

Press Release

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Sustainability Report 2017 published: Vonovia achieves renovation ratio of 5%

- Achieved energy savings of more than 45% for refurbished buildings
- Quarters development supports good neighborhood
- Company strengthens diversity
- Training rate of 5.5% emphasizes high significance

Bochum, 29 June 2018 – Vonovia SE today published its third sustainability report, in line with GRI standards. This marks the real estate company's development of its sustainability strategy for the fiscal year 2017. The extent of energy efficient renovation has clearly exceeded the target value required as a contribution to the energy transition by the housing industry.

"The most important thing we can do as the housing sector to tackle climate change is to upgrade our portfolio," says Rolf Buch, CEO of Vonovia. "It is our social responsibility to act sustainably in order to support requirements by the German federal government. However, we also see declining acceptance for modernization measures, in particular in cities with a shortage in housing. That is why, with our projects, we have to pay even greater attention to ensuring that there is no displacement and that people can stay in their homes. We want to provide security to our tenants."

In 2017, Vonovia invested a total of more than EUR 1 billion in the substance of its properties, including large investments in maintenance. The modernization segment alone had a volume of almost EUR 779 million which was thus almost 65% above the volume of the previous year. The company clearly exceeded the German federal government's targets for the energy efficient renovation of housing stock: Three percent of the apartments are to be modernized annually in order to support the energy transition, Vonovia has hit five percent. Nationwide, this rate has been below one percent up until now.

In terms of living space and investment volume, the focus of the modernization plan was on the Ruhr area, in particular on Dortmund and Essen. In 2017 alone, CO2 emissions were reduced by around 23,000 metric tons due to energy efficient modernization. This corresponds to calculated energy savings of more than 45% for refurbished buildings, depending on the individual consumption. The determination of these values is based on the standards of the international Greenhouse Gas Protocol.

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The company supports the goals of the Paris climate protection agreement and the German federal government's climate protection plan. This means that the housing stock should be almost climate-neutral by 2050. The related energy savings also result in significant benefits for the tenants through lower heating costs.

Neighborhood development for a good neighborhood

Vonovia is also committed to good neighborhoods and supports initiatives for a peaceful and committed togetherness. A current example: In cooperation with the City of Cologne, the Lukas Podolski Foundation and the non-profit youth welfare organization RheinFlanke e.V., a district in Cologne Gremberghoven has been adjusted to the needs of young people. The overall focus is a new modern and functional sports ground. In addition, a new youth center has been created. Here, sports activities, career counselling, holiday programs, and handicraft courses take place. Also, the integration of refugees is a common goal.

Certification for modular construction as a goal

To provide sufficient living space for socially acceptable rental fees is one of the major challenges faced by society. Vonovia plans to invest more than EUR 1.4 billion in maintenance, modernization and new construction in 2018, and in particular to expand the volume of new construction significantly. Due to long lead times in planning and building law, work on many projects will start later than originally planned.

In 2019, more than 1,000 new apartments are set to be launched as new constructions or attic extensions. The company relies in particular on prefabricated modules that are assembled and individually adapted on site. This allows reduced construction costs. Vonovia is currently checking whether these modular construction elements can receive a

certification. This would not only demonstrate the sustainability of this type of construction, at the same time, Vonovia would become attractive on the financing side for green or sustainable bonds.

Strong expansion of photovoltaics

For new constructions, Vonovia in general relies on the use of photovoltaics and therefore considers the feasibility for every project. Within just two years, the amount of electricity generated by the company's own photovoltaic systems has grown from virtually zero to a total of 5,510 MWh. As a result, 2,900 metric tons of carbon dioxide are saved annually. The company is currently developing a strategy for equipping existing units with photovoltaic systems.

Vonovia also uses pilot projects to explore how the benefits of those systems can be further extended, for example through the additional use of battery storage systems or cogeneration units and through corresponding e-mobility concepts for residents. The first charging stations for e-cars are to be built on Vonovia premises before the end of this year. Tenants can have a charging stations installed on their pitch for a monthly rental fee.

Company strengthens diversity

Diversity plays an important role at Vonovia. The company has a ratio of 25% women on the Management Board (the average for DAX-30 companies is 12%). Vonovia aims to continuously improve the compatibility of family and career. This is why more and more men are showing family commitment: Out of 219 employees who took parental leave in 2017, more than 40% were male. Vonovia focuses on employees with different qualifications and backgrounds. This also includes the integration of refugees to Germany into the labor market. In 2017, a total of 14 refugees completed on-the-job training at Vonovia. The company also supports young refugees by providing internships or by offering to initially work in supportive activities in order to get to know the work environment of the company.

Trainees at Vonovia account for 5.5% of the total workforce. Also in this respect, the company is clearly above average: According to figures from the Federal Institute for Vocational Education and Training, most recently the number for large companies was at 4.5%.

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About the GRI standards

The international GRI standards for sustainability reports are published by the Global Reporting Initiative (GRI) and constantly evolving. Both governmental organizations and so-called NGOs such as environmental and human rights groups and not least the companies themselves are involved in the development of the guidelines. GRI was founded in 1997 with the support of the United Nations Environment Programme and is based in Amsterdam.

Vonovia's sustainability report only appears online. This is a contribution to the sustainable use of resources. The report is available online at:

DE: <http://reports.vonovia.de/2017/nachhaltigkeitsbericht/>

EN: <http://reports.vonovia.de/2017/sustainability-report/>

About Vonovia

Vonovia SE is Germany's leading nationwide residential real estate company. Vonovia currently owns and manages around 394,000 residential units in all of Germany's and Austria's attractive cities and regions. Its portfolio is worth approximately EUR 38.5 billion. As a modern service company, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants affordable, attractive and livable homes is a prerequisite for the company's successful development. Accordingly Vonovia makes long-term investments in the maintenance, modernization and senior-friendly conversion of its properties. The company is also creating more and more new apartments by realizing infill developments and adding to existing buildings.

The company, which is based in Bochum, Germany, has been listed on the stock exchange since 2013 and on the DAX 30 since September 2015. Vonovia SE is also listed on the international indices STOXX Europe 600, MSCI Germany, GPR 250 and EPRA/NAREIT Europe. Vonovia has a workforce of approximately 9,500 employees.

Additional Information:

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