

# Our Understanding of Sustainability

Vonovia is a part of society. Our business is to provide people with a fundamental need – a place they call home. As a sustainable and responsible housing company, we feel a special obligation towards our more than one million customers in Germany, Austria and Sweden – and at the same time towards society, the environment and our shareholders.

We know: Our corporate decisions always have an impact on people and neighborhoods, on the environment and on the climate. We carefully balance these effects, especially when we modernize buildings and develop neighborhoods, because environmental and climate protection should go hand in hand with our responsibility for safe and good housing at fair rent levels. This is our understanding of sustainable living. As a real estate company with a long-term focus, it is our goal to harmonize economic activities with social and societal responsibility as well as ecological objectives. We feel committed to the principles of the social market economy and economic efficiency. That is why Vonovia assumes responsibility as a provider of affordable housing, as a service provider, as a builder and developer – but also as an active part of society. For us, sustainability is our purpose and it means managing our business activities in a way that generates the greatest possible long-term benefit for society as a whole. We want to be measured by this claim. It should be adopted by every employee.

Achieving the goals set by the Paris Climate Agreement is one of the major current and future challenges. We want to contribute to achieving these goals. That is why we have aligned our sustainability strategy with international standards, such as the United Nations Sustainable Development Goals. We are driving forward developments where our operations across our approximately 400,000 apartments and our large number of new construction projects can have the largest impact. We focus our activities on people and their respective living situations and want to contribute to a successful coexistence in a diverse and democratic society.

We have set out our ambition for sustainable action in eleven key areas across seven fields of action. We have summarized concrete goals up to 2025 in our sustainability roadmap. As an integral part of our management system, this Roadmap 2025 guides the business decisions across all of Vonovia's business functions. This enables us to contribute to sustainable development and to play an active role in creating a viable housing sector for the future.

### ***Customers and their homes***

Our products provide our customers with a fundamental need – a place they call home. That is why our tenants are the focus of our activities. We adapt our apartments to people's needs and living conditions. Our products reflect the different housing requirements and the impacts of demographic change. We want to be available for our customers at all times and interact with them on an equal footing.

### ***Society and contribution to urban development***

We give people a home in our urban areas, and we want them to enjoy a good neighborhood. Our goal is for people from different generations to live together and feel at home. To achieve this, we develop an infrastructure tailored to the individual situation of each neighborhood and geared to the needs of our tenants. This is the yardstick based on which we define the structural design, including the aspects of climate protection and social services. We develop the residential environment and green spaces so that they facilitate participation and urban cohabitation and are ecologically sustainable.

### ***Sustainable construction and development***

With our new buildings we create urgently needed and affordable living space, especially in urban areas. When we develop new living spaces we make sure our construction follows an energetically optimized design that saves resources and is environmentally friendly.

### ***Environment and climate***

As the market leader in the housing industry, we want to be a key driver for climate protection. Our goal is a climate-neutral building stock. We focus on energy-efficient modernization and the development and implementation of innovative technologies in our effort to decarbonize our portfolio. In our neighborhoods, we promote the expansion of renewable energies and photovoltaics as well as climate-friendly mobility concepts.

### ***Corporate culture and employees***

Appreciation, performance, responsibility and team spirit are the key elements of our corporate culture. They enable us to meet the industry's challenges and achieve our corporate goals. To accomplish this, we need employees who will join us on this journey for the long run. We want to be an attractive employer, and we adjust to the changing requirements of future generations. We consider the diversity in our workforce and in our management team as a great strength and an opportunity that we want to promote in a systematic manner.

### ***Corporate governance and responsible business conduct***

We see ourselves as a trusted and reliable partner for all our stakeholders. It is important to us that this is reflected in our stakeholders' perception and experience when they interact with us. Compliance with laws and regulations is a matter of course for all employees. Equally important are our own sustainable guidelines, which give us a clear sense of orientation for our actions and decisions.

### ***Future viability and capital market***

We can only successfully implement sustainability if we are also economically successful. We want to grow as a company and at the same time contribute to sustainable development within our sphere of influence. This increases our appeal to shareholders for whom sustainability is also becoming increasingly important.

Responsibility for sustainability rests with the Management Board and from there we drive the implementation throughout the company. Our sustainability committee meets quarterly to discuss strategic decisions and to evaluate our sustainability performance. The committee comprises the entire Board of Management, as well as the responsible executives for sustainability, corporate communication, controlling and business innovation. This ensures the consistent implementation of our sustainability strategy across all areas of our business and into our local neighborhoods. After all, sustainable principles are part of the way all employees see themselves. In this way, we develop sustainable living environments and work in collaboration with our tenants and for the cities, communities and regions in which we operate.

As a housing company, we face a wide range of expectations from the most diverse stakeholders. We take these expectations into consideration in a regular and cooperative exchange with our stakeholders. We weigh the different interests and impacts and make responsible and transparent decisions. Since we want to shape the future of the housing industry as sustainably and effectively as possible, we rely on cooperation and joint approaches, especially in innovative projects in our neighborhoods and construction projects.

Transparency safeguards our credibility. We publish our activities on sustainability and non-financial performance on our corporate website. <https://www.vonovia.de/en> Our annual sustainability reporting is based on internationally recognized standards and frameworks to ensure the greatest possible comparability for all interested parties.

Our business model is embedded in social and ecological change processes. We take these megatrends – in particular the ongoing urbanization, demographic change and the climate-related energy and mobility turnaround – into account when we review our sustainability strategy at fixed intervals and improve it in consultation with our key stakeholder groups.