervisory Board, for their part, immediately report any transactions that they or parties related to them conclude with the company. The relevant data is also collected at the end of the fiscal year. In the event that a transaction is subject to approval, the Supervisory Board has decided that the Governance and Nomination Committee is to decide on such approval in the future. Before any relevant transactions are addressed, checks are performed to ensure the due and proper composition of the committee. Once again, no such transactions were recorded in this reporting period.

Supervisory Board Self-assessment

The Supervisory Board performs regular effectiveness reviews that are performed, in alternation, as self-evaluations and with the involvement of a moderator.

At the end of December 2023, the Supervisory Board completed an evaluation with the involvement of an experienced external consulting firm. The Supervisory Board received confirmation that the work of the committees is performed efficiently (see → [Report of the Supervisory Board](#)).

Supervisory Board Committees

At its inaugural meeting held after the 2023 Annual General Meeting, the Supervisory Board reorganized the structure of its work in the committees, creating four committees from among its members instead of three: the Governance and Nomination Committee, the HR and Remuneration Committee, the Audit, Risk and Compliance Committee, and the

Strategy, Finance and Sustainability Committee. Additional committees are formed as needed. Committees are made up of at least three members of the Supervisory Board (see → [Report of the Supervisory Board](#)). The committees prepare topics to be discussed or resolved by the Supervisory Board. In addition, they pass resolutions on behalf of the entire Supervisory Board. The basis for committee work was the delegation of tasks and responsibilities within the scope of statutory requirements.

The **Governance and Nomination Committee** is made up of the Chair of the Supervisory Board and at least two other members to be elected by the Supervisory Board. The Chair of the Supervisory Board is the Chair of the Governance and Nomination Committee. The tasks of this committee are, in particular, to discuss the Declaration of Conformity and succession planning, to prepare the appointment of Management Board members and propose candidates for election as Supervisory Board members, to assign responsibilities and to decide in cases of legal, including loan, transactions with members of the Management Board and conflicts of interest.

The **HR and Remuneration Committee** is made up of the Chair of the Supervisory Board or their deputy and at least two other members to be elected by the Supervisory Board. The Chair of the HR and Remuneration Committee is chosen by the committee members. In particular, this committee is responsible for the preparation of discussions and resolutions on the remuneration system and HR strategy, as well as other Management Board matters.

The Supervisory Board appoints one of the members of the **Audit, Risk and Compliance Committee** as the Chair of the Committee. When electing the committee members, the Supervisory Board shall ensure that the Chair of the Audit Committee has specialist knowledge and experience in the application of accounting principles and internal control and risk management systems and/or in audits. The Committee Chair should be independent and not be a former member of the company's Management Board whose appointment ended less than two years before their appointment as Chair of the Audit Committee. The Supervisory Board Chair should not be the Chair of the Audit Committee. As a result of the FISG provisions, one committee member must have experience in accounting and the other in auditing. With Dr. Florian Funck, as Chief Financial Officer of Franz Haniel & Cie. GmbH, and Vitus Eckert, a long-standing Chair of supervisory and administrative boards at international companies, the Audit Committee has members with the requisite expertise in the fields of accounting and auditing (see table entitled → [Supervisory Board Qualifications Profile](#)). The Audit, Risk and Compliance Committee handles, in particular, the monitoring of the accounting process, the effectiveness of the internal control system, risk management system and

internal audit system, the audit of the annual financial statements and compliance. Accounting and auditing also include the sustainability report and the auditing of this report. Each member of the Audit, Risk and Compliance Committee can obtain information directly from the heads of those central departments that are relevant to the Audit Committee via the Committee's Chair.

In place of the Supervisory Board, the Audit, Risk and Compliance Committee adopts resolutions approving the handling of currency risks, interest, liquidity and other financial risks, the handling of credit risks and the implementation of external financing principles.

The Audit, Risk and Compliance Committee prepares the resolutions of the Supervisory Board on the annual financial statements (and, if applicable, the consolidated financial statements), and, in place of the Supervisory Board, reaches the agreements with the auditor (in particular the issuing of the audit mandate to the auditor, the determination of strategic audit objectives and the fee agreement). The Committee takes suitable action to assess and monitor the independence of the auditor and the audit quality and is responsible for discussing the assessment of the audit risk, audit strategy, planning and results with the auditor. The Audit, Risk and Compliance Committee also makes decisions on behalf of the Supervisory Board on the approval of contracts with auditors for non-assurance services.

The **Strategy, Finance and Sustainability Committee** is made up of the Chair of the Supervisory Board or their deputy and at least two other members to be elected by the Supervisory Board. The Chair of the Strategy, Finance and Sustainability Committee is chosen by the committee members. The Committee discusses focal issues relating to corporate strategy, financial matters and sustainability issues, and prepares resolutions for the Supervisory Board. It advises and monitors the Management Board with regard to its sustainability strategy, in particular the planning of the strategic framework for all Group-wide sustainability measures, including the interaction between entrepreneurial activities and the challenges associated with climate change. The support provided to the Supervisory Board and Management Board also includes the company's digitalization principles, including technological innovation and transformation. The Strategy, Finance and Sustainability Committee prepares the resolutions of the Supervisory Board on the following matters:

- > Financing and investment principles, including the capital structure of the Group companies and dividend payments.
- > Principles of the acquisition and disposal policies, including the acquisition and disposal of individual shareholdings of strategic importance.

In place of the Supervisory Board, the Finance Committee adopts resolutions in particular on general guidelines and principles for the implementation of the financial strategy, and also on important transactions regarding the acquisition and disposal of properties and shares in companies as well as corporate financing.

The Management Board

Duties and Responsibilities

The Management Board members are jointly accountable for independently managing the company in the company's best interests while complying with the applicable laws and regulations, the Articles of Association and the rules of procedure. In doing so, they must take the interests of the shareholders, the employees and other stakeholders into account.

The Management Board is monitored and advised by the Supervisory Board. It has adopted the rules of procedure in consultation with the Supervisory Board. The Management Board has a Chair who coordinates the work of the Management Board and represents it in dealings with the Supervisory Board.

The Management Board informs the Supervisory Board regularly, in due time and comprehensively in line with the principles of diligent and faithful accounting in accordance with the law and the reporting duties specified by the Supervisory Board.

The Management Board develops the company's strategy, coordinates it with the Supervisory Board and implements it. It ensures that all statutory provisions and the company's internal policies are complied with. The Management Board also ensures appropriate risk management and risk controlling in the company. The Chief Executive Officer is responsible for the social and environmental factors to be taken into account in this process, as well as for the associated risks, opportunities and impacts.

The CEO submits the corporate planning for the coming fiscal year to the Supervisory Board as well as the midterm and strategic planning, which also includes sustainability targets. The Chair of the Management Board informs the Supervisory Board Chair without delay of important events that are essential for the assessment of the situation and the development of the company or for the management of the company as well as of any shortcomings that occur in the monitoring systems.

Management Board decisions require the approval of the Supervisory Board for certain important transactions. Transactions and measures that require Supervisory Board

approval are submitted in good time to the Supervisory Board, or to one of its committees where particular powers are delegated to them. The Management Board members are obliged to disclose any conflicts of interest to the Supervisory Board without delay and to inform the other Management Board members accordingly.

The Management Board members are subject to a comprehensive non-competition obligation. Management Board members may only take up sideline activities, in particular positions on supervisory boards in companies outside the Group, with the approval of the Supervisory Board.

Important transactions between the company, on the one hand, and the Management Board members as well as persons they are close to or companies they have a personal association with, on the other, require the approval of the Supervisory Board. The internal procedure put in place by the Supervisory Board to evaluate these transactions is set out in the section entitled → [The Supervisory Board](#)

Recruitment of Members of Executive Bodies

In accordance with the German Corporate Governance Code, the Supervisory Board and the Management Board must be composed in such a way that these bodies/their members as a group have the knowledge, ability and specialist experience required to properly complete their tasks. The requirements were extended and set out by law with the entry into force of the CSR Directive Implementation Act. The Supervisory Board has adopted the following criteria and objectives for recruiting individuals to the Management and Supervisory Boards, taking the above-mentioned requirements into account:

[Recruitment of Members of the Supervisory Board](#)

Composition: As a listed company that is not subject to codetermination, the Supervisory Board of Vonovia SE is to include ten members, an appropriate number of whom are to be independent within the meaning of the Code. All members should have sufficient time available to perform the duties associated with their mandate with due regularity and care.

When proposing candidates to fill new Supervisory Board positions to the Annual General Meeting, the Supervisory Board should have performed an extensive review to ensure that the candidates standing for election meet the corresponding professional and personal requirements (see table entitled → [Supervisory Board Qualifications Profile](#)) and must disclose the candidates' personal and business-related relationships with the company, the governing bodies of the company and any shareholders with a material interest in

the company. Shareholders are deemed to hold a material interest if they hold more than 10% of the voting shares in the company, either directly or indirectly. The proposals are not based on the candidate's affiliation to any particular party that is interested in the company.

Other general criteria, and criteria defined in the GCGC that applied in the fiscal year under review, governing composition include:

- > No more than two former members of the Management Board shall be members of the Supervisory Board.
- > Supervisory Board members shall not exercise directorships or similar positions or advisory tasks for important competitors of the company.
- > If a (designated) member belongs to the management board of a listed company, this member shall not accept more than a total of two supervisory board mandates in non-Group listed companies or on supervisory bodies of non-Group entities that make similar requirements.
- > The age limit has been set at 75 at the time of election to the Supervisory Board.

Skills profile: The Supervisory Board of Vonovia SE should be composed so as to ensure qualified supervision of, and provision of advice to, the Management Board. The candidates nominated for election to the Supervisory Board should be able, on the basis of their knowledge, skills and professional experience, to perform the duties of a Supervisory Board member of a listed real estate company that is active on the international capital market. In terms of their personality, the candidates nominated for election should show integrity, professionalism and commitment. The aim is to ensure that the Supervisory Board as a whole offers all of the knowledge and experience that the Group considers to be important for ensuring Vonovia's operational and financial further development, also from a sustainability perspective.

Independence: The Supervisory Board shall only include members that it considers to be independent. Material conflicts of interest that are not merely of a temporary nature, e.g., arising from functions on executive bodies or advisory roles performed at the company's major competitors, should be avoided. A Supervisory Board member is, in particular, not to be considered independent if they have personal or business relations with the company, its bodies, a controlling shareholder or a company associated with such a shareholder that may cause a substantial and not merely temporary conflict of interest.

Diversity: When nominating candidates for election, the Supervisory Board should also take diversity into account. In accordance with the German Act on the Equal Participation of Women and Men in Leadership Positions in the Private

Sector and the Public Sector (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in Privatwirtschaft und im öffentlichen Dienst), the Supervisory Board should comprise at least 30% women and 30% men. Vonovia intends for the Nomination Committee to continue to have at least one female member. Vonovia's Supervisory Board should meet both criteria in the current target period leading up to the end of 2026. When assessing potential candidates for reelection or to fill a Supervisory Board position that has become vacant, qualified women are to be included in the selection process and given appropriate consideration when the nominations are made.

Target achievement: The objectives regarding the composition of the Supervisory Board set out above have been met. There are five female members of the Supervisory Board (50%). Clara-Christina Streit and Dr. Ariane Reinhart are members of the Governance and Nomination Committee. All ten members of the Supervisory Board are considered by the latter to be independent within the meaning of C. 6 and C. 7 of the GCGC. No member of the Supervisory Board was a member of the company's Management Board or has a personal relationship with a significant competitor of the company as defined by C. 12 of the GCGC. The Chair of the Audit, Risk and Compliance Committee is an expert in the fields of auditing and accounting. The main knowledge, skills and professional experience of the Supervisory Board members are summarized in the table below.

Supervisory Board Qualifications Profile

| Name | Independent | Year of birth | Year appointed | Nationality | Key skills and areas of experience* | | | | | | | |
|---|-------------|---------------|----------------|-------------|--|-------------|----------|----------------------|--|----------------------|--------------------------------|----------------|
| | | | | | Finance, accounting, financial planning and analysis | Real estate | Strategy | Legal and regulation | International experience, M&A, capital markets | Investment expertise | Digitalization, cyber-security | Sustainability |
| Jürgen Fitschen (Chair of the Board until May 17, 2023) | yes | 1948 | 2018 | German | x | | x | x | x | x | | |
| Clara-Christina Streit (Chair of the Board since May 17, 2023) | yes | 1968 | 2013 | German/U.S. | x | | x | | x | x | x | |
| Prof. Dr. Edgar Ernst | yes | 1952 | 2013 | German | x | | x | x | x | x | | |
| Vitus Eckert | yes | 1969 | 2018 | Austrian | | x | x | x | x | x | | |
| Jürgen Fenk | yes | 1966 | 2022 | German | | x | x | | x | x | | x |
| Dr. Florian Funck | yes | 1971 | 2014 | German | x | | x | x | x | x | | |
| Dr. Ute Geipel-Faber | yes | 1950 | 2015 | German | x | x | | | x | x | | x |
| Dr. Daniela Gerd tom Markotten | yes | 1974 | 2023 | German | | | x | | x | x | x | x |
| Matthias Hünlein | yes | 1961 | 2022 | German | | x | x | | x | x | | x |
| Daniel F. Just | yes | 1957 | 2015 | German | x | x | x | | | x | | x |
| Hildegard Müller | yes | 1967 | 2013 | German | x | | x | x | | | x | x |
| Dr. Ariane Reinhart | yes | 1969 | 2016 | German | | | x | x | x | | x | x |
| Christian Ulbrich | yes | 1966 | 2014 | German | | x | x | | x | x | x | |

* The members of the Supervisory Board can specify up to five areas of experience.

Recruitment of Members of the Management Board

Composition: In accordance with the Articles of Association, the Management Board of Vonovia SE consists of at least two members. The Supervisory Board appoints the Management Board members in accordance with the Articles of Association and the law. The Supervisory Board can appoint a Chair of the Management Board and a Deputy Chair of the

Management Board. The decisions made by the Supervisory Board on the composition of the Management Board should be based on a careful analysis of the existing and future challenges facing the company. The Management Board of Vonovia SE should be composed so as to ensure that, as the management body, it can perform the duties set out above reliably and in full. When taken as a whole, it should combine all of the knowledge and experience required to ensure

that the Group can pursue its operational and financial objectives in an effective and sustainable manner in the interests of the shareholders and other stakeholders. While membership of the Management Board is not limited to a certain period of time, the contract of employment of a Management Board member ends when the member turns 67 at the latest.

Skills profile: Newly appointed Management Board members should be able, on the basis of their knowledge, skills and professional experience, to reliably perform the duties assigned to them in a listed real estate company that is active on the international capital market. In addition to having good professional and fundamental general qualifications, they should also show integrity, professionalism and commitment.

Independence: The Management Board should perform its management duties in a manner that is free of any conflicts of interest. Functions on executive bodies or advisory roles performed at major competitors of the company should be avoided.

Diversity: When looking for candidates to fill a Management Board position that has become vacant, the Supervisory Board should include qualified women in the selection process and give them appropriate consideration. Gender should be irrelevant when it comes to filling Management Board positions. The Supervisory Board has adopted a target of at least 20% women on the Management Board for the current period, which is set to run until December 31, 2026. For the two levels of management below the Management Board, the target for the proportion of women is 30%, to be achieved by December 31, 2026.

Target achievement: The objectives regarding the composition of the Management Board set out above have been met in full. The Management Board consists of one female and four male members who are able to manage the Group appropriately on the basis of their experience and skills. At the end of the reporting year, the first two levels of management below Vonovia's Management Board comprise 24.2% women. Achieving the target of 30% women by December 31, 2026, for both management levels will continue to require even more systematic succession planning in order to actively support women and open up opportunities for them to assume technical management roles against the backdrop of the planned expansion of technical services at Vonovia.

Succession planning: The Supervisory Board addresses long-term succession planning for the Management Board and Supervisory Board on an ongoing basis. The Governance and Nomination Committee of the Supervisory Board with a

personnel consultancy firm compiled a list of candidates for possible replacement appointments to the committees. The basis for this was the evaluation of market mappings which was performed considering the qualification profiles that were created. The listings of potential candidates will continue to be maintained to enable well-founded succession planning.

Cooperation Between the Management Board and the Supervisory Board

The Management and Supervisory Boards vote on the strategic direction of the company and discuss the current status of implementation of the corporate strategy, which also includes sustainability topics (see → **Strategy**) at regular intervals. Furthermore, the Management Board regularly informs the Supervisory Board in written or verbal reports of topics including the development of business and the situation of the company. In this way, the Supervisory Board receives detailed documents from the Management Board regularly and in a timely manner on the economic development and the company's current situation as well as the half-yearly risk management and compliance reports that deal with the most important risks for the business as well as compliance management at Vonovia SE. On the basis of these reports, the Supervisory Board monitors the company's management by the Management Board as well as via its committees where particular powers are delegated to these committees. The Supervisory Board meets on a regular basis without the Management Board if personnel matters relating to the Management Board are to be discussed. For information on the remuneration agreements that reflect this cooperation, please refer to the [☞ Remuneration Report](#).

Avoidance of Conflicts of Interest

In the reporting year, there were no conflicts of interest of Management Board or Supervisory Board members, which are to be reported immediately to the Supervisory Board. There was no need to discuss or make decisions on legal matters, in particular lending transactions with members of executive bodies or individuals related to them.

Accounting and Audits

The Annual General Meeting selected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as auditor for the annual financial statements and consolidated financial statements

We prepare the annual financial statements of Vonovia SE in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) and the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU. In addition, we prepare a combined management report as required by the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The Management Board is responsible for financial accounting. The Supervisory Board examines and adopts or approves the annual financial statements, the consolidated financial statements and the combined management report.

In addition to our annual financial statements, we also prepare interim statements for the first and third quarters as well as an interim financial report for the first half-year in accordance with the German Securities Trading Act.

Both the interim statements and the interim financial report are presented to, and discussed with, the Audit Committee of the Supervisory Board before they are published.

Under German stock corporation and commercial law, there are special requirements for internal risk management that apply to Vonovia. Therefore, our risk management system covers risk inventory, analysis, handling and limitation. In accordance with Section 317 (4) of the German Commercial Code (HGB) applicable to listed companies, PricewaterhouseCoopers assesses in its audit the risk early warning system as part of the risk management system. Furthermore, we maintain standard documentation of all our internal control mechanisms throughout the Group and continually evaluate their effectiveness.

In the combined management report, we provide comprehensive information on the main features of the internal control and risk management system with regard to the accounting process and the Group accounting process in accordance with our reporting duties pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB).

Pursuant to Section 315b of the German Commercial Code (HGB), the Management Board is obliged to submit a Non-financial Group Declaration, which in turn has to be reviewed by the Supervisory Board. The Supervisory Board has commissioned the auditor to perform the review.

Overview

- > Successful joint ventures and portfolio sales help strengthen capital structure.
- > Positive performance in core rental business thanks to excess demand with rising rents/realized synergy potential thanks to integration of Deutsche Wohnen.
- > Results down in the other segments.
- > Investments adjusted to reflect changes in return requirements and, as a result, capital allocation.

In an environment dominated by difficult overall conditions, Vonovia can look back on a 2023 fiscal year characterized by a **robust core Rental** business. The property management business showed positive economic development, bolstered in particular by sustained high demand and rising rents, as well as synergies realized from the cooperation with Deutsche Wohnen. The environment of higher interest rates and inflation translated into lower results in the other segments.

Due to two successful joint ventures and extensive sales, liquidity was gained to **strengthen the capital structure**. The changes in return requirements – both internally and externally – are having an impact on capital allocation and, as a result, on investments.

In the 2023 fiscal year, a total of **2,425 apartments were completed** in the Development segment.

The **Adjusted EBITDA Total** from continuing operations came to € 2,583.8 million, down slightly against the prior-year figure of € 2,606.1 million. The increase in Adjusted EBITDA Rental almost compensated for the downward trend in the other segments despite the sales made.

At € 1,801.6 million, the **Group FFO** from continuing operations was 9.1% below the previous year's figure of € 1,981.6 million, mainly due to higher interest rates.

The **EPRA NTA per share** came in at € 46.82, down by 18.5% on the prior-year value of € 57.48.

The **Sustainability Performance Index** stood at 111% in the 2023 fiscal year. This was helped along in particular by the reduction of CO₂ intensity, the development of the average primary energy requirements of new construction and (partial) modernization measures to make apartments fully accessible, as well as by the high levels of employee satisfaction.

Sustained Earnings

Group FFO (continuing operations)



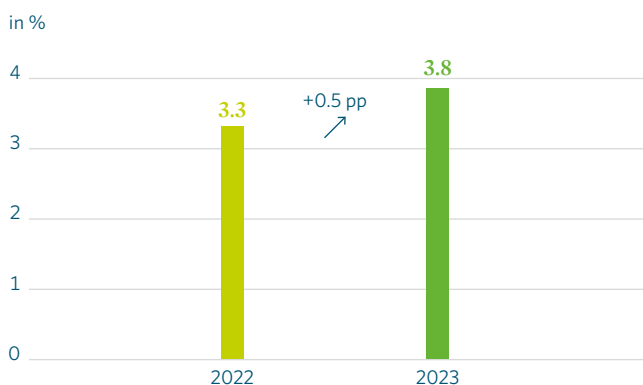
Maintenance, Modernization and New Construction

Investments



Organic Rent Growth

Organic Rent Increase



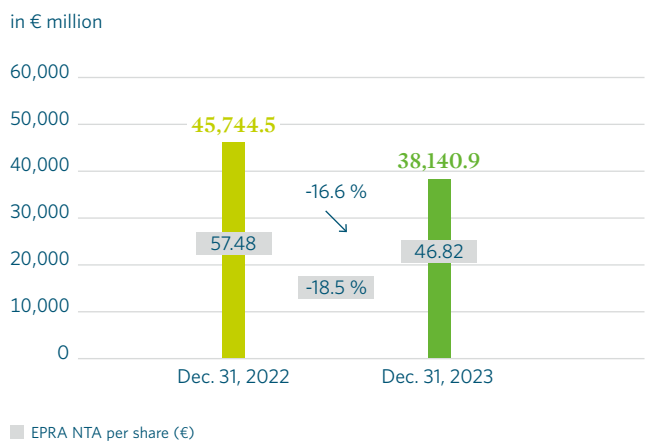
Vacancy

Vacancy Rate



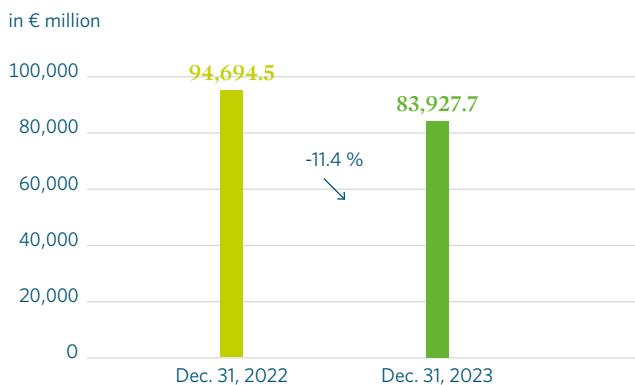
Net Assets

EPRA NTA



Fair Value of the Real Estate Portfolio

Fair Value



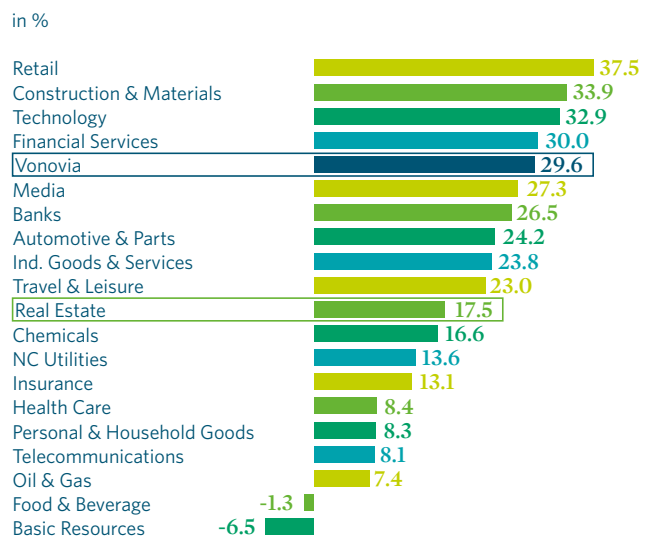
Vonovia SE on the Capital Market

- > 2023 sales target of € 2 billion comfortably surpassed with proceeds from sales of around € 4 billion (of which € 0.7 billion cash inflow in 2024). Capital market rewards capital discipline and efforts to further strengthen the balance sheet.
- > Likely end to interest rate hikes and prospects of initial rate cuts in 2024 ensure an improved macroeconomic environment.
- > Another good positioning in ESG ratings.

Capital Market Development and Shares in Vonovia

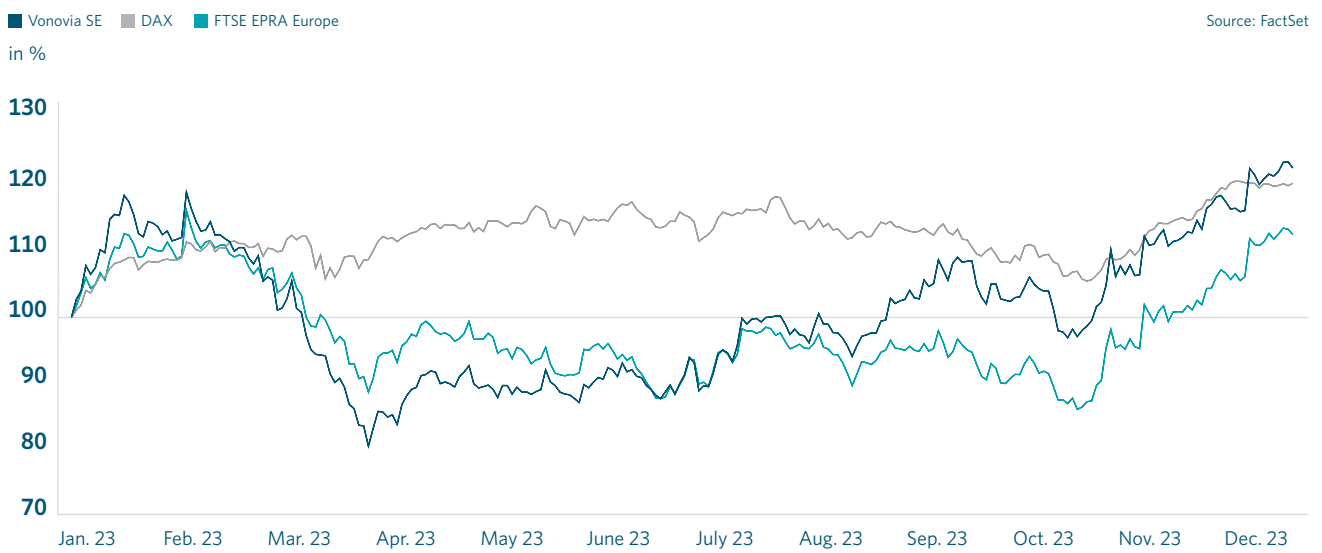
Inflation, interest rates and views on possible recession scenarios continued to dominate the international capital markets in 2023. Market participants paid particular attention to the interest rate policies pursued by the world's major central banks. Following a marked drop in inflation, given that interest rates have now peaked, at least according to capital market assessments, and in light of the prospect of initial rate cuts in 2024, sentiment brightened considerably and led to broad-based price increases, particularly at

Sector Development



the end of the year. In this environment, the DAX 40 closed 20.3% up, with the EPRA Europe real estate index up by 12.6%. Vonovia also reaped the benefits of the improved macroeconomic environment, with its shares gaining 29.6%

Share Price Development



over the course of the year. This means that Vonovia's performance in 2023 was significantly above average. Overall, there was once again a strong correlation in the fiscal year under review between Vonovia's share price on the one hand, and the capital market's assessment of future interest rate trends and government bond yields on the other hand.

Despite the positive share price performance in 2023, capital market assessments continue to be subdued, while development on the residential real estate market remains robust. While the capital market is pricing real estate stocks at hefty discounts, the residential property markets in which we operate are relatively robust, with initial signs emerging that prices are starting to stabilize. This is due, in particular, to the favorable relationship, from an owner's point of view, between supply and demand in urban regions, which have conventionally been long-term financing arrangements, tax aspects as well as the structural momentum on the revenue side.

We continue to believe that shares in Vonovia can reflect the positive operating development and ultimately the success of our business model as a whole in the medium to long term. Our responses to key long-term megatrends – climate change, urbanization and demographic change – remain the dominant factors driving our business. We are optimistic as we look ahead to the future and are confident that we will remain financially successful.

The average daily trading volume for shares in Vonovia SE, expressed as the number of shares traded on XETRA, came to 3.6 million in 2023. Expressed in euros, shares in Vonovia worth € 77.3 million were traded every day on average in 2023, down slightly on the previous year.

Vonovia's shares reached their highest daily closing price for the year on December 28, 2023, at € 28.85 and their lowest daily closing price on March 28, 2023, at € 15.66.

Vonovia's market capitalization amounted to around € 23.2 billion as of December 31, 2023.

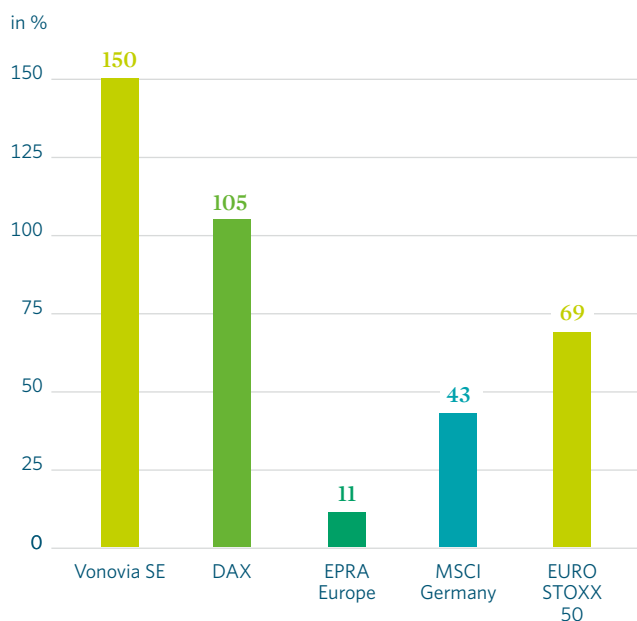
Index Memberships: Vonovia SE member of the DAX 50 ESG and DJSI Europe

Vonovia has been a member of various sustainability indices since 2020, in particular the DAX 50 ESG and the Dow Jones Sustainability Index (DJSI Europe), which confirms Vonovia's successful ESG activities and the progress made in this area.

Long-term Yield

An investor who bought shares in Vonovia when the company went public in 2013 and has held them ever since, reinvesting each dividend in more shares in Vonovia, will have seen the value of their securities deposit account increase by 150% by December 31, 2023, a result that far outstrips the performance of a corresponding investment in the benchmark indices.

Yield since Vonovia IPO

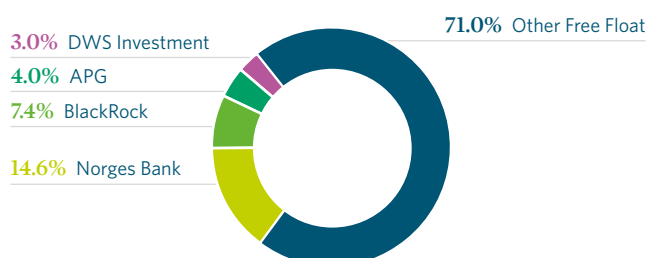


VNA and DAX performance are total shareholder return (share price plus dividends reinvested); EPRA Europe, MSCI Germany and EURO STOXX 50 are share price performance only.

Shareholder Structure

The chart shows the company's shareholdings based on the data it collects itself and/or based on the voting rights pursuant to Sections 33 and 34 of the German Securities Trading Act (WpHG) as notified by the shareholders in relation to the current share capital. It is important to note that the number of voting rights reported could have changed within the respective thresholds without triggering an obligation to notify the company.

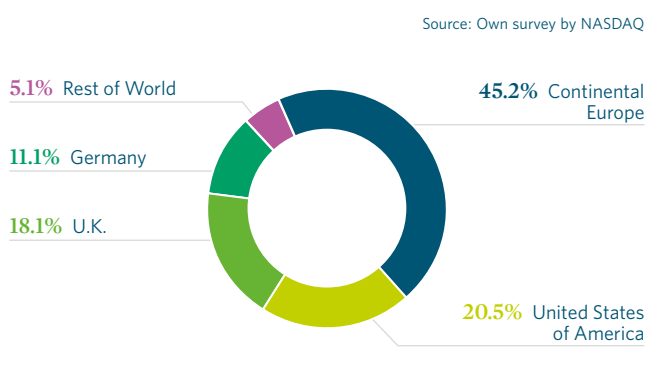
Major Shareholders (as of December 31, 2023)



Based on the German stock exchange's definition of free float, only the interest held by Norges Bank (Ministry of Finance on behalf of Norway) does not count toward the free float. As of December 31, 2023, 85.4% of Vonovia's shares were in free float. The underlying [voting rights notifications](#) and corresponding financial instruments reported by shareholders or other instruments pursuant to Sections 38 and 39 WpHG can be found online.

In line with Vonovia's long-term strategic focus, the majority of its investors also has a long-term focus. The company's investors include pension funds, sovereign wealth funds and international asset managers in particular. We determine and update the shareholder structure on a regular basis. In August 2023, we had identified approximately 90% of our shareholder base. Institutional investors account for 90% of our shareholders and private investors for around 10%. The breakdown of the company's shareholders by region at the end of 2023 is as follows:

Regional Distribution of Institutional Investors of Vonovia SE



2023 Annual General Meeting

The Annual General Meeting of Vonovia SE was held as a virtual event on May 17, 2023. The shareholders approved all of the resolution proposals put forward by the Supervisory Board and the Management Board as required. They also formally approved the actions of the Supervisory Board and the Management Board for the 2022 fiscal year with a large majority in each case.

The Annual General Meeting approved the dividend proposal of € 0.85 made by the Supervisory Board and the Management Board, which corresponds to a dividend yield of 3.9% based on the closing price for 2022 of € 22.02. Shareholders were free to choose between a cash dividend and a scrip dividend. 44.87% opted for a dividend in the form of shares.

A total of 68.08% of the company's share capital was represented.

Since 2018, the [investor portal](#) has given our shareholders the option to conveniently attend to all formalities relating to registering for and voting at the Annual General Meeting online.

Investor Relations Activities

In 2023, Vonovia participated in a total of 27 investors' conference days and organized 27 roadshow days. In addition, Vonovia took part in various investor forums and numerous one-on-one meetings with investors and analysts to keep them informed of current developments and special issues. In 2023, we held several hundred talks with analysts and investors. The dominant topics included the business outlook in the changed macroeconomic environment, the

Development of Vonovia's Shares Over a Period of Several Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------|--------|--------|--------|--------|--------|--------|-------|-------|--------|
| Annual closing price (€) | 25.08* | 26.76* | 28.97* | 38.80* | 37.11* | 45.00* | 56.02* | 48.5 | 22.02 | 28.54 |
| High (€)* | 25.08 | 31.15 | 34.51 | 39.26 | 41.88 | 45.78 | 58.33 | 56.64 | 51.14 | 28.85 |
| Low (€)* | 16.31 | 22.68 | 23.43 | 28.08 | 33.94 | 37.39 | 36.19 | 45.85 | 18.97 | 15.66 |
| No. of shares as of Dec. 31 (in million) | 304.5* | 497.1* | 497.1* | 517.5* | 552.6* | 578.5* | 603.6* | 776.6 | 795.8 | 814.6 |
| Market cap as of Dec. 31 (€ billion) | 7.6 | 13.3 | 14.4 | 20.1 | 20.5 | 26.0 | 33.8 | 37.7 | 17.5 | 23.2 |
| Average transaction volume per day (VWAP in € million)* | 12.3 | 45.2 | 41.2 | 47.6 | 55.8 | 65.9 | 85.7 | 84.2 | 84.2 | 80.8 |
| Dividend per share (€) | 0.70* | 0.88* | 1.05* | 1.24* | 1.35* | 1.47* | 1.58* | 1.66 | 0.85 | 0.90** |
| Dividend yield (%) | 2.8 | 3.3 | 3.6 | 3.2 | 3.6 | 3.3 | 2.8 | 3.4 | 3.9 | 3.2 |

* Values are TERP-adjusted (TERP 2015: 1.051 - capital increase with subscription rights in connection with Südwego acquisition; TERP 2021: 1.067 - capital increase with subscription rights in connection with Deutsche Wohnen acquisition).

** Planned dividend proposed to the 2024 Annual General Meeting.

Source of share prices: FactSet

capital structure, capital allocation and transaction activity in the residential real estate market.

As part of the investor dialogue, the Chair of the Supervisory Board conducts an annual corporate governance roadshow spanning several days, in particular addressing topics specific to the Supervisory Board, such as Management Board remuneration and the work and composition of the Supervisory Board and its committees. In the run-up to the 2023 Annual General Meeting, for example, Jürgen Fitschen, who was Chair of the Supervisory Board at that time, joined forces with Clara-Christina Streit, who had at that time been nominated for election and is now Chair of the Supervisory Board, to carry out this roadshow with our shareholders.

Vonovia's eighth Capital Markets Day was held as a purely face-to-face event in Bochum on September 28, 2023. With an emphasis on the topic of rental price development, approximately 50 of our international analysts and investors took part in breakout sessions on the implementation of rent increases, regulatory issues and Vonovia's approach to sustainable, intelligent and interconnected housing. The event was rounded off with a property tour of our Energiesprong projects in Bochum and Witten.

The presentations held at the Capital Markets Day can be downloaded online on the [Investor Relations website](#).

We will also continue to communicate openly with the capital market in 2024. Various roadshows, conferences and investor forums have already been planned. Information can be found in the [Financial Calendar](#) on our Investor Relations website.

Positive Analyst Assessments

As of December 31, 2023, 26 analysts were publishing studies on Vonovia on a regular basis. The average target share price at the end of the year was € 29.39 per share, with 69% of analysts issuing a "buy" recommendation, 12% issuing a "hold" recommendation and 19% issuing a "sell" recommendation.

For information on the research firms that regularly report on Vonovia and value its shares, please visit our [Investor Relations website](#).

Dividend

The Management Board and the Supervisory Board propose to the Annual General Meeting that, of the profit of Vonovia SE for the 2023 fiscal year of € 750,000,000.00, an amount of € 733,180,498.20 on the 814,644,998 shares of the share capital as of December 31, 2023 (corresponding to € 0.90 per share) be paid as a dividend to the shareholders, and that the remaining amount of € 16,819,501.80 be carried forward to the new account or be used for other dividends on shares carrying dividend rights at the time of the Annual General Meeting and which go beyond those of the share capital as of December 31, 2023.

Financing Environment

In 2023, the capital markets were hit by increasing volatility, changes in the interest rate environment and further geopolitical events and uncertainties. Market participants were forced to face these key challenges and refocus.

Central banks across the globe responded to historically high inflation witnessed in 2022 and 2023 by raising interest rates, putting an end to their loose monetary policy. After many years with interest rates close to 0%, the key rate hikes are affecting the capital markets. Interest rates have multiplied within a short space of time.

Starting in July 2022, the European Central Bank (ECB) implemented ten consecutive key interest rate hikes to 4.5% – the highest level seen since the start of monetary union back in 1999. In October, the ECB left interest rates in the eurozone unchanged for the first time. The ECB then went on to leave interest rates in the eurozone unchanged for the second time running in December.

Yields on ten-year German government bonds, which had been in negative territory for years, reached a level just under the 3% mark for the first time at the beginning of October. They then made a strong recovery at the end of the year and came in at 2.029% at the end of December.

The ECB also gradually tapered its asset purchases starting in March 2023. Since July 2023, funds from maturing securities as part of its Asset Purchasing Program (APP), introduced back in 2015 with a volume running into the trillions, have no longer been reinvested.

The US Federal Reserve (Fed) raised the key interest rate eleven times in a row since March 2022. In December 2023, the FED left its key rate unchanged for the third time in a row. It ranges from 5.25% to 5.50%.

The UK central bank, the Bank of England (BoE), also took a break for the first time in September 2023 after implement-

ing 14 interest rate hikes in a row, starting at the end of 2022, leaving its key rate at 5.25%. This took the UK key rate to the highest level seen in 15 years. In December, the BoE kept interest rates steady for the third time running.

One of the World's Biggest Capital Market Issuers

The rating agency Standard & Poor's has assigned Vonovia SE and Deutsche Wohnen a long-term corporate credit rating of BBB+ and a short-term credit rating of A-2. The "BBB+ outlook stable" rating was confirmed in November 2023.

The Berlin-based Scope Group has also issued Vonovia SE a rating of A-. The outlook was changed from "stable" to "negative" in June 2023.

Moody's became the third rating agency to publish ratings for Vonovia, with its first rating in May 2021. The "Baa1 outlook stable" rating is also an investment grade rating. The rating was last confirmed in January 2024.

Vonovia's size and market position, increasing diversification across regulated residential real estate markets, strong competitive position, good access to the capital markets, broad mix of financing instruments and diversified maturity profile all contribute to Vonovia's top-tier credit rating.

Following brisk primary market activity in the years from 2013 to 2022, Vonovia (incl. Deutsche Wohnen) was not on the EUR bond market for the first time in 2023, but nevertheless continues to rank among the top five euro-

Share Information (as of December 31, 2023)

| | |
|------------------------|---|
| First day of trading | Jul. 11, 2013 |
| Subscription price | € 16.50 € 14.71* |
| Total number of shares | 814,644,998 |
| Share capital | € 814,644,998 |
| ISIN | DE000A1ML7J1 |
| WKN | A1ML7J |
| Ticker symbol | VNA |
| Common code | 94567408 |
| Share class | Registered shares with no par value |
| Stock exchange | Frankfurt Stock Exchange |
| Market segment | Regulated market |
| Indices | DAX 40, DAX 50 ESG, Dow Jones Sustainability Index Europe, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, FTSE EPRA/NAREIT Developed Europe and GPR 250 World |

* TERP-adjusted.

investment grade issuers in 2023 based on analyses performed by Dealogic. The refinancing requirement of just over € 3 billion was covered via the credit market. The secured banking market in particular is characterized by high demand and very attractive conditions.

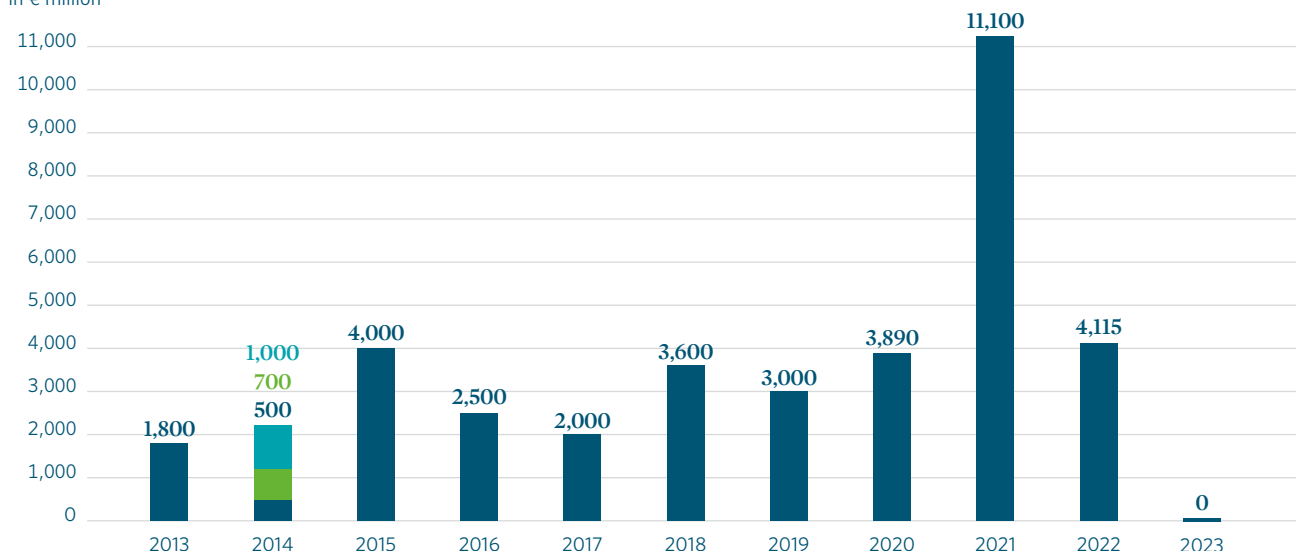
At the beginning of 2023, and in line with a strategy of proactive management of financial liabilities, Vonovia implemented an open market repurchase (OMR) to buy back bonds maturing in 2028, 2029 and 2033. € 53.6 million was bought back early within this context.

Vonovia's Public Bond Issue Volume Per Year (EUR bonds excl. convertible bonds)

■ EUR-Bonds/EMTN ■ Debt-Hybrid ■ Equity-Hybrid

Source: Dealogic, company data

in € million

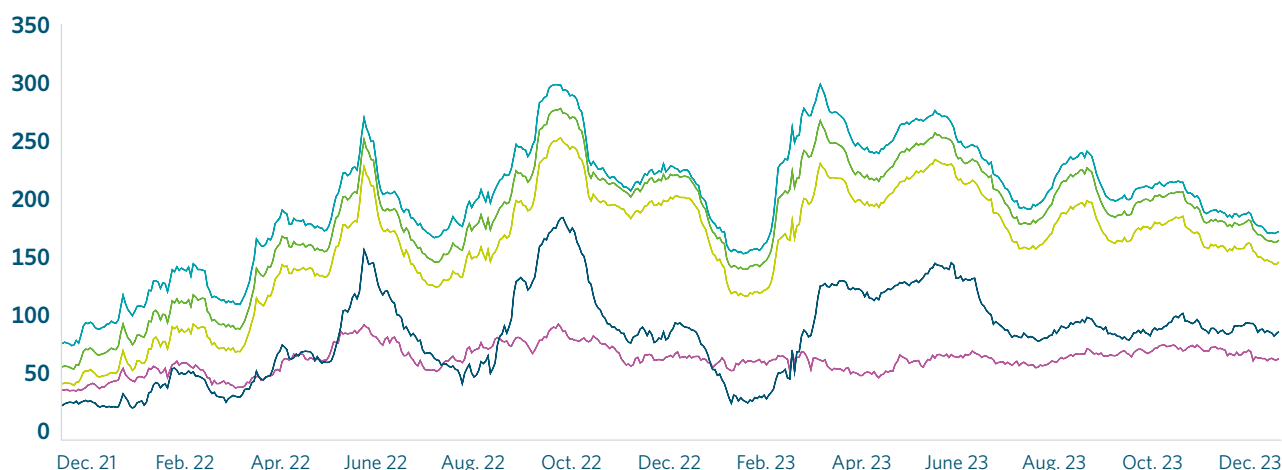


Since 2021 incl. Deutsche Wohnen

Spread Development (in Basis Points)

■ 2 years ■ 5 years ■ 7 years ■ 10 years ■ 8Y iBOXX A

Source: Refinitiv



Vonovia also successfully completed a cash offer for a number of bonds in July 2023. Out of the total nominal value offered by the bond investors amounting to approximately € 1.25 billion, Vonovia accepted bonds with a nominal value of € 1.0 billion for a total value of € 892.0 million. This corresponds to a discount of 11%.

Vonovia held its first Lenders Forum as a purely face-to-face event at its headquarters in Bochum on September 20, 2023. The event, which focused exclusively on ESG, was attended by 60 participants from 28 banks and insurance companies. The event was rounded off with a property tour of our energy center of the future in Bochum. The presentations held at the Lenders Forum can be downloaded online on the Investor Relations website <https://www.Vonovia.com/investoren/creditor-relations/lenders-forum>.

Capital Markets Outlook

As inflation stabilizes, interest rates are also starting to stabilize. This should have a positive impact on the capital market and our sector in 2024.

Experts believe that the Federal Reserve could cut key rates for the first time as of the second quarter of 2024. Economists predict a total of three rate cuts of 25 basis points each in the course of 2024. The direction in which the US economy develops will also depend on the outcome of the presidential elections in November 2024.

The ECB is also not expected to cut key rates in the eurozone until the second half of 2024 at the earliest following the recent marked slowdown in inflation.

