

Sustainability Report 2020

For people. For tomorrow.



For people. For tomorrow.

Keeping tomorrow in view – this is what all of our actions today are about. Our responsibility to the future is the guide for our decisions in the here and now with regard to our employees, our tenants, our properties, and climate protection. For us, sustainability means taking the manifold needs of all generations in society into account. We want to enable people to live and flourish together in their homes by making people's satisfaction and an intact environment our top priority. This is what we are committed to – and what this report shows.

ABOUT THIS REPORT

This is Deutsche Wohnen SE's ninth Sustainability Report in accordance with the Global Reporting Initiative (GRI) standard. It describes our understanding of sustainability and discloses relevant information about our sustainability achievements. We have also compiled important key figures and comparative data. In the interests of comprehensive, transparent communication, this report is aimed at our clients (tenants and purchasers), employees, investors, analysts, business partners, journalists, associations, policymakers and administrative bodies as well as all other stakeholder groups. Deutsche Wohnen SE's Sustainability Report is published annually in German and English. It is available as an online PDF on our website. In our communications, we aim to better reflect the diversity in our company and in society, and so deliberately use gender-neutral language.

Reporting period and boundaries

This report provides information about the Deutsche Wohnen Group, including the Nursing/Assisted Living segment (KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH and PFLEGEN & WOHNEN HAMBURG GmbH). The subsidiary ISARIA München Projektentwicklungs GmbH is not included in this report due to an insufficient data pool. The data included relates to the 2020 financial year (1 January 2020 to 31 December 2020). Wherever relevant, developments and information up to the editorial deadline of 31 March 2021 are also covered. The report's focal areas are derived from a materiality analysis updated in accordance with the GRI Standards in the reporting year.

Reporting standards

Since 2013, we have complied with the globally recognised GRI Standards when reporting on our sustainability activities as well as economic, ecological and social indicators. The GRI content index can be found in the appendix to the report. Throughout the text, details are provided of which standards have been applied. This Sustainability Report has been prepared in accordance with the GRI Standards, applying the "Core" option.

In addition to this, we are committed to upholding the German Sustainability Code (Deutscher Nachhaltigkeitskodex – DNK) and meet the supplementary requirements which specifically apply to the real estate sector. Our DNK Declaration of Compliance is published in the DNK database at www.deutscher-nachhaltigkeitskodex.de/en-gb.

Non-financial statement

As part of our Annual Report 2020, on 25 March 2020 we published our non-financial statement containing supplementary information about environmental, employee and social issues along with the prevention of corruption and human rights violations. By doing so, we fulfil the stipulations of the German Act Implementing the CSR Directive (CSR-Richtlinie-Umsetzungsgesetz – CSR-RUG), which came into force in Germany in 2017. The non-financial statement has undergone a review by the auditing firm KPMG AG in accordance with sections 315b and 315c in conjunction with sections 289c to 289e of the German Commercial Code (Handelsgesetzbuch – HGB). You can find our non-financial statement on page 116 of the Annual Report 2020.

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FOR PEOPLE. FOR TOMORROW.

Dear readers,

Housing had a key role in people's lives even before the coronavirus pandemic, but it has become even more important in these challenging times. Contact restrictions have meant that life took place inside the home to an even greater extent than before, with people increasingly learning, working and spending their leisure time there. This means that people's expectations of their own home and thus also the demands they make of the property market are changing: many would currently like to have more space for a home office or an apartment with access to a garden. For us as landlords the crisis also means protecting our tenants in these difficult times: we are not terminating contracts or sending reminders for rent arrears, and our coronavirus relief fund provides support to tenants and partners experiencing financial distress.

Resilience through a time of change

This unusual year 2020 was not only defined by the COVID-19 pandemic – our inclusion in the DAX® 30 and DAX® 50 ESG was also a crucial milestone. It means higher expectations of our commercial success, but also raises the bar for what is considered a sustainable business model. Policymakers, the general public and our investors are increasingly talking to us about how we can address together the major challenges facing society now and in the future, which will still be relevant when the coronavirus pandemic is over – whether it is climate change or the shortage of housing in big cities. This trend is accompanied by regulatory changes in the context of the European Green Deal, particularly the EU taxonomy for sustainable financial products or the forthcoming supply chain legislation. This gives us confidence that we are on the right path with our sustainability programme, and encourages us to keep refining it and integrate it even more closely with our strategic processes.

Accept challenges

Protecting the climate is one of the most urgent responsibilities of our age and concerns the whole of society. We have therefore begun analysing the risks that climate change poses to our business model on the basis of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Our aim is to show transparently the extent to which our company is prepared for a climate-neutral future, as called for by the Paris Agreement. We will make adjustments wherever they are necessary and make sense. And we want to anticipate to a greater, more forward-looking extent what active contribution we make to a low-carbon economy. This year we are also presenting a climate strategy in which we commit to a climate-neutral property portfolio by 2040 and define the concrete milestones on the way to this objective.

Creating affordable housing in metropolitan areas remains one of the core challenges for our contemporary society. There is no doubt that more has to be built and faster – in a way that respects both the climate and the environment. For this reason we will be investing over EUR 7 billion in the development of sustainable neighbourhoods in the years ahead. On top of this, we are thoroughly refurbishing our properties to make them more energy-efficient. In a process of dialogue with the industry and policymakers we hope to find a common path towards a fair cost-sharing arrangement to finance the necessary measures in the property sector. We have drawn up a concrete proposal to this end and presented it to the

relevant policymakers as our concept for socially responsible climate action. Because only by acting together can we reach the federal government's target of a climate-neutral property sector by 2050.

We do not neglect our strategic sustainability targets in the management of our own portfolio either. Housing itself has to consume fewer resources and become more energy-efficient. The way forward encompasses smart buildings that make use of digitalisation, the internet of things and 5G. We want to leverage the technological innovation that is taking place in this area and make it available to all our tenants.

In this report we not only want to give you some insights into our current activities, but also show how we contribute now and will do so in the years ahead to making the property market fit for the future and to achieving global sustainability targets.

We wish you an interesting read.

Berlin, April 2021



Michael Zahn
Chief Executive Officer (CEO)
of Deutsche Wohnen



Philip Grosse
Chief Financial Officer (CFO)



Henrik Thomsen
Chief Development Officer (CDO)



Lars Urbansky
Chief Operating Officer (COO)



ABOUT DEUTSCHE WOHNEN: BUSINESS MODEL AND GROUP STRUCTURE

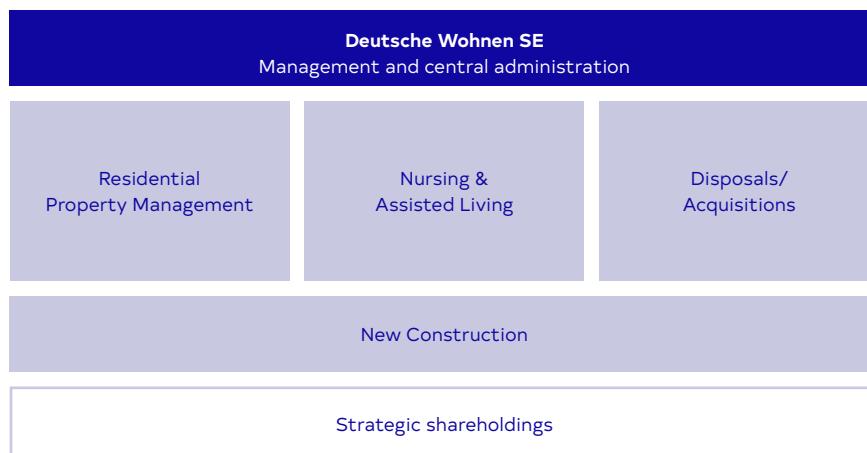
Deutsche Wohnen SE and its subsidiaries (hereinafter referred to as "Deutsche Wohnen") is currently the second largest publicly listed real estate company in Europe, based on its market capitalisation of EUR 15.0 billion. The company is listed on the DAX stock index of the Deutsche Börse and is headquartered in Berlin.

Deutsche Wohnen's property portfolio includes some 155,400 residential units and approximately 2,900 commercial units with a fair value of around EUR 26.2 billion. There are approximately two million apartments in Berlin. With just under 110,500 residential units in the German capital, Deutsche Wohnen has a market share of approximately 6% in the city. Our portfolio also comprises nursing properties with around 10,580 beds and apartments for assisted living with a total value of roughly EUR 1.2 billion.

Deutsche Wohnen only operates in Germany. Our investment focus is on residential properties in German metropolitan areas and conurbations. The economic growth, positive net immigration and insufficient new construction in these regions serve as the basis for the further development of our portfolio. We see expansion into nursing properties as another growth area, above all due to demographic trends.

Deutsche Wohnen has a dual management and supervisory structure with a Management Board and Supervisory Board. The Management Board manages the company and is directly responsible for the conducting of its business operations; its members are appointed by the Supervisory Board. The Management Board develops the strategy, agrees this with the Supervisory Board, and ensures its implementation. In turn, the boards are subordinate to the Annual General Meeting, at which the company's shareholders vote on decisions of importance to the company.

The uppermost tier of Deutsche Wohnen Group is Deutsche Wohnen SE, which functions as a classical holding company.



Management approach
GRI 201

GRI 102-1
GRI 102-3

GRI 102-6
GRI 102-7

GRI 102-4

GRI 102-18

GRI 102-2

**Organisational
structure of Deutsche
Wohnen Group**

→ Annual Report
2020, page 33
[deutsche-wohnen.com/
reporting](http://deutsche-wohnen.com/reporting)

The middle level, where the value creation takes place, comprises the operating companies, which are divided into the segments Residential Property Management, Nursing and Assisted Living, Disposals and Acquisitions, and New Construction. These include Deutsche Wohnen Corporate Real Estate GmbH (DWC), Deutsche Wohnen Construction and Facilities GmbH (DWCF), Deutsche Wohnen Immobilien Management GmbH (DWI), Deutsche Wohnen Kundenservice GmbH (DWKS), Deutsche Wohnen Management GmbH (DWM), Deutsche Wohnen Technology GmbH (DWT), FACILITA Berlin GmbH, SYNVIA media GmbH, PFLEGEN & WOHNEN HAMBURG GmbH and, since 1 February 2020, 100% (previously 49%) of KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH.

The majority of our holdings are managed by our wholly owned subsidiaries. Their activities include managing rental contracts, customer support, technical property maintenance and portfolio development. In addition to on-site quality management handled by our own employees, the infrastructural facility management services comprise in particular traditional caretaker services such as ensuring public safety at our sites, checking estate orderliness and cleanliness, administrative support services and inspections of vacant properties.

As one of the biggest property companies in Germany we intend to make an even greater contribution to the creation of new housing in future, especially in growth regions and attractive metropolitan areas. To do so, we have pooled our construction expertise in a separate platform led by the Quarterback Group, which will implement all of Deutsche Wohnen's new construction projects in future and ensure they are an optimal addition to our portfolio in terms of location and quality.

In the current market environment we continuously review suitable disposal and acquisition opportunities for property portfolios in metropolitan areas and conurbations.

In addition to our core business areas, we offer property-related services through our subsidiaries and strategic shareholdings. This is one way in which we strengthen our customer contact and safeguard service quality.

Deutsche Wohnen SE has been part of the leading German index DAX since 22 June 2020. The decision was made by Deutsche Börse on the basis of its criteria for fast-track inclusion. Market capitalisation and the trading volumes for the Deutsche Wohnen share have risen continuously since our flotation in 1999 and now meet the technical requirements for inclusion in the index. Deutsche Wohnen also forms part of other important indices such as the EPRA/NAREIT, GPR 250, STOXX® Europe 600 and DAX® 50 ESG. BlackRock, MFS, Norges and State Street currently (as at 6 January 2021) hold approximately 31.5% of the shares in Deutsche Wohnen. Deutsche Wohnen has purchased some 4.5% of its own shares as part of a buyback programme. The remaining 64.0% of shares belong to institutional investors and private shareholders in Germany and abroad whose shareholdings do not exceed the statutory reporting threshold of 3%.

GRI 102-10

Attractive residential nursing facilities from Deutsche Wohnen
Responsibility for our customers and properties

→ **Page 52**

Our core business is the management of our own properties.

GRI 102-5



Responsible corporate management

Our targets

Strategically manage sustainability activities

- Adopt a climate strategy for a climate-neutral property portfolio by 2040
- Integrate TCFD recommendations into financial reporting
- Increase transparency and comparability of sustainability performance by participating in relevant ESG ratings
- Develop a framework for green bond financing
- Extend the carbon footprint reporting (Scopes 1–3) to the Nursing and Assisted Living segment

Embed Deutsche Wohnen's sustainability philosophy more strongly in the minds of business partners and suppliers

- Source most products and services from regional suppliers and business partners
- Make the code of conduct for business partners an integral part of framework agreements and standard contracts
- Draw up and implement a standard construction specifications catalogue, including a product catalogue with ecological criteria for new construction and refurbishment

Expand stakeholder dialogue

- Expand sustainability issues in stakeholder communications
- Conduct regular stakeholder surveys on sustainability activities and requirements
- Establish new dialogue formats with political office-holders and opinion leaders at national, state and local level and maintain continuous dialogue with local community players
- Carry out a series of professional discussions on "Life-cycle analysis: methods and approaches for project developers and property owners", with the aim of adopting a sustainable construction policy for Deutsche Wohnen



Assuming responsibility means committing oneself – to:

1. Solving key societal challenges
2. Customer satisfaction and sustainable building
3. One's own employees
4. The environment and climate
5. Society, homes and generations

ADDRESSING CURRENT AND FUTURE CHALLENGES WITH COMMITMENT

GRI 102-44

2020 was a year in which the home became even more important, because many people's lives during the coronavirus pandemic revolved around their apartment to an even greater extent than before. People are turning their attention inwards and are spending much more time within their own home, which they use as a private place to relax and meet with family and friends. For many people, working from home and home schooling also meant that the apartment became both a workplace and a place of learning. Housing is all the more important under these circumstances and in view of its social and ecological dimensions. These factors have to be taken into account with a special sense of responsibility. Deutsche Wohnen is very conscious of this responsibility. It is the compass by which we align our corporate management and strategy.

Above and beyond the current changes, Deutsche Wohnen remains exposed to a number of challenges and has to navigate a web of sometimes conflicting demands and social expectations. These include the ongoing trend towards urban living, which is accompanied by a shortage of housing and rising rents in metropolitan areas and conurbations, where most of our portfolio is situated. This calls for socially acceptable solutions for tenants that take their individual circumstances and income into account and ensure they are adequately protected in case of hardship.

Demographic change and an ageing society are also among the core challenges of our time. Nearly six million people above the age of 65 live alone in their apartment in Germany.¹ By 2030, three million apartments have to be modified or newly built to make them suitable for older people, and answers to structural issues found in the form of new services and ideas for living.²

There is no doubt that the property sector has a key role to play in achieving climate action targets, as one third of carbon emissions in Germany are caused by buildings and their inhabitants. When the new housing our society needs is created, especially in sought-after areas, particular care must therefore be taken not to make the problem worse through the use of carbon-intensive materials such as steel and concrete. Low-emission approaches from the circular economy therefore have to be applied, including the re-use of most materials and the use of natural raw materials such as timber.

Within the industry we have to boost our investments in the digital transformation even further to make our own business models and services more efficient and overcome obstacles, which primarily include a lack of available human resources in the IT sector. Digitisation also has to be used to a greater extent than previously as a key to attaining the sustainability goals efficiently. It is not only about qualitative improvements, but also about reducing the consumption of resources by means of intelligent facility management, which has positive effects for the environment and the climate.



1/3

of carbon emissions are caused by buildings and their inhabitants

1 Destatis, press release no. N 014 dated 27/03/2020.
2 Pestel-Institut, Bundesverband Deutscher Baustoff-Fachhandel: Study "Wohnen 65plus" (Housing for the over 65s), 2019.

In addition, we are also faced with a stricter regulatory environment in the residential property sector. This includes the Berlin rent cap, which discourages investment. Lower rental income means that housing companies in Berlin are not only carrying out significantly fewer new construction projects in the city than planned; 70% of the members of the Berlin association of private property companies (BFW) also intend to stop investing in their portfolio and suspend refurbishment and renovation work. For the residential property market in Berlin, which comprises some 1.5 million rental apartments, this translates into a shortfall of approximately EUR 145 million, which would otherwise be invested to maintain the fabric of the buildings and improve their energy efficiency, and which will no longer flow to the building industry in Berlin, which employs tens of thousands of people.³ As a result, experts have identified a downturn in investment, particularly as far as the modernisation and modification of existing properties and the building of new rental properties is concerned.⁴ The rent cap is already having a chilling effect on the Berlin residential property market: in the first three quarters of 2020 the number of apartments built before 2014 and available for rent fell by 47%. Low-cost apartments also declined as a proportion of the total supply.⁵

Intervention like the rent cap also weakens the economic foundations of our business model. Deutsche Wohnen will only be able to meet increasing ecological and social expectations if the company has the necessary financial strength to do so. As a DAX company we also have a responsibility to strengthen this economic pillar of a sustainable business and meet investor expectations with respect to our long-term share performance and the valuation of our portfolio.

Our sustainability strategy

Our sustainability strategy and sustainability reporting are based on our five areas of action. As a primary area of action, responsible corporate management provides the framework for the other areas of action also set out in our mission statement. These include responsibility for our customers, our property portfolio and its socially ethical refurbishment, new construction and our employees. Furthermore, we pay attention to the impact of our business activities on the environment and the climate and are committed to supporting communities on our estates and the surrounding areas.

We firmly believe that acting sustainably is key to future-proofing Deutsche Wohnen as well as to the benefit of our stakeholders. A strategic approach and consistent embedding of sustainability in our company's daily workflows are thus a top priority for us. We strive to play a leading role in this field within the residential property industry and to enhance the transparency and comparability of sustainable activities.

Our sustainability strategy aims to address challenges with commitment and responsibility, and to find practicable solutions based on compromise, despite the conflicting demands described above. We want to reconcile these different expectations and requirements – without losing sight of quality, financial viability, and our social and ecological responsibility.



Our sustainability
mission statement

[deutsche-wohnen.com/en/
sustainability-mission-
statement](https://deutsche-wohnen.com/en/sustainability-mission-statement)

³ BFW Landesverband Berlin/Brandenburg e.V.: "BFW-Umfrage zum Mietendeckel: Ab November muss für fast jede dritte Wohnung in Berlin die Miete abgesenkt werden" (BFW survey on rent cap: Rents have to be reduced for almost one in three apartments in Berlin from November), 20/07/2020.

⁴ Investitionsbank Berlin: IBB residential property market barometer 2020, September 2020.

⁵ German Economic Institute: "Berliner Mietendeckel: Schon jetzt ein Problem für Wohnungssuchende" (Berlin rent cap: already a problem for apartment-hunters), 23/11/2020.

Our aim is to create affordable and simultaneously climate-neutral accommodation in metropolitan areas with modern, sustainable neighbourhoods that combine housing, working and living. In order to measure our performance against specific criteria, we aim for our new construction projects to be certified to DGNB Gold standard. Given the growing proportion of elderly people in the population, we are expanding the Nursing and Assisted Living segment and counting on new housing concepts that make living more comfortable in old age.

We believe that climate action is the responsibility of society as a whole and can only be achieved by policymakers, businesses and residents working together. As the second-largest property company in Germany we want to assume our responsibilities in this area and are investing extensively in the quality, future viability and energy efficiency of our portfolio. With a view to sector coupling, we will focus on providing our tenants with emission-free electricity from renewable sources via photovoltaic systems and on efficient and decentralised heat generation, as well as on offering sustainable mobility concepts in our neighbourhoods. Together, these areas represent our contribution to reducing carbon emissions and achieving the national climate protection goals. When carrying out energy-efficiency refurbishment work, we take a socially conscious approach in order to ensure our tenants are not subjected to excessive burdens.

We invest in the digitisation of processes to improve our response times for tenant requests and so increase our customer satisfaction ratings. Automated and intelligent building systems, such as MiA, increase both efficiency and convenience. We also make deliberate use of digital technologies to boost our resource efficiency.

As a strong partner within the urban community we also create liveable, cosmopolitan and healthy estates and support art, culture, education and sport. To this end we rely on cooperation and dialogue with our tenants, and with numerous associations, initiatives and representatives of government, public authorities and civil society.

Green Corporate Bond placement

For the first time, Deutsche Wohnen has issued two green corporate bonds on the capital markets in the total amount of EUR 1 billion with an average term of 15 years and an average annual interest rate of 0.90%.

Green bonds make it possible to combine debt capital financing with Deutsche Wohnen's sustainability strategy. The net proceeds from the issue will be used to finance green projects. As a result, Deutsche Wohnen will, in future, be able to invest more both in the acquisition and construction of climate-friendly buildings and in the energy-efficiency refurbishment of its existing buildings.

The very successful issue is a clear proof of the attractiveness and sustainability of our business model and thereby a clear signal of the market to continue to pursue our sustainability strategy steadfastly and to make a significant contribution to sustainable housing in Germany.

Strategic sustainability programme – update for 2021

Responsible corporate management

Strategic target	Operationalised targets	Deadline
Strategically manage sustainability activities	<ul style="list-style-type: none"> - Adopt a climate strategy for a climate-neutral property portfolio by 2040 - Integrate TCFD recommendations into financial reporting - Increase transparency and comparability of sustainability reporting by participating in relevant ESG ratings - Develop a framework for green bond financing - Extend the carbon footprint reporting (Scopes 1–3) for the Nursing and Assisted Living segment 	 2021  2021 Annually  2021  2021
Embed Deutsche Wohnen's sustainability philosophy more strongly in the minds of business partners and suppliers	<ul style="list-style-type: none"> - Source most products and services from regional suppliers and business partners - Make the code of conduct for business partners an integral part of framework agreements and standard contracts - Draw up and implement a standard construction specifications catalogue, including a product catalogue with ecological criteria for new construction and refurbishment 	Annually  2021  2021
Expand stakeholder dialogue	<ul style="list-style-type: none"> - Expand sustainability issues in stakeholder communications - Conduct regular stakeholder surveys on sustainability activities and requirements - Establish new dialogue formats with political office-holders and opinion leaders at national, state and local level and maintain continuous dialogue with local community players - Carry out a series of professional discussions on "Life-cycle analysis: methods and approaches for project developers and property owners", with the aim of adopting a sustainable construction policy for Deutsche Wohnen 	Annually  2021 Annually  2021

Responsibility for our customers and properties

Strategic target	Operationalised targets	Deadline
High level of customer satisfaction	<ul style="list-style-type: none"> - Conduct regular, systematic tenant surveys - Shorten time taken to respond to and process tenant enquiries by means of process optimisations and ongoing development of tenant dialogue formats - Sensitise tenants to and educate them about resource-conserving behaviour and cleanliness in their neighbourhood - Make services available to tenants in the area of electricity supply and e-mobility (charging infrastructure and Mobility Club) - Build 20 new, inclusive and long-lasting playgrounds on our estates - Involve tenants in the ecological makeover of their surroundings by means of projects (sponsoring trees and insect hotels, tenant gardens, flower boxes, urban farming) - Implement the "Wohnen PLUS" strategy in the Nursing segment (ensuring growth, quality leadership and central coordination of multi-brands) 	Annually Annually Annually  2021  2025 Annually  2021

Responsibility for our customers and properties

Strategic target	Operationalised targets	Deadline
Portfolio meets good, up-to-date, future-proof quality criteria, thereby exceeding the industry standard long-term	<ul style="list-style-type: none"> - Annual portfolio investments of approximately EUR 300 million in refurbishing holdings - Review certification options for existing portfolio estates using DGNB criteria 	 2021 Annually
Create new, certified estates in conurbations	<ul style="list-style-type: none"> - Investment programme of around EUR 7 billion for the new building of residential, nursing and office properties with 18,000 residential units and 350,000 sqm of commercial space. - Create new Gold Standard estates for some 10,000 customers according to DGNB criteria 	 2030  2025

Responsibility for our employees

Strategic target	Operationalised targets	Deadline
Enhance the attractiveness of the employer brand	<ul style="list-style-type: none"> - On the <i>kununu</i> rating platform, Deutsche Wohnen ranks among the top three employers of selected private or municipal housing companies (based on score) - The majority of staff members (> 70%) are satisfied with Deutsche Wohnen as an employer - Employee-initiated terminations remain at a consistently low level (< 7%) - More than 50% of the workforce makes use of the option of working from home and uses the <i>digital workplace</i> (MS Teams) for communicating and collaborating - Introduction of a model for flexible working hours to meet individual needs in different phases of life 	 2021  2021  2021  2021  2021
Greater diversity and inclusivity	<ul style="list-style-type: none"> - Comply with code of conduct - Appoint women to at least 40% of executive positions within the Deutsche Wohnen Group - Use gender-inclusive language in the company - Support/strengthen diversity/individuality by developing activities in accordance with the <i>Diversity Charter</i> 	Annually  2021  2021  2021

Responsibility for the environment and the climate

Strategic target	Operationalised targets	Deadline
Climate-neutral property portfolio	<ul style="list-style-type: none"> - Climate strategy with concrete activities and milestones 	 2040
Promote climate-friendly mobility	<ul style="list-style-type: none"> - Migrate the company car fleet to alternative drives - Build 2,000 charging stations for electric vehicles - Build 5,000 bicycle stands in the estates - Introduce a mobility policy throughout Germany to promote the use of public transport for travelling to work and for work trips. The aim is to gradually increase the proportion of employees travelling to work on public transport. (As at 12/2020: ~25%) 	 2024  2030  2025  2021

Responsibility for the environment and the climate

Strategic target	Operationalised targets	Deadline
Promote ecological upgrades and increase biodiversity of the estates	<ul style="list-style-type: none"> - Only plant new trees from the list of resilient species to maintain tree stock and increase its vitality (around 70% of the trees have a vitality level of 0–2) - Replant all front gardens in Berlin estates where shrubs and bushes are past their best - Ecologically upgrade the estates by replacing impervious surfaces with gravel paths, rainwater management and increasing the proportion of green facades (in optimal locations) - Increase urban meadows by 3,000 sqm a year as part of the project series <i>Homes for Bees</i> 	 2025  2025  2021  2025

Responsibility towards society

Strategic target	Operationalised targets	Deadline
Expand, continue and structure corporate social responsibility activities	<ul style="list-style-type: none"> - Implement a guideline for social and cultural activities - Commit to supporting youth sport 	 2021  By 2023
Promote a vibrant neighbourhood structure	<ul style="list-style-type: none"> - At least 25% of new apartment lettings will be to tenants entitled to a certificate of eligibility for social housing - Promote small business use within the portfolio - Establish links to social agencies within the estates - Sponsor young artists and urban art in the estates - Deliver on the promise to the tenants relating to the hardship clause in the case of rent increases (following modernisation measures and rent index adjustments) 	Annually Annually Annually Annually Annually

Strategic sustainability programme – status in 2020

Responsible corporate management

Strategic target	Operationalised targets	Status
Strategically manage sustainability activities	<ul style="list-style-type: none"> - Concept for incorporating the recommendations of the TCFD⁶ into Group reporting - Make carbon footprint quantifiable via upstream and downstream supply chains to refine the investment strategy for the achievement of the climate protection goals - Add energy efficiency criteria to the portfolio management system - Digitise and optimise processes throughout the company to safeguard competitiveness 	<ul style="list-style-type: none"> - Present in Sustainability Report 2020 - Scope 3 has been expanded to include main types of construction materials and integrated into the carbon footprint for 2020 - Develop a strategy for a climate-neutral property portfolio by 2040 - Start of the digital workplace 2020 - Implement HERMI, a digital data recording tool for tenant turnover - Realise 360° digital viewing appointments - Improve services in the Deutsche Wohnen customer portal
Embed Deutsche Wohnen's sustainability philosophy more strongly in the minds of business partners and suppliers	<ul style="list-style-type: none"> - Source most products and services from regional suppliers and business partners - Pay greater attention to ecological aspects in conjunction with procurement in the supply chain 	<ul style="list-style-type: none"> - As before, approximately 80% of contracts for maintenance/refurbishment and new construction projects are awarded to regional suppliers/business partners - Expand in-house services from FACILITA, use battery-powered appliances and electric vehicles - Planning and construction partners are required to uphold the relevant sustainability targets set both in their contracts and in project agreements (especially DGNB Gold standard in new construction) - Draw up a standard construction specifications catalogue, including a product catalogue, to combine the quality standards for new building and refurbishment projects
Expand stakeholder dialogue	<ul style="list-style-type: none"> - Expand sustainability issues in stakeholder communications - Conduct regular stakeholder surveys on sustainability activities and requirements - Establish new dialogue formats with political office-holders and opinion leaders at national, state and local level and maintain continuous dialogue with local community players 	<ul style="list-style-type: none"> - Integrate into investor communications, take part in relevant ESG rating assessments, inclusion in the DAX® 50 ESG - Next survey will be conducted in autumn 2021 - Organise first climate event on 7 October 2020 and present <i>Concept for socially responsible climate action in the property sector</i>

6 Task Force on Climate-related Financial Disclosures

Responsibility for our customers and properties

Strategic target	Operationalised targets	Status
High level of customer satisfaction	<ul style="list-style-type: none"> - Conduct regular, systematic tenant surveys - Shorten time taken to respond to and process tenant enquiries by means of process optimisations and ongoing development of tenant dialogue formats - Sensitise tenants to and educate them about resource-conserving behaviour and cleanliness in their neighbourhood - Implement smart home solutions to enhance safety, security and service 	<ul style="list-style-type: none"> - In Q3/2020 the annual tenant survey was carried out with 31,000 households - Central Customer Service was launched in 2020 - Continuous process to make tenants more aware of separating and avoiding waste and recycling, featuring notices in the entrance halls and cooperation with the Berlin waste disposal company on the estates in Berlin-Hellersdorf - In 2020, the keyless locking system KIWI was fitted to approximately 2,400 doors and can be used by tenants; the smart home solution M/A has been installed in approximately 700 apartments in Berlin and Leipzig
Portfolio meets good, up-to-date, future-proof quality criteria, thereby exceeding the industry standard long-term	<ul style="list-style-type: none"> - Annual portfolio investments of approximately EUR 300 million in refurbishing holdings - Investments of around EUR 1 million in the area of smart buildings for digital access doors 	<ul style="list-style-type: none"> - As part of investment in the portfolio, some EUR 365 million were invested in maintenance and refurbishment of the holdings in 2020 - Around 40% of the buildings are equipped with the electronic key and access system KIWI
Create new, certified estates in conurbations	<ul style="list-style-type: none"> - Investment programme to create new estates for up to 10,000 customers in compliance with recognised sustainability certification systems (NaWoh or DGNB) 	<ul style="list-style-type: none"> - In 2020, 44 residential units were completed with NaWoh certification; future new construction projects will be planned and realised to DGNB Gold standard

Responsibility for our employees

Strategic target	Operationalised targets	Status
Ensure there is no discrimination	<ul style="list-style-type: none"> - Comply with code of conduct - Appoint women to at least 40% of executive positions within the Deutsche Wohnen Group 	<ul style="list-style-type: none"> - No violations reported to the whistle-blower system  - 42.4% of executives are women 
Enhance the attractiveness of the employer brand	<ul style="list-style-type: none"> - On the <i>kununu</i> rating platform, Deutsche Wohnen ranks among the top three employers that are private or municipal housing companies (based on score) - The majority of staff members (> 70%) are satisfied with Deutsche Wohnen as an employer - Employee-initiated terminations remain at a consistently low level (< 7%) - More than 50% of the workforce makes use of the option of working from home and uses the <i>digital workplace</i> (MS Teams) for communicating and collaborating 	<ul style="list-style-type: none"> - Maintain <i>kununu</i> score of 3.9 in 2020; top three employers in selected public and private residential property management companies and top five companies in DAX® 30  - The recommendation rate on <i>kununu</i> increased to 84% in the reporting year  - Year-on-year improvement with a ratio of 4.3% (2019: 5.8%)  - Some 89% of our employees worked from home on around 45,000 days in 2020, which is largely due to the effects of the coronavirus pandemic 

Responsibility for the environment and the climate

Strategic target	Operationalised targets	Status
Maintain commitment to saving 20,000 t of CO ₂ emissions a year	<ul style="list-style-type: none"> - Combination of measures to permanently avoid CO₂ emissions (sourcing green power, operating PV systems/CHP plants) 	<ul style="list-style-type: none"> - 15,800 tonnes of CO₂ emissions were avoided in 2020 (green power: approx. 11,800 t CO₂e; photovoltaic systems: approx. 440 t CO₂e; CHP plants: approx. 3,600 t CO₂e) 
Save 20,000 t of CO ₂ emissions annually from 2022 onwards	<ul style="list-style-type: none"> - Complete energy-related refurbishment of holdings to save a total of 15,000 t of CO₂ (annually) - Gradually switch energy sources and replace outdated heat generation plants by transitioning to modern systems to save a total of 5,000 t of CO₂ (annually) 	<ul style="list-style-type: none"> - 2015-2020: around 8,000 complex refurbishments of residential units with approximately 7,500 t CO₂e p.a. (reduction of around 1 t/RU/p.a.)  - 2017-2020: around 4,870 t CO₂e p.a. (modernisation of technical systems: 3,430 t CO₂e; smart building (MiA): 180 t CO₂e; changing fuel source: 1,260 t CO₂e) 
Promote climate-friendly mobility	<ul style="list-style-type: none"> - Systematic migration of the company car fleet to alternative drives - Development of a concept to promote individual mobility in the estates - Introduce a mobility policy throughout Germany to promote the use of public transport for travelling to work and for work trips. The aim is to gradually increase the proportion of employees travelling to work on public transport. (As at 12/2019: ~25%) 	<ul style="list-style-type: none"> - Five conventionally powered company cars were replaced by hybrid vehicles in 2020  - 20 PV systems were installed in Berlin-Hellersdorf; are also to be available in future for charging electric vehicles on the estates; dialogue with municipalities to expand public transport options, provide alternative mobility concepts such as car sharing and bike-friendly grounds and parking areas  - Concept with multiple service components completed in 2020, including the use of e-bikes and public transport; implementation postponed to 2021 due to the pandemic 

Responsibility towards society

Strategic target	Operationalised targets	Status
Expand, continue and structure corporate social responsibility activities	<ul style="list-style-type: none"> - Implement a guideline for social and cultural activities - Draft a concept for taking issues of building culture into account more strongly when completing new construction and refurbishment projects - Commit to supporting youth sport 	<ul style="list-style-type: none"> - Work continued in 2020 on a holistic sponsoring and engagement strategy for art, culture, sport and civil society; results will be finalised in 2021 and implemented as part of specific policies - Cooperation with the Federal Foundation Baukultur to organise a series of professional workshops to discuss methods and approaches of life-cycle analysis for project developers and owners of properties - Deutsche Wohnen is the official main and strip sponsor of the Berlin handball club Berliner Füchse until at least summer 2024; confirmation of the long-term partnership concentrating on up-and-coming talent
Promote a vibrant neighbourhood structure	<ul style="list-style-type: none"> - 25% of new apartment lettings will be to tenants entitled to a certificate of eligibility for social housing - Promote small business use within the portfolio - Establish links to social agencies within the estates - Deliver on the promise to the tenants relating to the hardship clause in the case of rent increases (following modernisation measures and rent index adjustments) 	<ul style="list-style-type: none"> - 30% of new apartment lettings were let to tenants entitled to a certificate of eligibility for social housing in the reporting year - Small businesses account for around 60% of commercial space and 11% is let to social institutions - Intensify cooperation and support for associations and social organisations such as Housing First and #Sicherheim, particularly during the coronavirus pandemic - Reiterate promise that no tenant will lose their apartment because of the coronavirus pandemic; EUR 30 million corona relief fund for tenants and service providers
		Target achieved ✓ Target not met ✗ On target ↗ Work in progress ☰

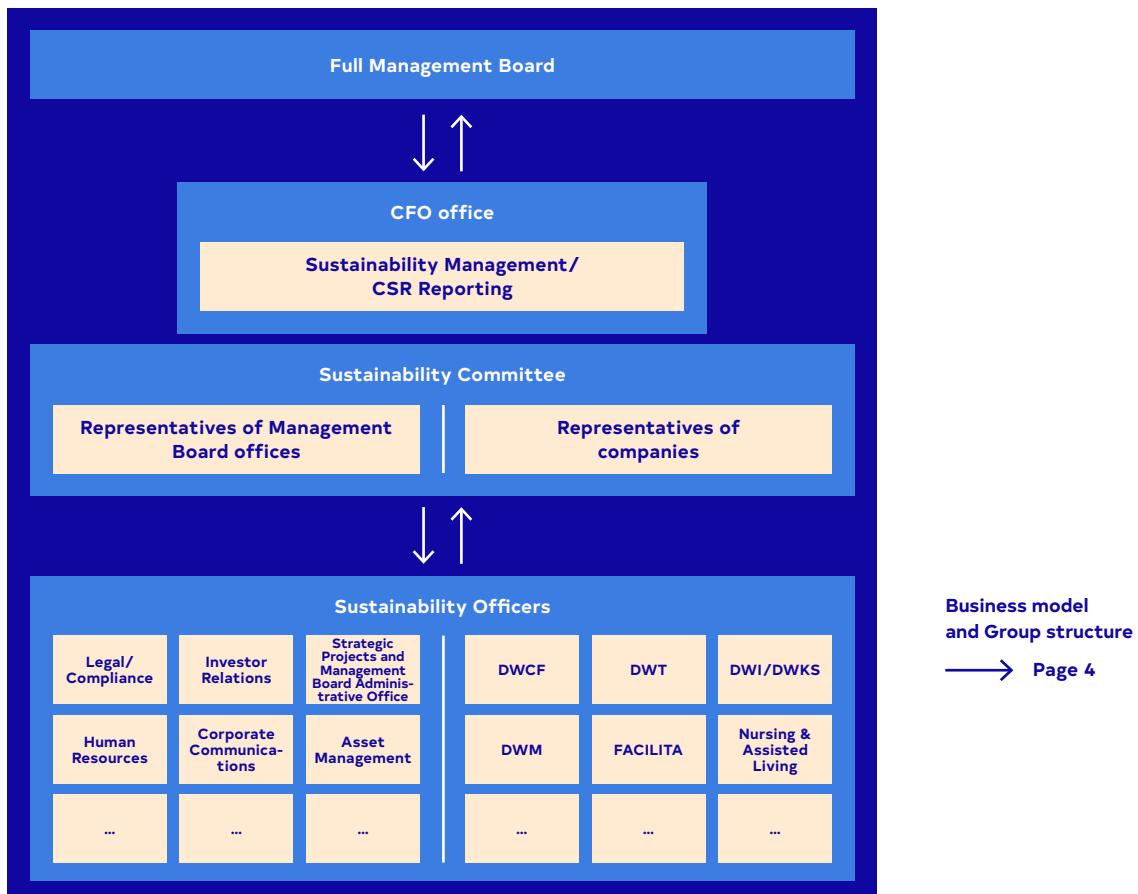
Target achieved ✓ Target not met ✗ On target ↗ Work in progress ☰

LAYING THE STRATEGIC FOUNDATION

Our sustainability strategy and sustainability reporting on relevant issues are based on our five areas of action. This enables us to constantly monitor aspects which are important for our business activities as well as the latest developments.

Sustainability is firmly embedded in the company

The Management Board has overall responsibility for the sustainability strategy, climate-related targets and the ensuring decisions on the investment strategy. We established an interdisciplinary sustainability committee in 2018 with a remit comprising the strategic management and further development of sustainability within the company. The Sustainability Committee is chaired by the Chief Financial Officer (CFO) and is managed by the direct report, Sustainability Management/CSR Reporting. The committee members represent the relevant departments in the Group. Throughout the year, the committee convenes regularly to discuss relevant topics. In the reporting year, these included the (regulatory) requirements for non-financial reporting (compliance with CSR-RUG, NAP, EU Taxonomy, TCFD, etc.), the effects of climate change and the resulting opportunities and risks, and concrete matters relating to the integration of sustainability topics into our operating processes. On this basis the committee is responsible for continuously refining and evaluating the sustainability strategy and monitoring performance against targets.



Our sustainability
mission statement

[deutsche-wohnен.com/en/
sustainability-mission-
statement](https://deutsche-wohnен.com/en/sustainability-mission-statement)

GRI 102-18

Identifying material topics, defining frameworks

A materiality analysis to define the foundation for the strategy was carried out in 2018 and updated in summer 2020.

The core element of the materiality analysis completed in 2018 was a comprehensive stakeholder survey, for which we contacted around 670 representatives of the company's various stakeholder groups. In addition, we conducted expert interviews with representatives of the following stakeholder groups: policymakers and trade associations, the media, analysts, investors, tenant associations, and business partners.

We updated our materiality analysis in summer 2020 and re-evaluated the sustainability topics that are particularly relevant for Deutsche Wohnen in terms of the three dimensions: *impact of the company*, *relevance for the company* and *relevance for stakeholders*. The members of Deutsche Wohnen's Sustainability Committee assessed the economic, ecological and social impact of the company's business and the short-term relevance for the company on the basis of the updated list of topics. Selected committee members with a particularly close connection to the various stakeholder groups also estimated how important the topics were for Deutsche Wohnen's stakeholders.

A consolidated validation of the materiality analysis in the reporting year enabled us to harmonise and sharpen our latest sustainability report in accordance with the standards of the Global Reporting Initiative (GRI) and the German Act Implementing the CSR Directive (CSR-RUG). As the GRI and CSR-RUG apply differing interpretations of materiality, we have decided to continue to follow that of the GRI Standards for determining the material topics in this sustainability report in terms of the impact of the company's business on the environment, society and ecology, and relevance for stakeholders.

GRI 102-40
GRI 102-42
GRI 102-43
GRI 102-44
GRI 102-46
GRI 102-47
GRI 102-49

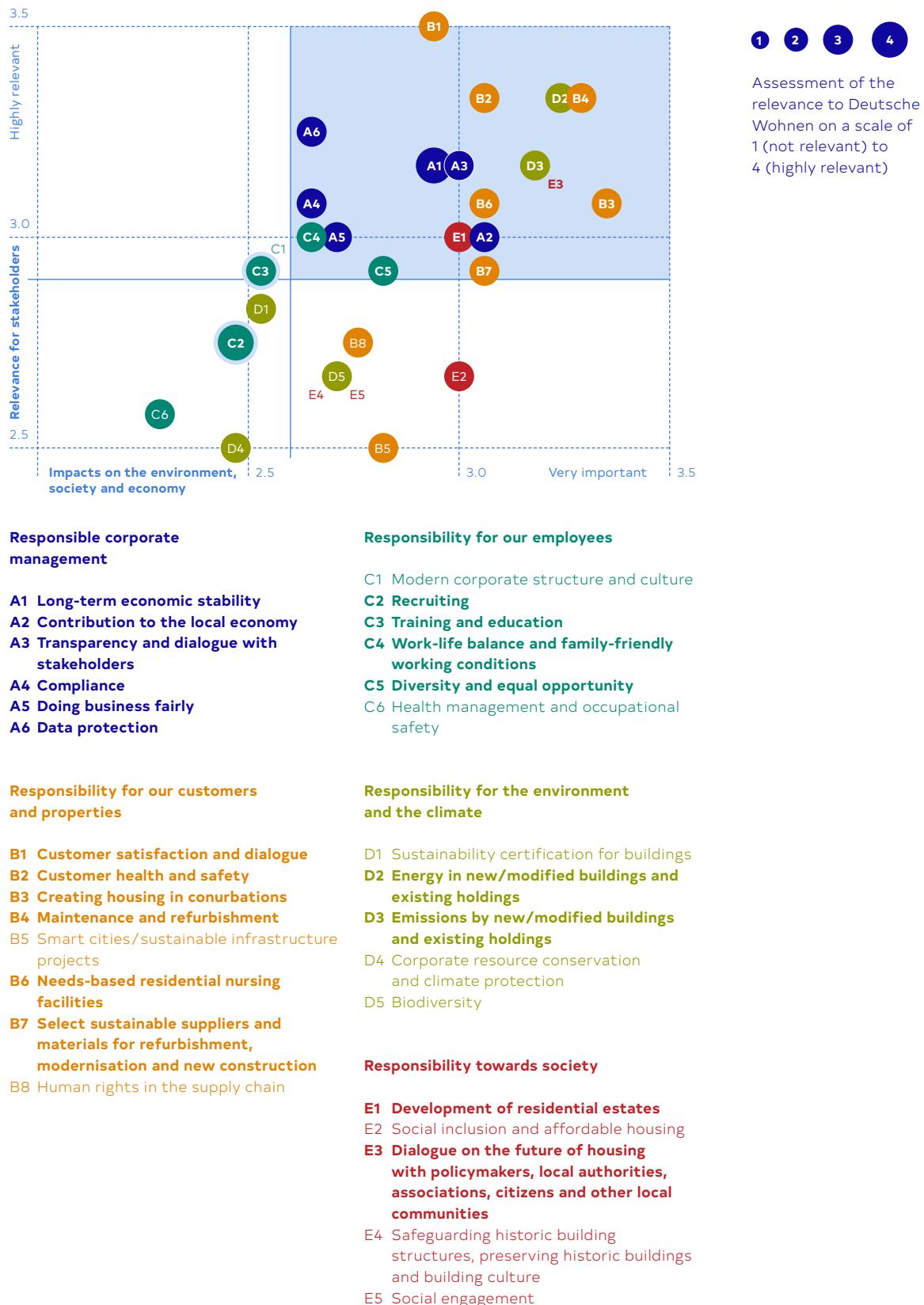
**Systematic materiality
analysis with stakeholder
involvement**

→ Sustainability
Report 2019, page 21

List of material topics

Areas of action	Topics	GRI Standards
Responsible corporate management	<ul style="list-style-type: none"> - Long-term economic stability - Contribution to the local economy - Transparency and dialogue with stakeholders - Compliance - Doing business fairly - Data protection 	GRI 201 Economic Performance GRI 203 Indirect Economic Impacts GRI 205 Anti-corruption GRI 206 Anti-competitive Behaviour GRI 207 Taxes GRI 307 Environmental Compliance GRI 415 Public Policy GRI 414 Supplier Social Assessment GRI 418 Customer Privacy GRI 419 Socioeconomic Compliance
Responsibility for our customers and properties	<ul style="list-style-type: none"> - Customer satisfaction and dialogue - Customer health and safety - Creation of housing in conurbations - Maintenance and refurbishment - Needs-based residential nursing facilities - Selection of sustainable suppliers and materials for maintenance, modernisation and new construction work 	GRI 204 Procurement Practices GRI 301 Materials GRI 308 Supplier Environmental Assessment GRI 413 Local Communities GRI 414 Supplier Social Assessment GRI 416 Customer Health and Safety
Responsibility for our employees	<ul style="list-style-type: none"> - Recruiting - Training and education - Work-life balance and family-friendly working conditions - Diversity and equal opportunity 	GRI 401 Employment GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity GRI 406 Non-discrimination
Responsibility for the environment and the climate	<ul style="list-style-type: none"> - Energy in new/modified buildings and existing holdings - Emissions by new/modified buildings and existing holdings 	GRI 302 Energy GRI 305 Emissions
Responsibility towards society	<ul style="list-style-type: none"> - Development of residential estates - Dialogue on the future of housing with policy-makers, local authorities, associations, citizens and other local communities 	GRI 203 Indirect Economic Impacts GRI 413 Local Communities

Deutsche Wohnen's materiality matrix



Our contribution to reaching the United Nations' Sustainable Development Goals

GRI 102-15

We share the belief that global challenges can only be overcome if developing countries, emerging countries and industrialised nations work together. We therefore welcome the adoption of the 2030 Agenda by the United Nations, which aims to enable global economic progress to be made in harmony with social justice and environmental protection. The Agenda was adopted in 2015. Its heart is formed by the 17 Sustainable Development Goals (SDGs). The 17 SDGs mark the first time that all three dimensions of sustainability – social, environmental and economic – have been considered in equal measure. They are preceded by five core themes which provide overarching guidance: people, planet, prosperity, peace and partnership.

We want to consistently link the SDGs with our sustainability strategy and will provide information on our related activities in our current and future reporting. To this end, we have selected the SDGs which we can effectively help to achieve through our business activities and which correspond to our key sustainability issues. These are Good Health and Well-being (SDG 3), Affordable and Clean Energy (SDG 7), Industry, Innovation and Infrastructure (SDG 9), Sustainable Cities and Communities (SDG 11), Climate Action (SDG 13), Life on Land (SDG 15) and Partnerships for the Goals (SDG 17).

Upholding human rights

We see upholding human rights as an elementary part of responsible corporate management. This commitment is laid down in our fundamental human rights declaration, as are specific responsibilities within the company. This is intended to ensure that human rights are respected in all areas of our business.

It includes protecting our tenants against discrimination, which is one of the principles laid down in our house rules. Our residential buildings should offer protection from all forms of hostility. We do not tolerate denigration and threats, and we systematically investigate any complaints made.

Deutsche Wohnen furthermore expects its business partners to fulfil their human rights due diligence obligations and to ensure their own business partners, subcontractors or service providers do likewise. The code of conduct for Deutsche Wohnen business partners clarifies these expectations on the basis of the applicable Conventions of the International Labour Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights. In the reporting year, we also analysed parts of our value chain from a human rights risk perspective, following the National Action Plan for Business and Human Rights adopted by the federal government.

 **Our contribution to the Sustainable Development Goals**

[deutsche-wohnenn.com/en/
contribution-to-the-sdgs](http://deutsche-wohnenn.com/en/contribution-to-the-sdgs)



Ensuring a sustainable supply chain and use of materials

Responsibility for our customers and properties

→ Page 60

Analysis of potential human rights risks in the value chain

Responsibility for our customers and properties

→ Page 32

CLOSE, TRUST-BASED DIALOGUE WITH OUR STAKEHOLDERS

Management approach
GRI 415

As a large private enterprise in the housing industry, many different interests converge upon us. Our clients, shareholders and employees – as well as academics, policymakers, authorities and the general public – rightly monitor how we fulfil our responsibility. The different – and at times contradictory – demands and views on our sustainability activities continue to pose a challenge for us. However, we also see them as an opportunity to strategically embed responsible corporate management even more stringently and to integrate it into our day-to-day activities.

Although we cannot fully reconcile all such conflicts, we strive to strike a fair balance between the various needs and interests. We can only achieve this via trust-based dialogue with our stakeholders and a focused, transparent process of communication. Our aim is to continue developing our dialogue with stakeholders going forward. Systematic, regular surveys of our various stakeholder groups concerning our sustainability performance are among the most important instruments here. At the same time, we are developing new formats for this dialogue with policymakers and opinion leaders at federal, regional and municipal levels and are increasing our interactions with representatives of civil society.

Varied formats for exchanging views with partners and interest groups

GRI 102-40
GRI 102-42
GRI 102-43

Alongside our website and communication through social networks, we use formats and communication channels which are targeted at specific groups in order to engage with our stakeholders and strike up a dialogue with them.

Stakeholder group	Specific dialogue formats and frequency
(Prospective) customers (tenants/buyers)	Service points/customer service offices, letting teams, central customer service, customer portal, brochures, estate parties, exhibitions, tenant information events and tenant offices when refurbishment work is planned, tenant consultations, personal meetings/viewing appointments, tenant survey
(Prospective) employees	Intranet, brochures (for example about traineeships), Young Talent Day, biennial employee surveys, annual employee feedback meeting, focus group (quarterly), addresses by the Management Board on specific issues (usually twice yearly), exhibitions, employee newsletter <i>bruno</i> , welcome package and welcome day for new employees, conventions
Investors and analysts (including rating agencies)	Annual reports, quarterly reports, sustainability reports, financial calendar, presentations, webcasts, ad hoc notifications, corporate news, directors' dealings, Annual General Meeting, property tours, roadshows, one-on-ones, (banking) conferences, attendance at trade fairs, teleconferences when annual and quarterly reports are published, ESG ratings
Business partners	Annual reports, quarterly reports, sustainability reports, attendance at trade fairs, invitations to tender

Stakeholder group	Specific dialogue formats and frequency
Policymakers and trade associations	Annual reports, sustainability reports, corporate brochures, discussion panels and expert forums, political initiatives and alliances, agreements with boroughs concerning the responsible execution of maintenance and refurbishment measures, one-to-one meetings
Media	Annual reports, sustainability reports, corporate brochures, press releases and meetings, conferences, one-to-one meetings, teleconferences when annual and quarterly reports are published, interviews

Commitment to dialogue on climate protection and urban development
Responsibility towards society

→ **Page 106**

GRI 102-44

In dialogue with...

... our customers

For our business activities to succeed, it is essential that we adjust to the needs and requirements of our approximately 300,000 customers. One of the main objectives of our strategic sustainability programme is therefore to increase customer satisfaction. Valuable feedback comes particularly from our regular tenant surveys. We have staff on hand within the estates to deal with questions and concerns at our Service Points, customer service sites and letting offices. Central Customer Service is also the main point of contact for our customers when they wish to make a request in any one of a variety of different areas.

Especially when we are planning complex refurbishment measures, we want to involve our clients in design-related decisions early on to foster a sense of identification with their estate. We provide a full range of information and always take the time to hear about our customers' concerns and worries. With our voluntary commitment, entitled *Our promise to our tenants*, we initiated a comprehensive set of measures that revolve around social balance and the individual circumstances and income of our tenants. At the same time, interested individuals can contact us via tenant information events and tenant consultations or in person.

In our annual surveys we can ascertain the extent to which the steps we have taken contribute to increasing satisfaction with the housing situation, and where there is still a need for improvement.

... our employees

We maintain active dialogue with our employees based on our values as an employer, which centre on fair, respectful dealings with one another. Regular, structured staff performance reviews, biennial staff surveys and specific employee pulse surveys provide important insights into the needs and satisfaction of our workforce. These also form the basis of our strategic staff and organisational development activities. Instead of a full employee survey in 2020, we carried out a pulse survey of the current situation among the workforce, with a focus on the particular demands made on work by the pandemic.

More information on the survey: Challenges of the coronavirus pandemic

Responsibility for our employees

→ **Page 73**



... financial market participants

The Investor Relations team talked to more than 500 investors in the reporting year. Due to the coronavirus pandemic and the resulting precautions and travel restrictions, these talks were conducted exclusively via virtual meetings and conference calls in recent months. The Annual General Meeting in 2020 also took place online for the first time. Visits to the individual properties were only possible in the first months of 2020 due to the contact restrictions. Dialogue took place worldwide, but principally with European, UK and US investors and shareholders. This allowed us to offer them a transparent insight into our business model and strategy as well as present our future development prospects.

Sustainability-specific topics also feature more often in our talks with investors. Here we have increasingly addressed our environmental, social and governance (ESG) strategy in particular in financial market communications and intend to expand this further. In the area of climate protection especially, we are noticing an increased level of interest on capital markets regarding how we handle climate-related risks and about the impact these have on the business activities of Deutsche Wohnen. The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) serve as an important framework for action here, which we intend to comply with in full in the future. In the reporting year we developed a concept that will enable us to implement the TCFD recommendations in future.

In addition, in the first quarter of 2021, we set up a green finance framework that enables us to procure green financing.

... business partners

We strive for fair, long-term partnerships with the companies and tradespeople in our supply chain. Furthermore, we maintain ongoing talks with our long-term partners in the financial industry concerning the financing terms for our property portfolio and for acquisitions. The strong element of trust involved in our dialogue with these partners can be attributed to the transparency of our business model, our conservative investment profile and the often long-standing nature of our business relationships.

... media representatives

We maintain regular contact with various media representatives by means of press conferences, up-to-date press releases and numerous one-on-one meetings with journalists. This helps us to contribute towards an objective debate about affordable housing – a subject which is sometimes emotionally charged. In addition, we initiate our own public events, on our climate action concept, for example, and ensure our suggestions are heard by participating in various professional panels.

**Recommendations
of the Task Force on
Climate-related Financial
Disclosures (TCFD)**

→ [Page 144](#)

**Commitment to dialogue
on climate protection
and urban development
Responsibility
towards society**

→ [Page 106](#)

Transparent sustainability figures

We constantly strive to make our reporting more transparent. Our activities in this regard are guided by the most important assessment systems and ratings used by our industry. In the year under review, Deutsche Wohnen was commended with the *EPRA Sustainability Gold Award* for the fourth consecutive time. EPRA (European Public Real Estate Association) represents the interests of publicly listed property companies. Its Sustainability Awards are aimed at encouraging firms in the real estate industry to adopt greater transparency and openness in their sustainability reporting in accordance with the EPRA Best Practices Recommendations on Sustainability Reporting (EPRA sBPR). In addition to the environmental impact of the portfolio and the company's administrative locations, Deutsche Wohnen's EPRA Sustainability Reporting 2020 includes key performance indicators relating to social and corporate management issues.

Our progress on the subject of ESG is also reflected in compelling results in important ratings and rankings. Deutsche Wohnen was again awarded the *Prime* status in the ISS ESG Corporate Ratings. To qualify for this status, companies must meet the demanding requirements of ISS for sustainability activities in their sector. Around 20% of the 360 or so real estate companies assessed from around the world were awarded *Prime* status. Furthermore, our company was accepted into the newly established DAX® 50 ESG, which represents the top 50 companies based on ESG performance, market capitalisation and stock exchange turnover. This ESG ranking is based on an assessment by Sustainalytics. Deutsche Wohnen was given a score of 12.1 in the Sustainalytics ESG Risk Rating, which represents the second-lowest risk category (low). This puts us in the top 2% worldwide and among the best 6% in the property sector. Deutsche Wohnen is also rated AA in the Morgan Stanley Capital International (MSCI) ESG Rating for the real estate sector. The MSCI ESG Rating grades companies on a scale from AAA to CCC according to their exposure to sector-specific environmental, social and governance risks.



deutsche-wohnen.com/en/epra-reporting



deutsche-wohnen.com/en/ratings

EPRA sBPR (2020)	ISS ESG Corporate Rating (2020)
Gold award	Prime status

Sustainalytics ESG Risk Rating (2021)	MSCI ESG Rating Real Estate (2021)
Low risk (12.1)	AA

In the reporting year we also took part in the Carbon Disclosure Project (CDP) as a *first-time responder* and reached Level C. CDP is a non-profit organisation that has established on behalf of investors a globally recognised system for the disclosure by companies and organisations of their environmental impact, climate risks, climate strategies and carbon reduction targets.

Our ESG communications are viewed positively by external analysts: a study on ESG reporting by DAX and MDAX companies by Kohorten, a social and economic research firm, and cometis AG, an investor relations agency, found that our sustainability report 2018 had the best general report quality in an overall ranking of all MDAX companies.

Deutsche Wohnen is one of Germany's 200 most sustainable companies according to a ranking by the magazine Stern and Statista, a market research institute. Their assessment of 2,000 companies was based on both sustainability metrics and their perception of the companies' sustainability performance.

Transparency regarding donations, membership fees and state support

GRI 415-1

In the reporting year we spent around EUR 530,000 on membership of relevant industry associations, including the Association of Residential Property Companies in Berlin-Brandenburg (Verband Berlin-Brandenburgischer Wohnungsunternehmen e.V. – BBU), the Federal Association of German Housing and Real Estate Companies (Bundesverband Deutscher Wohnungs- und Immobilienunternehmen e.V. – GdW), the German Property Federation (Zentraler Immobilien Ausschuss e.V. – ZIA), the German Association for Housing, Urban and Spatial Development (Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V. – DV), the European Federation for Living (EFL), Urban Land Institute (ULI), the 2° Foundation, the Initiative Wohnen.2050 and the European Public Real Estate Association (EPRA). We spent some EUR 200,000 in connection with political advisory services, around EUR 64,000 to finance research, about EUR 580,000 on public affairs and approximately EUR 145,000 on administrative expenses in 2020.

Memberships

→ [Page 147](#)

Deutsche Wohnen did not make any donations to political parties in the reporting year.

ECONOMIC STABILITY ENSURES SUSTAINABLE FUTURE

Deutsche Wohnen takes a long-term approach in its business activities. As a company focused on capital markets we always have an eye to the economic impact of our business operations and are obliged to act in the interests of our shareholders. The economic fallout from the coronavirus pandemic in 2020 was relatively slight for Deutsche Wohnen, compared with other sectors of the economy. This is partly due to government support and assurances, which also benefited those of our tenants and our business partners who were affected. We additionally attribute this in part to our resilient and stable business model and our risk-conscious business strategy. The economic stability of our company is ensured by the size and quality of our property portfolio and by concentrating on attractive metropolitan areas and conurbations within Germany. We also sharpen the profile of our portfolio by making targeted acquisitions. Our forward-looking investments in the sustainable new building of residential, commercial and nursing properties in growing cities and metropolitan areas are an additional aspect of our strategy for financial success and competitiveness. We also continuously improve the quality, energy efficiency and future viability of our holdings by refurbishing our property portfolio.

The issues of digitisation, the internet of things (IoT) and artificial intelligence are playing an ever greater role in the real estate industry as well. Deutsche Wohnen wishes to make the most of the opportunities these offer and is focusing in particular on comprehensive, integrated smart living concepts rather than stand-alone solutions. Deutsche Wohnen Technology GmbH (DWT) is responsible for the ongoing development of the technological infrastructure in our buildings and estates. Here the focus is on the management of decentralised energy generation and telecommunications solutions, on mobility concepts, building and operating the charging infrastructure for electromobility, and on IoT solutions. Furthermore, DWT is strengthening the intelligent interplay of technologies by cooperating with KIWI to equip residential buildings with keyless access systems.

Close partnerships with the region and suppliers

Deutsche Wohnen is also aware of its particular responsibility to the region as an economic entity in the property sector, as an employer and landlord, and as a purchaser of products and services. By awarding contracts to regional companies, we not only invest in the economy of the region, but also benefit as a client from the proximity of our business partners in terms of process efficiency and quality.

In our long-term partnerships with the companies and tradespeople in our supply chain we build on a spirit of mutual trust. We have set high quality standards for our own activities and also expect our business partners and suppliers to meet them. Key parameters here are our sustainability criteria and a base in the region, and we intend to sharpen our focus on these aspects in our supplier management and contracting processes. Furthermore, we ensure that natural resources are conserved and drawn from renewable sources whenever possible.

Digitisation paves the way to the smart home
Responsibility for our customers and properties

→ **Page 45**

Management approach
GRI 204

SAFEGUARDING INTEGRITY BY MEANS OF COMPLIANCE AND ANTI-CORRUPTION ACTIVITIES

Deutsche Wohnen and its Group companies are reliant on gaining and retaining the trust of tenants, purchasers and business partners. Our activities are defined by honesty, integrity and openness and we aim to put the values, principles and rules of responsible corporate governance into practice. One prerequisite for integrity is compliance with legislation and internal policies.

We do not tolerate any form of corruption or other improper business activities, and we expect the same of our business partners. Conflicts of interest must also be avoided at all times.

Policies and processes established

For implementation of the values, principles and rules of responsible corporate governance and to prevent corruption and bribery in day-to-day business, Deutsche Wohnen has adopted a code of conduct that clarifies the statutory provisions and which is to be observed by all employees throughout the company. The code of conduct is reviewed and further developed on a regular basis. There are anti-corruption guidelines with supplementary detailed instructions on compliance with the law and internal rules for the prevention of corruption and bribery. Without exception, these prohibit unlawful influence being exerted on or by business partners in the form of preferential treatment, gifts being given or received, or any other benefits being granted. All employees must confirm that they have received the guidelines and also acknowledge them upon commencing their employment. Managers are responsible for ensuring their staff understand the importance of complying with these policies.

The rules to prevent corruption are a central part of the compliance management system (CMS) at Deutsche Wohnen. All of Deutsche Wohnen's business divisions and processes are subject to regular review with regard to compliance risks. We investigate any suspected violations and cases of corruption when they arise and as part of our regular risk reporting. Our processes or guidelines are adjusted if necessary.

All transactions which have implications under competition law, such as acquisitions, undergo careful and thorough checks. The approval of the relevant competition authority needed is then sought if applicable.

Responsibilities within the compliance management system

Compliance with legislation and internal guidelines are important principles for Deutsche Wohnen. The Management Board, the Group Compliance Officer, the Legal and Compliance team and managers in particular are responsible for compliance, but so are all employees. The Compliance Officer and the Legal and Compliance team provide regular information on important changes to the relevant statutory provisions and are available to answer questions on any compliance-related matters and follow up reports of any infringements. The Deutsche Wohnen Group also

Management approaches

GRI 205

GRI 206

GRI 307

GRI 419

GRI 102-11

GRI 102-15

GRI 102-16

GRI 102-17

GRI 307-1

GRI 205-2



**Code of Conduct
for the Deutsche
Wohnen Group**

[deutsche-wohnen.com/en/
code-of-conduct](http://deutsche-wohnen.com/en/code-of-conduct)

GRI 205-2



**Our compliance
policies**

[deutsche-wohnen.com/en/
compliance](http://deutsche-wohnen.com/en/compliance)

has an external legal adviser to whom whistle-blowers can report compliance breaches if they want their identity to be kept secret from the company or third parties, or have other reasons for wishing to report their suspicions to an external legal counsel.

We want to raise awareness for compliance among our employees by means of training courses and thereby make broad-based knowledge the foundation for everyday activities and decisions. Our managers and staff receive compliance training by means of face-to-face and online courses. The Compliance Officer verifies that the managers and employees take part in the mandatory courses.

Deutsche Wohnen aims to develop and further optimise its CMS continuously. In the reporting year, the Legal and Compliance team worked with an external adviser to evaluate and refine the CMS. The aim of the project was to identify further controls and measures to improve the internal control structure on the basis of an updated analysis of the compliance risk profile for Deutsche Wohnen's commercial environment and taking the existing CMS framework into account. The results of the project will lead to additional optimisation where necessary.

Compliance system for tax legislation

Deutsche Wohnen commits without reservations or limitations to compliance with tax regulations. Tax optimisation is necessary, but only within the statutory framework and with respect for general legal norms. The Deutsche Wohnen Group has implemented an organisational structure (tax compliance system) to ensure compliance with its legal obligations and to avoid risks associated with taxes and tax law. This tax compliance system consists of various rules and instructions that are adapted as needed to changes in the statutory framework and the business environment. The tax compliance system applies to Deutsche Wohnen SE and companies majority owned, directly or indirectly, by Deutsche Wohnen SE and for which it acts as an internal agent.

The Chief Financial Officer (CFO) is the member of the Management Board responsible for taxes. The Finance unit reports to this Management Board member and has a tax department to which responsibility for tax compliance is delegated. Tax matters are the responsibility of the tax department, other areas of Deutsche Wohnen SE and other Group companies. The tax compliance system also defines tasks and responsibilities, as well as specific notification and reporting obligations.

The adequacy of the tax compliance system is audited by an external law firm specialised in tax matters. The last audit took place in 2019 and did not give rise to any objections. Some aspects of tax compliance are also covered by internal audits.



Whistle-blower system – external legal counsel

[deutsche-wohnens.com/en/
whistleblower-system/](http://deutsche-wohnens.com/en/whistleblower-system/)

Management approaches GRI 207

GRI 207-1
GRI 207-2

Whistle-blower system for confidential reports

We encourage our employees and business partners to notify us if they suspect that rules are not being followed. A whistle-blower system exists for this purpose. It enables the company's employees, customers and contractual partners to report information on suspected serious violations of either the law or other regulations to a legal counsel. This can be done anonymously if desired; whistle-blowers are protected by the legal counsel's duty of confidentiality. The legal counsel records and evaluates the information. If there are grounds for an initial suspicion that there has been a serious violation of either the law or other regulations, the legal counsel forwards the information to the Compliance Officer with the whistle-blower's consent.

In 2020, as in the previous year, we did not receive any reports via the whistle-blower system of cases which required further investigation. We review whether the system fulfils its function and whether any additional communications activities are necessary to make it better known.

No new cases of corruption at Deutsche Wohnen or a subsidiary were registered in the reporting period, and there were no confirmed cases resulting in employees being warned or dismissed for corruption.



Our compliance policies – whistle-blower system

deutsche-wohnen.com/en/compliance

GRI 205-3

GRI 205-2



Code of conduct for business partners of the Deutsche Wohnen Group

deutsche-wohnen.com/en/code-of-conduct-business

Business partner code focuses on integrity and compliance

We set great store by collaboration with our business partners which is founded on partnership and respect. Deutsche Wohnen has implemented a code of conduct for business partners to structure this partnership. The code stipulates our expectations regarding compliance with the legal requirements as well as integrity and ethical standards. In this respect we particularly expect our business partners to follow all the applicable laws and regulations, especially anti-corruption, money laundering, antitrust, competition, environmental, data protection and capital market legislation, to treat their employees fairly and responsibly, and to fulfil their human rights due diligence obligations.

An obligation to comply with the code is an integral part of all material new contracts. We also use a purchasing policy as another instrument to improve the sustainability performance of our suppliers and service providers. It governs the responsibilities of central and decentralised purchasing, defines the principles and processes of working with business partners and makes specific requirements in terms of quality, compliance and sustainability.

Analysis of potential human rights risks in the value chain

GRI 203-2
GRI 414-2

To identify potentially negative human rights impacts in our value chain we carried out a risk analysis in the reporting year, concentrating on trades and the construction industry. The focus on these sectors is due to the high level of investment in ongoing maintenance, refurbishment and re-outfitting during tenant turnover (trades sector) as well as in the planned level of investment in new construction (building sector). Our analysis followed the five core elements of the federal government's National Action Plan for Business and Human Rights (NAP). It began by identifying eight areas of human rights that could potentially be relevant to Deutsche Wohnen, on the basis of recognised international and human rights law and including interviews with experts. We then ranked these potential risks using the criteria *connection to our company* and *severity*. The connection to our company was assessed using contractual and commercial relations to suppliers and the complexity of our own value chain. The severity depends on the extent, the scope and the reversibility of the potential human rights infraction. Risks ranked as high-priority were the right to fair pay, safe working conditions, social security and job security. On the basis of this analysis we will examine the extent to which our existing management approaches cover these potential risks and the extent to which they can be reduced by taking specific action. We consider the performance of NAP risk analyses a continuous process, which has to be adjusted and updated on an ongoing basis.



[deutsche-wohnern.com/en/
gemr](http://deutsche-wohnern.com/en/gemr)

Risk management for early identification of impending losses

Deutsche Wohnen's risk strategy is geared towards safeguarding the continued existence of the company and increasing its value as a going concern on a sustainable basis. In this way, Deutsche Wohnen ensures that suitable measures for the avoidance, reduction or transfer of risks are implemented and calculated risks are taken mindfully. Comprehensive information on the material risks involved is provided to all decision-makers in a timely fashion.

The Management Board bears overall responsibility for the Group's risk management activities. It decides upon the organisation of the related structural and procedural measures and upon the allocation of the necessary resources. Furthermore, the Management Board approves the documented outcome of the risk management activities and takes these into account in its strategic management. Deutsche Wohnen has designated selected executives as risk owners. They assume responsibility for the identification, assessment, documentation and communication of all material risks arising within their areas of responsibility. The risk manager coordinates these processes, handles information submitted by the risk owners, and prepares a report for management and the Supervisory Board. Internal Audit monitors the functioning of the risk management system. The following ten risk categories have been identified as part of Deutsche Wohnen's risk management activities:

The central elements of Deutsche Wohnen's risk management system (RMS) are:

1. Internal control system (ICS)
2. Reporting
3. Risk management
4. Compliance
5. Internal audits

1. General corporate risks	6. Acquisition and sales risks
2. Legal risks	7. Risks from nursing business (properties and operations)
3. IT risks	8. Performance risks – property
4. Letting risks	9. Financial risks
5. Performance risks – personnel	10. Investment risks (portfolio and capex/ project development and new construction)

**Risk and
opportunity report**

→ Annual
Report 2020, p. 82

The ten risk categories in turn comprise some 70 individual risks. Risks involving potential losses from the perspective of Deutsche Wohnen in excess of EUR 500,000 are verified in the context of the risk inventory and allocated to the ten risk categories. Non-financial risks, such as regulatory risks or changes in building rules or specific building requirements, are allocated to risk category 10 (investment risks). Risks arising from legal requirements pertaining to data protection regulations belong to risk category 1 (general corporate risks). Risks from the condition of technical equipment are in risk category 8 (performance risks – property); risks from environmental concerns and soil quality are in risk category 10 (investment risks). Risks associated with staff corruption fall within the scope of risk category 5 (performance risks – personnel).

GRI 102-11

ENSURING END-TO-END DATA PROTECTION AND DATA SECURITY

Management approach
GRI 418

Deutsche Wohnen processes personal data – primarily belonging to its customers, employees, applicants and business partners – for example in order to fulfil its contractual obligations or for purposes stipulated by law. Handling data responsibly and complying with statutory data protection provisions is a high priority for us.

Germany's Federal Data Protection Act (Bundesdatenschutzgesetz – BDSG) and the General Data Protection Regulation (GDPR) are the key pieces of legislation which set out the universally applicable rules regarding data protection. The EU General Data Protection Regulation (GDPR) makes greater demands of companies in terms of their handling of personal data. Violations can also result in substantial fines based on a company's revenue.



A change has also occurred in society, by which increasing digitisation is also seen to entail risks for individuals as well as opportunities. Thus, everyone is called on to actively demand accountability with regard to their personal data. Deutsche Wohnen's customers, employees, job applicants and business partners do just that. Data protection is a fundamental human right, and Deutsche Wohnen sees itself as a responsible partner of those concerned, or data subjects, as they are known. This awareness of our responsibility is the basis of our commitment to data protection.

Responsibilities and processes defined

The company responsible for data processing is the controller within the meaning of data protection legislation. At the level of Deutsche Wohnen SE, the Management Board is responsible. It has appointed an external data protection officer, who works with the Data Protection Coordinator and an employee in the Legal and Compliance department. This team handles all data protection enquiries and draws on the resources of the data protection contacts in the respective departments with specific professional knowledge of data protection. IT Security provides assistance with technical issues relating to data protection.

The necessary technical and organisational measures have been implemented at Deutsche Wohnen to protect personal data and ensure data is secure. They include non-disclosure agreements with employees, data protection and IT security training, policies, instructions and data protection forms. An interdisciplinary team consisting of IT Security and architecture specialists, data protection officers and specialist administrative staff evaluate the technical and organisational measures in place and optimise them as necessary. Materials relevant for the operating departments, such as the latest version of instructions, master forms and overviews are available on the intranet, in a separate data protection section.

As in the past, Deutsche Wohnen has implemented the necessary processes to ensure the protection of personal data. All of the specialist units' procedures for processing personal data are documented in a Deutsche Wohnen processing register, which is continuously updated. This takes place in close consultation between the functional departments responsible for the processing and the Data Protection team. Changes or new processing have to be agreed with the Data Protection team beforehand, which also carries out an audit of data processing twice a year regardless of any incidents. These checks and balances ensure that the protection afforded by the processing register is maintained and updated continuously. We comply with the provisions of Art. 30 GDPR with regard to data processing activities.

Employees receive basic training in data protection and IT security when they start work. Basic data protection training was again optimised in the reporting year and the employees of Deutsche Wohnen were instructed to complete the corresponding courses. In addition to the basic training, the data protection staff in the respective departments receive annual, half-day face-to-face training which provides further in-depth information about the processes that apply within Deutsche Wohnen.

We have established clear processes for handling potential data protection incidents. All employees are called on to report any suspicions to the Data Protection team. The circumstances are then assessed and next steps determined in cooperation with IT Security and the relevant department. This enables the data protection authority to be notified within the 72-hour deadline if necessary and the data leak to be addressed without delay.

Service providers are also selected on the basis of data protection and IT security criteria. For instance, companies processing data on behalf of Deutsche Wohnen are contractually obliged to ensure data protection and must demonstrate that they have taken the necessary technical and organisational measures.

Data protection upholds rights of data subjects

Deutsche Wohnen has a robust process to uphold the rights of data subjects, which includes access to personal data. A central email address is included in every statement of data protection policy and is the main channel for such requests. Verbal or postal requests can also be processed in this way, however. Requests by data subjects are processed within the applicable deadline in cooperation with the data protection officers in the respective departments.

Deutsche Wohnen has a detailed data protection policy in German and English, which can be accessed via the website at any time. Tenants are also given a printed copy of the data protection policy when they sign the rental contract.



[deutsche-wohnen.com/en/
data-privacy](http://deutsche-wohnen.com/en/data-privacy)

GRI 418-1
GRI 419-1

Continuous assessment of data protection risks and incidents

The Data Protection team audited the main processes in 2020 together with the data protection contacts and the audit is now in its final phase. The results of the audit will lead to further optimisation where necessary.

No processing of personal data in the Deutsche Wohnen processing register has currently been identified which could result in a high risk for data subjects. There was no need for a data protection impact assessment in the 2020 reporting period. There were no data protection incidents in 2020 and no unauthorised access to Deutsche Wohnen data was reported to the Data Protection team in the context of mandatory notification of a data leak.

One case from 2019 was followed up in the reporting year. The competent supervisory authority issued an administrative order imposing a fine on Deutsche Wohnen in the fourth quarter of 2019, to which the company filed a protest. The charges made in the order relate to a Deutsche Wohnen data archiving solution which has already been replaced. The higher court dismissed the legal proceedings following the company's protest because the administrative order imposing the fine was invalid. The Officer for Data Protection and Freedom of Information has appealed against the ruling by the Berlin Higher Court.



Responsibility for our customers and properties

Our targets

High level of customer satisfaction

- Conduct regular, systematic tenant surveys
- Shorten time taken to respond to and process tenant enquiries by means of process optimisations and ongoing development of tenant dialogue formats
- Sensitise tenants to and educate them about resource-conserving behaviour and cleanliness in their neighbourhood
- Make services available to tenants in the area of electricity supply and e-mobility (charging infrastructure and Mobility Club)
- Build 20 new, inclusive and long-lasting playgrounds on our estates
- Involve tenants in the ecological makeover of their surroundings by means of projects (sponsoring trees and insect hotels, tenant gardens, flower boxes, urban farming)
- Implement the "Wohnen PLUS" strategy in the Nursing segment (ensuring growth, quality leadership and central coordination of multi-brands)

Portfolio meets good, up-to-date, future-proof quality criteria, thereby exceeding the industry standard long-term

- Annual portfolio investments of approximately EUR 300 million in refurbishing holdings
- Review certification options for existing portfolio estates using DGNB criteria

Create new, certified estates in conurbations

- Investment programme of around EUR 7 billion for the new building of residential, nursing and office properties with 18,000 residential units and 350,000 sqm of commercial space.
- Create new Gold Standard estates for some 10,000 customers according to DGNB criteria



82%

of our tenants value
our work

MAKING OUR PROPERTY PORTFOLIO AND NEW CONSTRUCTION SUSTAINABLE

Management approaches
GRI 301
GRI 414

Our core business is subject to a changing operating environment as well as social and ecological challenges. Housing shortages, rising rents, demographic change, climate action and the need to use resources efficiently all call for forward-looking solutions, some of which are hindered by factors like the Berlin rent cap, which discourage investment. The reporting year saw the coronavirus pandemic as an additional variable, bringing housing even more to the forefront of the public consciousness. Social restrictions meant that people's lives took place to an even greater degree than before in their own home. This increased the importance of the apartment and of feeling at home for many, but at the same time many people living on their own suffered under the lockdown restrictions.

And people in Germany are living alone much more often than they did three decades ago: according to the Federal Statistics Office the share of single-person households increased between 1991 and 2019 from 34% to 42%. This mainly concerns the big cities, where almost half of single households live. The number of single-person households is expected to rise sharply over the coming years as well; by 2040 it is forecast to stand at 19.3 million (2018: 17.3 million). This means that one in four people in Germany would then live alone.¹

The German Federal Institute for Research on Building, Urban Affairs and Spatial Development (Bundesinstitut für Bau-, Stadt- und Raumforschung – BBSR) anticipates that the number of households will increase by a good 500,000 by 2030.² This development will lead to added demand within the German residential property market. As the average household size will continue to fall, the number of households in Germany will increase at a faster pace than the population. More than three quarters of the 41.4 million households are single- or two-person households; in the largest cities, this figure is even higher at approximately 80%.

Pressure on housing markets in Germany's big cities will continue to rise, because the number of residents is also increasing significantly. By 2030, the population in metropolitan areas such as Munich, Hamburg and Cologne is projected to rise by over 5%.³ Growth of 10% is anticipated in the city states by 2060.⁴ It is thought that more than four million people will live in Berlin in 15 years' time – a population increase of 6.3%. The influx into big cities will primarily be attributable to young adults aged between 20 and 40.⁵

A tight housing market further means that many households are overwhelmed by the costs of accommodation. In 2019 this affected 11.4 million people or some 14% of the population.⁶ Germany is therefore well above the European average. This makes it even more important that housing companies assume their social responsibility, which Deutsche Wohnen means to do with its *Promise to tenants* to take individual circumstances and income into account.

Share of one-person
households in 1991 and
2019



Promise to tenants

[deutsche-wohnen.com/en/
promise-to-our-tenants](http://deutsche-wohnen.com/en/promise-to-our-tenants)

1 Destatis, press release no. 073 of 12/11/2020 and press release no. 069 of 02/03/2020.

2 BBSR: Demand for housing in Germany up to 2030, 2015.

3 German Economic Institute: "Ist der Wohnungsbau auf dem richtigen Weg?" (Is Housing Construction on the Right Track?), IW report 28/2019, July 2019.

4 Destatis, press release no. 242 of 27/06/2019.

5 Slupina et al: "Die demografische Lage der Nation" (The Demographic State of the Nation), Berlin Institute, 2019.

6 Destatis, press release no. 428 of 29/10/2020.

The coronavirus pandemic also advanced the digitisation of our lives and homes. The market for smart home solutions will increase to around EUR 4.3 billion by 2022. By this date, the market penetration of smart home systems will go up by a factor of four, from two million to around eight million households in Germany. Digitisation will be a leading area of action for the real estate industry in particular, and therefore also for Deutsche Wohnen.

Over one in four companies in the property sector (27%) now invests more than 5% of its annual revenues in the digital transformation. Two years ago this share was just 14%. This reveals a growing understanding of technology, especially in areas offering direct benefits, such as the analysis of operating costs, tangible reductions in the consumption of energy and other resources, and dialogue with customers.

Here, too, the COVID effect cannot be overlooked: 84% of participants in a survey of the property industry said that their company could not survive the crisis unharmed without digital technologies. 55% had realised that they had internal deficits in terms of digitisation. Other studies show that progress with digitisation increases with the size of the company; developing the necessary skills among employees was seen as a risk factor for future performance, ahead of data protection and IT infrastructure.⁷



Digitisation is a key action area for the property industry

FOCUS ON CUSTOMER SATISFACTION

Customer satisfaction safeguards our long-term economic success and is the top priority for our company. With this in mind, we constantly work to improve our service quality and be even better at addressing our tenants' changing needs. We already take their situation in life and their income into account when setting our rent policy. We also strive to be a partner for our customers that enables them to enjoy good, multi-generational, liveable housing. We therefore take a holistic view of our estates, from the outdoor areas and infrastructure to energy supplies and mobility.

Deutsche Wohnen has defined clear responsibilities for managing the customer relationship. For instance, DWM oversees administration, commercial project management capex, rent management, receivables management and the Central Customer Service function (ZKS). Responsibility for our nationwide network of service points, customer service offices and letting offices lies with DWI/DWKS.

Over 70% of our employees work in residential property management, letting, tenant services and contract management. We give our customers the opportunity to address their requests directly to the commercial or technical staff in our offices. Potential tenants will also find the right person to talk to in our letting offices.

Management approaches
GRI 413
Customer satisfaction



Over 70%

of our employees work in residential property management, letting, tenant services and contract management

⁷ Fifth digitisation study, ZIA, EY Real Estate, September 2020; Digitisation of the housing industry, study on situation in 2020 and current industry trends, KPMG, July 2020.

Dialogue with our tenants

To improve our customer service, we have also established the Deutsche Wohnen customer portal, making our services available around the clock. For instance, customers can use this to view all the information relating to their rental agreement, check the status of their rent payments, deposit or energy performance certificate, or adjust their advance payment. Repair requests and other matters can be sent straight to the relevant contact person easily, with the portal also being available on smartphones. Approximately 19,300 clients are currently registered with the customer portal.

In 2020 we also introduced the Central Customer Service function to reduce the time it takes to deal with requests and make it easier to offer a personal service. Central Customer Service consists of five departments: commercial customer service (centralised), telephone customer service, technical customer support, digital post and feedback management. Feedback management was set up as part of the reorganisation. The team tracks positive and critical feedback from tenants and concentrates on particularly complex problems. Experience gained here is used to optimise other operating processes. This includes making communication with tenants faster and more transparent, in line with the feedback from our tenant surveys.



It also relieves pressure on our decentralised offices and enables them to provide those customer services that call for individual support and special knowledge of the local area and conditions.

In the reporting year, the around 36 employees in our customer service call centre dealt with some 370,000 calls and over 200,000 written requests from tenants. Over the same period, our technical service partner fielded more than 350,000 calls concerning technical defects or repair needs. Furthermore, tenants submitted 16,500 tickets via our customer portal. Our service for prospective tenants likewise seeks to increase our customer friendliness. Our team of 25 staff provides competent, reliable advice, prepares offers, sends brochures and organises viewing appointments. More than 150,000 phone calls are taken, some 790,000 requests for apartments answered and around 65,000 prospective tenants shown around every year.

Our project entitled *Your Caretaker on the Estate* provides for more caretakers on the estates and thus more personal contacts, which also improves the levels of security, customer service and tidiness. Around 300 caretakers from FACILITA are currently present in 100 offices right on our estates in and around the capital city, and are now responsible for a much wider range of tasks, which also include quality control and quality assurance for on-site services. This is in response to requests from tenants, who gave the project *Your Caretaker on the Estate* good ratings in the latest survey. The scheme is therefore to be expanded and may well be rolled out to properties outside Berlin in future too.



We are in contact with
approx. **30,000**
every month who are looking
for an apartment

Latest tenant survey on satisfaction with the living situation

We are keen to continuously learn more about the satisfaction of our approximately 300,000 tenants. We therefore already conduct and will continue to conduct regular, targeted surveys regarding specific issues. The results are used in workshops to generate ideas for improvements in the operating areas.

Deutsche Wohnen started its annual tenant survey in the third quarter of 2020. Letters were sent to some 31,000 households asking about topics such as satisfaction with the apartment, customer service and rental costs. As an alternative to using the written questionnaire, respondents were also able to complete the survey online via the tenant portal for the first time. Deutsche Wohnen made a donation of one euro for every survey completed and returned. This generated a total of EUR 10,000, which went to the campaign *#sicherheim*, an initiative to raise awareness of the increased risk of domestic violence during the COVID-19 pandemic. Deutsche Wohnen is an official partner of the campaign.

A participation rate of 33% for the survey was roughly as high as the previous year (2019: 36%). Customer satisfaction rose again in many areas, by an average of 2.8 percentage points. Tenants reported significant improvements in the cleanliness of their estates. This applies particularly to the cleanliness of stairwells, for which satisfaction was six per cent higher, and of the dustbin areas, which saw an improvement of three per cent.

Satisfaction with Deutsche Wohnen as a company went up year on year from 78% to 82%. Satisfaction with the apartment was again equally high at 88% (2019: 87%). Our tenants are particularly happy with how friendly our staff are (91%). In addition to the positive feedback, room for improvement was also reported. Satisfaction with the time needed to process requests increased by one per cent compared with the previous year, but the figure of 59% shows that processes here still need to be optimised.

9 out of 10 tenants
are satisfied with their apartment

Satisfaction with the employees of Deutsche Wohnen



Survey participation rate

Response ratio similar to previous year



Satisfaction with Deutsche Wohnen

Satisfaction levels were higher than the previous year





Our commitment to fairness and social responsibility

GRI 413-1

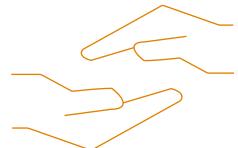
We were faced with particular social expectations in the context of the coronavirus pandemic. According to one survey, tenants in Germany had the view that housing companies had an obligation to make a wide-ranging contribution to coping with the COVID-19 pandemic. Two thirds of respondents expected their landlord to show greater tolerance of rent arrears. One in six of those surveyed nationwide was afraid they would not be able to pay their own rent as a result of the pandemic.⁸

We are standing by our tenants at this difficult time and have assured them that no one will lose their apartment during the pandemic. We are doing everything we can to offer the best possible service despite the exceptional situation and to provide our tenants and service providers with additional support as needed. We have set up support packages for both residential and commercial tenants, which range from concrete help with payment difficulties and information about legislation to protect tenants, to advice on applying for government aid and contacts to social services that offer counselling. All the information, including application forms and contact details, has been made available on our website.

Coronavirus relief fund provides support in difficult situations

In the reporting year we set up a coronavirus aid fund of EUR 30 million to support tenants, business partners and service providers in financial distress as a result of the pandemic. Applications for funding can be made quickly and easily. To finance this fund, the shareholders of Deutsche Wohnen adopted the proposal by the Management Board and Supervisory Board to the Annual General Meeting to distribute a dividend of EUR 0.90 per share for financial year 2019. This represents a reduction in the distribution ratio originally planned of five percentage points to approximately 60%. By doing so, the Deutsche Wohnen shareholders expressed a clear commitment to solidarity in the coronavirus crisis.

For the duration of the coronavirus pandemic we are not enforcing rents or terminating contracts for tenants with payment difficulties, nor are we increasing rents. As commercial tenants in particular can quickly get into financial difficulties when shops, restaurants and hotels have to close, we were especially conscientious here. Deutsche Wohnen found individual solutions in such situations, giving tenants greater planning visibility by deferring rental payments, for instance. Around 1,000 tenants have asked Deutsche Wohnen to defer their rent as a result of the



EUR 30 million

in coronavirus relief fund for tenants, business partners and service providers

⁸ Bundesbaublatt: "Repräsentative Umfrage zur Corona-Krise: Deutschlands Mieter fordern gesellschaftlichen Beitrag von Wohnungsunternehmen" (Representative survey on the coronavirus pandemic: Germany's tenants call for social contribution from housing companies), article dated 08/04/2020.

COVID-19 pandemic to date. The percentage of tenants who have made use of the relief fund so far is low, as is the amount of aid disbursed. In addition to suspending rents, the relief fund is also used for social causes. We will keep the fund going for as long as the coronavirus pandemic continues and affects our tenants. We expect to make further payments from the fund in the current financial year, particularly to support tenants, business partners and service providers who do not receive adequate assistance from the government-funded programmes.

Social responsibility for our tenants

Even apart from the coronavirus situation, we are very interested in finding swift solutions to rental arrears together with our customers. To this end, we incorporated residential advisory services into our receivables management some time ago and our employees there all have a background in social education. Our residential advisors each handle an average of 400 to 500 such cases every year in which customers have found themselves in dire payment straits. Our offer also includes the option of outstanding rental sums being paid in instalments. We arranged instalment payments in approximately 6,600 cases in the reporting year and we do not charge any costs or interest on these payments.

At the end of 2020, our contracted rental income was EUR 6.71/sqm. For comparison: the average net cold rent in Germany in 2018 was approximately EUR 6.90/sqm.⁹ The rents for almost 64% of our existing apartments are at or below EUR 7.00 per sqm. This makes us a mid-market provider, offering affordable housing for a broad cross section of the population. Around 57% of our portfolio consists of single- or two-room apartments. The average living space is approximately 60 sqm. The proportion of households consisting of one or two people is correspondingly high.

We also express our responsibility for fair housing conditions for our customers in our voluntary commitment, *Our promise to our tenants*. In this way, we are shifting the focus to our tenants' individual income and living conditions and are also capping rent increases in cases of hardship. We also let at least one in four apartments in the new lettings process to tenants who are entitled to a certificate of eligibility for social housing as a means of limiting the consequences of gentrification and maintaining a diverse social mix at our holdings. Furthermore, Deutsche Wohnen has since 2017 concluded additional project-based agreements with various Berlin boroughs regarding the socially responsible execution of complex refurbishment measures.

Sensitive approach to refurbishment

Where more extensive measures such as pipework renovation or the installation of central heating or hot water systems are concerned, we naturally arrange alternative accommodation. Our top priority in such instances is taking our individual customers' life situations into account, be they those in need of care, families with children or people who work shifts.

We also look to talk directly with our customers, especially when it comes to refurbishment work, in order to answer any questions, reassure people and ask our customers what we can do to help them. The architecture and engineering firms appointed by us have tenant support staff who are available in person to support our customers with all organisational matters, like arranging alternative accommodation, for instance.

EUR **6.71**

average net cold rent
per sqm

60 sqm

average living space



**Our promise to
our tenants**

[deutsche-wohnen.com/en/
promise-to-our-tenants](http://deutsche-wohnen.com/en/promise-to-our-tenants)

⁹ Destatis, Rents and rent as percentage of main tenant's income in 2018, 26/05/2020.

No discrimination in the letting process

Deutsche Wohnen is committed to non-discriminatory letting. Prospective tenants are to be protected from racism, sexism, anti-Semitism, Islamophobia, homophobia, ableism and all forms of discrimination. There is zero tolerance of derogatory comments, insults, threats or actions based on the above reasons. In the year under review alone, we received approximately 800,000 enquiries about apartment viewings in the course of new lettings processes. This can result in situations in which our employees require assistance in dealing with prospective tenants without being discriminatory. Such a situation can arise, for example, if an employee is unable to invite everyone who shows an interest in an apartment to a viewing due to limited capacities, meaning they have to make a selection. We have therefore provided our employees with a guide to ensure that at every stage of the letting process their dealings with prospective tenants are not discriminatory. Non-discriminatory living is also enshrined as one of the principles of our house rules. Our residential buildings should offer protection from all forms of hostility. We do not tolerate denigration and threats, and we systematically investigate any complaints made. We work closely on this topic with the Fair renting – fair living competence and advice centre established by the Berlin Senate.

Challenges for customer contacts in the coronavirus pandemic

During the pandemic we have implemented the stipulated health regulations to contain the spread of the coronavirus quickly, by closing playgrounds for example. Appointments to view apartments, hand over keys and sign rental agreements did not take place as usual, but rather were organised by making arrangements without personal contact. Viewing appointments were carried out in a safe and customer-friendly way in the showroom and with the help of 360-degree visualisation software. When carrying out maintenance and modernisation work and in contacts with tenants, we have ensured that the hygiene requirements were followed strictly to protect our customers and staff and the employees of the contractors. All the work was coordinated with our internal security department.

As a result of the pandemic and the ensuing contact restrictions, we were not able to carry out full-scale tenant information events on refurbishment projects from March 2020 onwards, and decided in favour of smaller but still focused communications solutions instead. These included face-to-face meetings on site, which took place in compliance with the social distancing rules. We also notified our tenants in advance in writing if individual work was postponed as a precaution. In addition, we were and are always present on site via our customer service offices and our internal commercial project managers and staff are reachable by phone, email and post. Tenants were also fully informed about the main aspects of the work in concise handouts, in addition to the official announcement of the refurbishment.

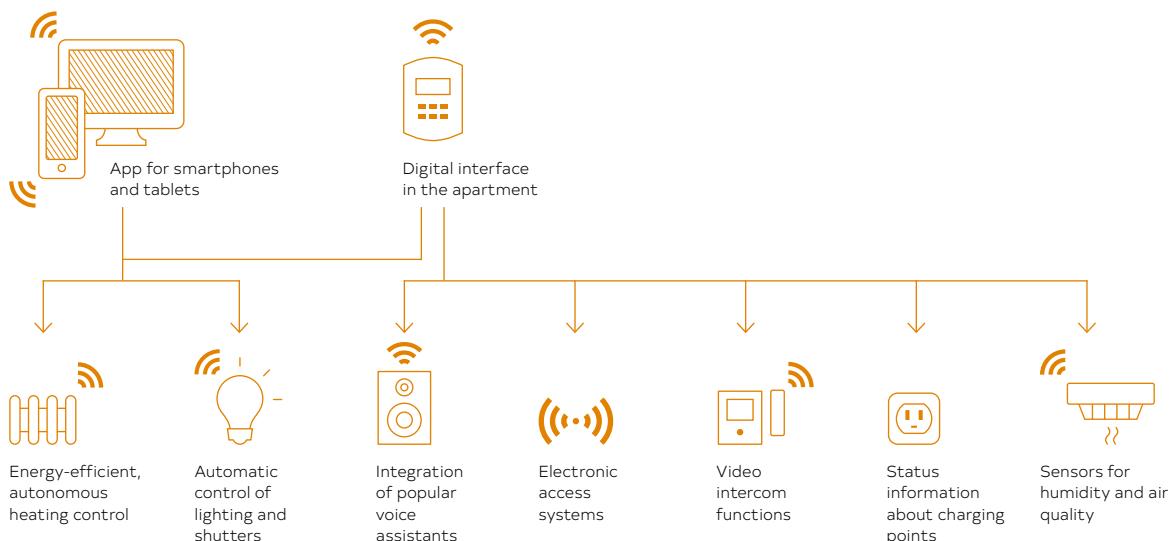
During the first lockdown period we responsibly evaluated the status of our refurbishment and new construction projects at the time. All the building work was allowed to continue after this evaluation. Nevertheless, out of a duty of care to our customers we stopped sending refurbishment notices and did not start new building sites and postponed some work. No intensive building work was started in people's apartments between the end of March and the end of May 2020. As the restrictions were lifted in summer 2020, and after safety measures had been implemented, regular building work was resumed.

Digitisation paves the way to the smart home

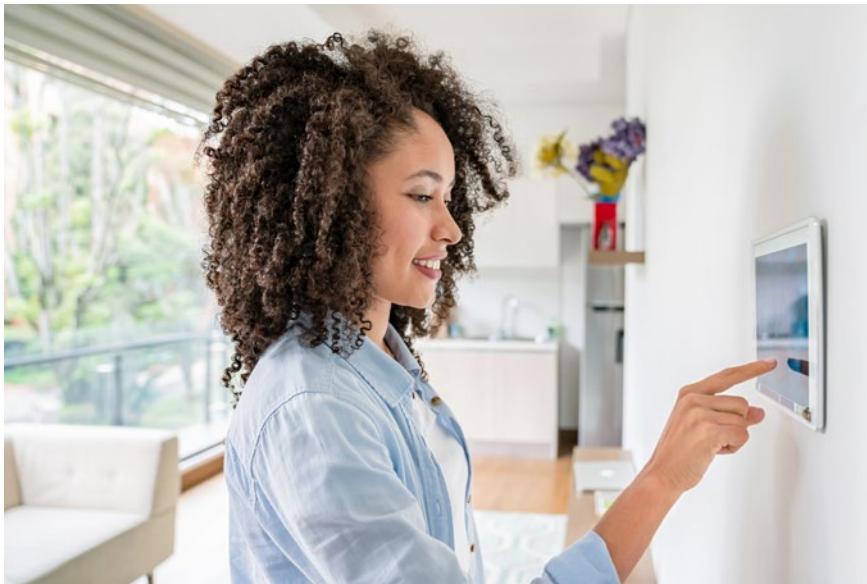
The so-called internet of things, smart building and smart home technologies all connect devices, buildings and people. This offers added value not only for Deutsche Wohnen, but also and above all for our customers, as they can then enjoy the benefits of smart living even more intensively.

My intelligent Assistant (MiA) takes us a decisive step in the direction of the digital home of the future. Our smart home solution is installed in around 700 households in Berlin and Leipzig. The tenants there can be more energy-efficient and environmentally friendly by controlling their heating and lighting settings via a tablet or an app before they come home. The concept also includes a personal voice assistant, keyless access systems, video intercoms and, in future, the use of a battery charging station for an electric car. All the MiA functions have been developed and implemented in accordance with applicable data protection provisions.

Functions of MiA – My intelligent Assistant



Digitisation plays a growing role in our dialogue with our customers. Our new marketing tool HERMI is a good example; it manages the tenant turnover process. The entire process is contained in this digital application – from the final return of the apartment by the departing tenant and recording of any defects, through to contracts for renovation and maintenance, new letting and signing of contracts. Both we as landlord and the prospective tenants benefit from this transparent and efficient process.



We have also introduced the option of viewing apartments online in order to give prospective tenants a better impression of the property. The 360-degree guided tours are also available on property renting websites and work on both desktop and mobile devices. The solution saves time spent on physical viewing appointments and relieves pressure on our administrative locations. Virtual, online access to the apartment is particularly relevant at a time of contact restrictions.

Over the past three years, Deutsche Wohnen has tested the use of digital technologies for smart homes in cooperation with the Institute of Electronic Business and iHaus, a specialist for building automation. As a partner of an innovative project known as *B-COLAB*, which stands for Berlin, Co-working and Laboratory, Deutsche Wohnen launched the *Smart Flatshare*, a project where students investigate smart homes and co-living on an everyday basis. Three cohorts of students studying for a master's degree in online communications at Anhalt University of Applied Sciences lived and worked in an historic apartment in Berlin-Kreuzberg provided by us. In weekly progress reports, the students examined the different technologies and talked about the digitisation of their home on a dedicated blog at diesmartwg.com. The flatmates were able to control all the domestic appliances via a smart home app, from light bulbs, coffee machines and consumer electronics through to intelligent smoke detectors, Wi-Fi sockets and energy-efficient heating, for instance. Deutsche Wohnen successfully concluded the *Smart Flatshare* project in November 2020.

The *Smart Flatshare* project won several awards, including second prize at the Smart Home Germany Awards, and was voted project of the month in December 2018 by the *Berlin Saves Energy* campaign.

In the reporting year, our subsidiary SYNVIA media GmbH installed a fast optical fibre network to deliver the latest internet, telephony and television products in 2,100 apartments in our portfolio in Magdeburg. This entailed laying around 34 km of fibre-optic cable. Another 8,400 apartments in Berlin, Magdeburg and Halle were connected to the new FTTB (fibre to the building) network by 85 km of fibre-optic cable by the end of the year.

Managing home security intelligently

Since 2016, we have gradually been implementing security and concierge concepts that serve to make our estates and outdoor spaces secure and prevent noise nuisance, litter and vandalism. As part of this initiative, we analyse the cost-benefit ratio beforehand to identify which neighbourhoods we should focus on.

We pay close attention to public safety on the estates and ensure, for example, that trees are constantly managed and deadwood removed. Furthermore, all play areas on our residential estates are checked regularly. As part of our ongoing property management, we perform all the tests on and maintenance of the technical components related to building security regularly and properly. We comply with the statutory requirements regarding the timely installation of smoke detectors in our portfolio properties before year-end 2020.

At the same time, we intend to successively install the electronic key and access system *K/IWI* throughout our entire portfolio of around 17,000 buildings. This enhances the security and efficiency of our asset management and offers our customers and service providers greater convenience. So far around 7,000 main doors have been fitted with *K/IWI*. We also started a pilot project on home security in Frankfurt am Main in the reporting year. In this context we offer our tenants the installation of a modern front door with special security, soundproofing and insulation features.

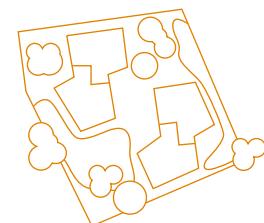
Around **40%**

of our buildings fitted
with the *K/IWI* electronic
access system



Green space management made digital, sustainable and ecological

Deutsche Wohnen established its own green space management system founded on professional standards for the sustainable development of open and green spaces. It is an important contribution to making the estates more attractive and to greater biodiversity, as well as involving the residents.



Our districts are
surrounded by more than

69,500

trees and

approx. **7.3** million sqm

of open space

As part of its *green360* strategy, the green space management team leads and uses the digital registration of the grounds, which includes not only green spaces, but playgrounds, bin areas, streets and footpaths as well. This green space information system enables our business partners to calculate the price of their services quickly and reliably. Our gardening firms can also retrieve data from the register using a mobile software solution, which gives them a rapid overview of the outdoor areas and also enables digital tree management. The green space information system promotes efficient processes and networking within the company, enables FACILITA to be included in controlling the performance of services, and supports the efficient planning and implementation of refurbishment and new construction projects.

We take focused action to protect the climate and the environment on our estates. This includes implementing our own arboricultural climate concept, which is intended to result in healthy, resilient trees that make a key contribution to the ecosystem. We only plant new trees based on a special list of species suitable for the changing climate and ensure a thorough mix of different types. Another aim is to increase the total area shaded by trees, in order to improve the local microclimate and mitigate the problems caused by high temperatures as a result of climate change. When replanting we mainly concentrate on the gardens at the front of the properties, where the trees are past their best. Other steps to optimise the ecology of the estates include the removal of impervious surfaces and the introduction of rainwater management systems.



Not only are green spaces crucial to the quality of the living environment – they are also important as the habitats of insects and wild plants. Bees in particular play a vital role in the food chain for birds, bats and other animals. They also pollinate some 80% of all plants, thereby ensuring food for us as well. More than half the 561 domestic species of wild bees are endangered, according to the Red List maintained by the German Federal Office for Nature Conservation. Reasons include a lack of nesting space and a shortage of food, due to the increasing area of impervious surfaces and disappearance of wild meadows. With the series of projects entitled *Bienen finden ein Zuhause* (Homes for Bees) we want to maintain the diversity of plants and animals in the urban environment, primarily by converting outdoor areas into meadows or gardens. Our tenants can also suggest suitable outside areas as part of this initiative. Three projects in Berlin and Potsdam were selected and implemented in 2020, creating some 17,000 sqm of meadow area.

The project *Umgestaltung des Boulevards Kastanienallee* (Redesign the Kastanienallee Boulevard) in the Berlin borough of Marzahn-Hellersdorf was continued in 2020 and is making this thoroughfare more attractive and environmentally friendly. Highlights include the renewal of playgrounds, an upgrade to the main square on the boulevard and the creation of spaces for exercise and relaxation. Deutsche Wohnen is providing EUR 300,000 for the landscaping work. In autumn 2020 the company held a bulb-planting event with tenants and employees to ensure that there will be plenty of flowers available for bees in the spring. These activities are intended to encourage residents to feel responsible for their neighbourhood and identify with it more closely. A nature footpath known as *Castanea* has also been created on the Kastanienallee boulevard in cooperation with the nature conservation association in Berlin-Malchow. Deutsche Wohnen wants to continue involving its tenants in the environmental design of their neighbourhoods in future, with activities including the sponsorship of trees and the promotion of urban gardening.



[deutsche-wohnen.com/
en/new-home-for-bees/](http://deutsche-wohnen.com/en/new-home-for-bees/)



Bulb-planting day
Berlin-Hellersdorf

Our green space management team also aims to ensure that the playgrounds on our estates offer high-quality places for play and relaxation. Over the past four years, we have invested approximately EUR 4.8 million in repairing and creating new playgrounds. The plan is to build 20 new playgrounds on our estates by 2025. A playground on the Dunckerstraße in Berlin-Prenzlauer Berg was completely redesigned in the reporting year as part of the *Pop-up Playgrounds* project. Three combinations of tables and seats were added, which like all the other construction components are made of robinia wood.

EUR 4.8 million

for repair and redesign
of playgrounds



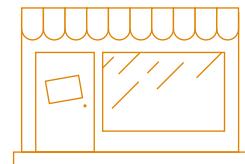
The green space management team has also been developing construction standards for bicycle storage areas in the outdoor spaces of Deutsche Wohnen's Berlin portfolio. This helps to promote property comfort levels and environmentally friendly and healthy mobility. The plan is to install 5,000 bike stands over the next five years.

Diverse mix of commercial property uses

Our approach to lettings and management ensures an optimum mixture of use types in each neighbourhood and a high level of attractiveness for residents. Making suitable spaces available to local businesses is a part of our work to develop our neighbourhoods in a successful way. A large number of small business enterprises can thus be found in our neighbourhoods, such as cafes, pharmacies, flower shops, hairdressers, restaurants and beauty salons. Our portfolio currently comprises some 2,900 commercial units. The average shop size is approximately 106 sqm. Currently, around 11% of our commercial space is let to social and educational institutions.

11%

of commercial space let
to social organisations



One project on our estate in the Berlin borough of Tempelhof-Schöneberg is typical of the kind of mix we are aiming for. A commercial location on the ground floor of a tower block dating from the 1970s was extensively and carefully refurbished here. The future use by an anchor tenant from the health and beauty sector, a children's daycare centre and a self-service bank branch will revitalise the estate.

We build on our collaborations with social institutions and agencies and on a network of reliable partners. As part of the *Open-Tiny* project in Berlin-Neukölln we refurbished a run-down kiosk in collaboration with the shopkeeper, who will use it rent-free from now on, and made it available to local residents as a place to meet. The project was made possible by funding from the city of Berlin and close cooperation with the local authorities. One of Germany's largest church-owned companies, the Pfeiffersche Foundations, has been among the commercial tenants at our Bruno-Taut Estate in Magdeburg-Cracau since 2020. A workshop where disabled people will repair used bicycles is also being set up in a commercial property on the estate.

FOCUS ON HEALTH AND SAFETY OF OUR CUSTOMERS

Management approach
GRI 416

The health and safety of our customers is of great importance to us. When we are carrying out refurbishment work, we are particularly careful to avoid risks resulting from the removal and disposal of dangerous substances and any pollution of the soil. We also use sustainable construction materials that pose no health risks.

Our steps to protect the health and safety of our customers are particularly meant as a contribution to the sustainable development goal of *Good Health and Well-Being*.



Clearly defined processes and responsibilities

The way in which hazardous building materials are dealt with is regulated by guidelines and legislation. In the area of technical building regulations, Deutsche Wohnen complies with the applicable laws and directives regarding the removal and disposal of hazardous waste such as the Technical Rules for Hazardous Substances (Technische Regeln für Gefahrstoffe – TRGS) and the Asbestos Removal Directive (Asbestsanierungsrichtlinie – AsbestSanRl). Expert opinions are obtained before refurbishment begins and contractors are appointed on the basis of the model contract for architects and engineers. Further steps in the process include inspections, sampling and the documented disposal of hazardous materials that are not permitted to remain in the building in accordance with the regulations.

Deutsche Wohnen ensures the safety of the housing facilities and apartments for the benefit of customers and other users by coordinating the activities of the departments responsible. Thus, different departments are responsible for compliance with standards for refurbishment and modernisation work as well as new construction projects, ongoing maintenance and tenant turnover. As part of technical management they also assume responsibility for meeting legal safety standards, for example when retrofitting smoke detectors. FACILITA carries out on-site inspections.

Customers can use the different contact channels provided by Central Customer Service, including feedback management, to make any complaints about health and safety.

Safe handling of hazardous materials

GRI 416-1

A large proportion of the apartments within the Deutsche Wohnen portfolio was not built by the company itself. Occasionally, materials can be found in these on average more than 67-year-old buildings which were technically modern at the time of building, but which are now considered harmful if released.

Potentially harmful substances found in existing buildings such as asbestos, "old" man-made vitreous fibres (MMVF), polycyclic aromatic hydrocarbons (PAH) and paint which contains lead are generally removed and replaced with suitable materials in the course of maintenance work, new lettings or refurbishment projects. Dangerous waste is disposed of in line with regulations to ensure it does not pose a risk to

**Share of Deutsche
Wohnen portfolio in each
building age group**
Responsibility for
the environment and
the climate

→ Page 90

people or the environment. We treat the plots of land with due care during refurbishment and new construction projects. Plots for new builds are carefully examined for any evidence of contamination and treated in accordance with the statutory requirements of the German Federal Soil Protection Act (Bundes-Bodenschutzgesetzes – BBodSchG).

We handle the topic of building materials containing asbestos, which were typically used in the 1960s and 1970s, responsibly and invest in the corresponding refurbishment of our portfolio properties. This partly takes place in the period between one tenant moving out and the next moving in, when residential and commercial units are refurbished. Secondly, we set great store by systematically reducing the asbestos in our portfolio properties during refurbishment projects.

In the year under review, we invested approximately EUR 7 million to remove contamination and pollution in the course of maintenance, refurbishments and building preparation. This mostly involves the removal of asbestos, by restoring floor coverings for example, removing lead-based paint from door and window frames, and decontaminating the soil.

We have been carrying out extensive rehabilitation work since 2018 on land in the Daumstraße in Berlin-Spandau after the soil was contaminated. Chemical weapons were produced on the site in the 1930s, which had a corresponding impact on the environment. Following a detailed investigation, assessment and classification of the materials in the ground, the process of removing the contaminated soil (approximately 30,000 cubic metres) and ordnance (65 tonnes) was completed in 2020. The strictest safety precautions were observed when disposing of the contaminated soil. Now the construction of the planned 300 residential units can continue.



Approx. EUR **7** million

for the removal of
contamination



Daumstraße
Berlin-Spandau

ATTRACTIVE RESIDENTIAL NURSING FACILITIES FROM DEUTSCHE WOHNEN

Germany today already has some 4.1 million people who need long-term care. There are approximately 820,000 elderly people living in in-patient nursing facilities.¹⁰ The number of people over 65 years old in Germany will go up to 20 million by 2025, and more than one quarter of them will require nursing care. The number of people needing care has already risen in recent years, especially in big cities: from 2.1 million to 3.2 million between 2009 and 2017. More than 300,000 additional beds will be needed by 2035, which represents around 3,000 new nursing homes.¹¹ In the assisted living segment as well, there is a need for action. Demographic data point to demand for around 850,000 residential units, of which not even half currently exist. Some 550,000 residential units will have to be built in the years ahead to meet rising demand.¹²

There is also a great deal of work to catch up on in making homes accessible to everyone. According to the Federal Statistical Office, 85% of all elderly households did not have step-free access to their apartment in 2018. Just 2% of residential units fulfilled all the criteria for accessible housing.¹³

Important role in the nursing care sector

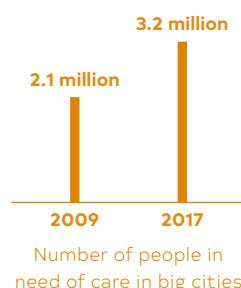
We create solutions and services to cater for the rising demand caused by demographic change and many people's greater need for care. For example, the Deutsche Wohnen portfolio includes 77 nursing properties with a total of approximately 10,580 beds and apartments for assisted living. This puts Deutsche Wohnen among the top five owners of nursing properties in Germany. 38 of our nursing facilities (accounting for approximately 5,440 beds) are run by KATHARINENHOF® and PFLEGEN & WOHNEN HAMBURG. The remaining 39 facilities (with approximately 5,140 beds) are under long-term management by various external operators.

Our properties have a networked range of services, offering both high-quality, full in-patient care and assisted living with an extensive range of services tailored to the elderly.

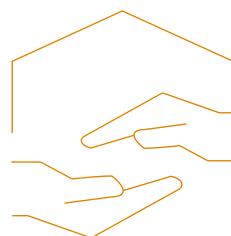
Our main aim is to provide an opportunity to continue living as independent a life as possible, in line with the wishes of many older people. To do so we offer a modular range of services, with different activities and structures to meet residents' individual requirements, including out-patient and part-time residential care.

As in the housing sector, we focus our nursing activities on growing cities and conurbations where there is strong demand for care beds and forms of assisted living. 64% of our portfolio is in metropolitan areas. Here, we focus on high-quality properties and a high standard of care and assistance. With this in mind, we will step up our investments in new construction projects and their digital infrastructure. We attach great importance to the cooperative structure of the segment, which makes it possible to offer all types of support. In autumn 2020, we held the

Management approach
Residential and nursing facilities which cater for demographic change



Number of people in need of care in big cities



10,580

beds and apartments for assisted living

¹⁰ Statista: "Anzahl der Pflegebedürftigen in Deutschland, die zu Hause und vollstationär versorgt werden, nach Altersgruppe im Jahr 2019" (Number of people in need of care in Germany who are supported at home or at in-patient facilities, by age group in 2019), 2021.

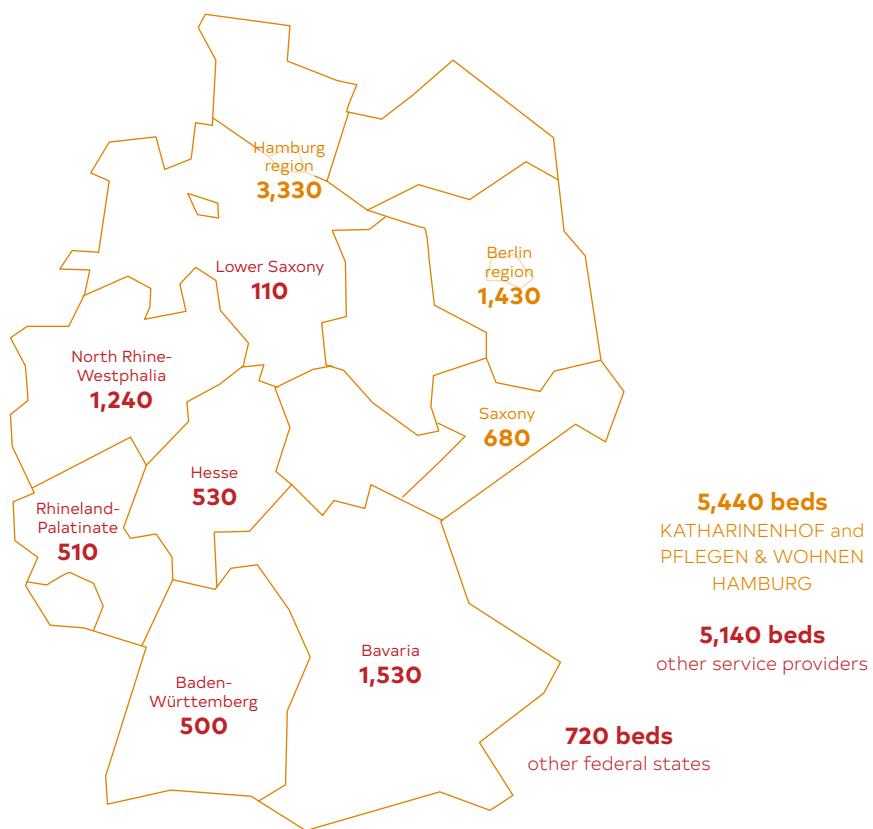
¹¹ Wüst Partner Deutschland, Pflegeheim-Atlas Deutschland 2018.

¹² BFB: "Betreutes Wohnen und Service-Wohnen: wachsender Bedarf, mangelndes Angebot" (Assisted living and serviced apartments: growing need, scarce supply), 08/05/2019.

¹³ BFB: "Barrierefreier Wohnraum: Ausnahme statt Regel. Ergebnisse Mikrozensus." (Barrier-free housing: the exception, not the rule. Results of a microcensus.), 16/01/2020.

official opening ceremony for the nursing facility KATHARINENHOF® An DER HEIDE in Dresden, which meets all these criteria. It covers all types of nursing care for elderly people: from day care, in-patient care with 100 beds, and assisted living through to out-patient nursing services.

Deutsche Wohnen is one of the largest holders of nursing properties in Germany



Impact of the coronavirus pandemic

During the coronavirus pandemic, our main priority in the nursing facilities was to protect old people, who are a vulnerable group, and to ensure the safety of our workforce. To do so, we implemented the various rules set by the different regions. The federal government's financial support for the nursing sector helped to stabilise the economic situation.

Our responsibility as employers in the Nursing and Assisted Living segment
Responsibility for our employees

→ Page 78



Berlepschstraße
Berlin-Zehlendorf

MAINTENANCE AND REFURBISHMENT FOR A SUSTAINABLE PROPERTY PORTFOLIO

Our property portfolio comprises around 155,400 residential and 2,900 commercial units. We want to contribute towards good standards of housing and living with the quality of our properties and associated services. Our aim is to continue surpassing the industry standard with the quality of our residential holdings.

Our extensive investments in recent years play a primary role in the maintenance, future viability and quality improvement of our properties. As well as equipping apartments with up-to-date fixtures, the focus here is on making energy-efficiency improvements to the buildings, upgrading technical systems, increasing safety and making the apartments even more comfortable and convenient. In the past six years, we have carried out complex energy-efficiency improvements in approximately 8,000 apartments for around 16,000 people. This not only enables us to make our properties and estates fit for the future; the consumption of what is known as "grey" energy, i.e. from non-renewable sources, is also lower for refurbishment than for demolition and rebuilding. This relates to the carbon emissions caused by the construction process, in particular for the production and transport of materials such as steel, concrete and aluminium. Their continued use is therefore also a contribution to climate protection and the efficient use of resources.¹⁴ We use our quality standards as a lever for realising our vision of a sustainable property portfolio that also respects the rights of future generations. Furthermore, we also bring our properties into line with new digital requirements and possibilities.

We aim to strike a proper and fair balance between social considerations, the interests of our company and those of the residents in our estates. We intend to live up to this aspiration in particular in our planning and implementation of maintenance and refurbishment measures. The aim is to find workable solutions for our customers, such as temporary accommodation, reductions in rent or assistance in cases of financial hardship.

Our intention is to by so doing also increase acceptance of maintenance and refurbishment work, and to continue our policy of dealing sensitively with topics in the focus of public opinion, like new construction and socially responsible climate action, and encouraging dialogue about them.

**Three-figure
million budget for
maintenance and
refurbishment**
Responsibility for
the environment and
the climate

→ Page 92

**Our commitment to
fairness and social
responsibility**

→ Page 42

¹⁴ World Green Building Council, Advancing Net Zero Status Report 2020.

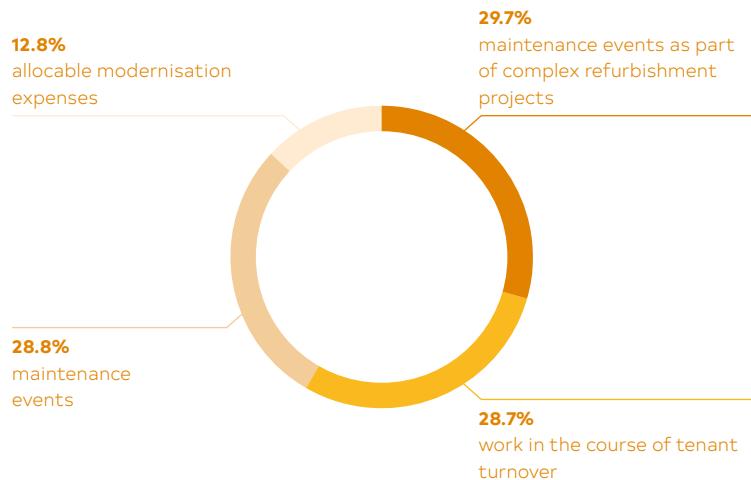
Responsibility for maintenance and refurbishment

DWI and DWKS are jointly responsible for managing the ongoing maintenance and renovation of apartments in connection with new lettings. Our complex refurbishment work is managed by DWCF and DWM, which are responsible for technical and commercial project management respectively, as well as for advising our tenants.

FACILITA handles infrastructural facility management in the course of ongoing property management – including quality management – particularly for our Berlin holdings.

Planners and/or site managers take care of quality assurance for structural measures. Furthermore, if our customers have questions concerning the work, they can contact the tenant advisers of the planning offices during consultations held locally.

Deutsche Wohnen invested a total of approximately EUR 365 million (about EUR 36/sqm) in its portfolio in the reporting year. Of its total investments in maintenance and refurbishment in the year under review, maintenance accounted for approximately 29%, around 29% went towards measures implemented during tenant turnover, some 30% related to non-allocable maintenance as part of complex refurbishment projects and approximately 13% was allocable to modernisation expenses. In the year under review, we invested an average of around EUR 9,441 (2019: EUR 10,853) in each residential unit in cases of new lettings.



OUR NEW-BUILD STRATEGY TO CREATE MORE HOUSING IN URBAN AREAS

There is a shortage of almost two million affordable homes in conurbations and metropolitan areas in Germany, because new construction continues to lag behind demand, despite rising numbers of housing completions.¹⁵ Furthermore, prices for residential units have risen by approximately a quarter in recent years, while rents have gone up by nearly 10%.¹⁶ Affordable housing is therefore in especially short supply in the urban centres.

A shortage of newly built apartments in conurbations and the rising cost of living pose a challenge for low-income customers in particular. Deutsche Wohnen wants to do its part to solve the problem and is continuing its strategy of making use of the potential for new construction on its own land and on brownfield sites. Our wide-ranging projects include both large-scale project developments or new construction and redensification, for instance by means of infill and roof structures outside the city, in suburban locations and on inner-city sites.

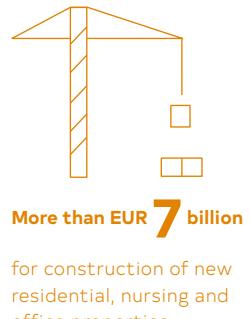
Overall, the company will invest in excess of EUR 7 billion in the construction of new residential, nursing and office properties in the next ten years. This will create around 18,000 new residential units and 350,000 sqm of commercial space, adding up to total usable space of 1.7 million sqm in the metropolitan areas Berlin, Dresden/Leipzig, Düsseldorf, Frankfurt, Cologne, Munich and Stuttgart.

It takes two to six years to develop, plan and complete new construction projects, depending on their size, the building regulations which apply to the site and the time it takes for the appropriate authorities to complete their approval processes. We would love to create more housing even more quickly by means of new construction in order to further ease the strain on the residential property markets. However, the official requirements and laws, such as the agreed rent cap, serve as an obstacle to investment – especially in Berlin. We are therefore also planning to create new housing in other German metropolitan regions in future, not only in Berlin.

With our new construction projects, we aim to create the districts of the future, offering attractive living conditions and meeting people's needs for socially and ecologically designed housing, architectural diversity and participation. To achieve this, we invest in energy-efficient fittings featuring modern technology, attractive services and innovative housing concepts of tomorrow. As a result we build modern, comfortable and sustainable urban neighbourhoods.

Efficient management of new construction projects

New construction is the responsibility of the Chief Development Officer (CDO) and is managed by the Project Development team. To carry out its construction projects in strategic core and growth regions, Deutsche Wohnen pools all the relevant skills in a separate platform led by Quarterback Group, which will implement all of Deutsche Wohnen's new construction projects in future.



¹⁵ Hans Böckler Stiftung: Böckler Impuls "Wohnungsmarkt: Unbezahlbare Mieten" (Housing market: unaffordable rents), issue 07/2018.

¹⁶ Press release no. N 012 of 04/12/2019, in conjunction with IW Brief Report no. 4 of 17/01/2020.

We evaluate our new construction projects by means of key figures such as costs, quality, contract awards and on-time completion. To this end, status and target attainment meetings are held regularly between the project leads, managers, strategic management and the Management Board. Responsibility for specific schemes is transferred to the project leads.

Priority for sustainable and resource-efficient building

GRI 416-1

We are aware of the impact that large-scale construction projects have, both in the building phase and in their subsequent use. They include negative environmental impacts from the materials used, be it obtaining raw materials, production processes or disposal. We therefore look closely at ways of making our activities in this area more sustainable and lessening their environmental impact. To achieve further improvements we are also counting on professional training, knowledge transfer and networking within the industry. We joined the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) in 2021 to underline our commitment to greater sustainability and climate action. Because to obtain a carbon-neutral portfolio by 2050 we have to plan, build and operate properties holistically and sustainably.

For all our new construction projects, we aim for gold certification according to the DGNB criteria. In doing so, the whole life cycle of a building is considered, spanning everything from its conceptualisation, planning and realisation to the time when occupation commences. Compliance with the sustainability criteria is guaranteed during planning and construction by qualified planning agencies and their auditors. Our building contractors are additionally contractually obliged to meet these requirements. Deutsche Wohnen also plans to have its large estates certified in future when carrying out refurbishment work on the existing portfolio.



In our new construction projects we pay particular attention to sustainable energy, water and transport concepts, as well as to the use of high-quality, ecological and long-lasting construction materials, selected individually to meet the requirements of the specific building. The majority of building materials we use are industrially manufactured materials, all of which have been tested.

We also factor in biophysical factors, such as the use of non-hazardous construction materials, the creation of a healthy indoor environment, a high quality of indoor ambient air, or network circuit breakers for the avoidance of electro smog. Due to environmental considerations, we avoid expanded polystyrene insulation whenever possible and use cellulose or mineral wool instead. In the case of windows, we endeavour to restore old windows with wooden frames wherever possible and otherwise purposefully install wooden or plastic windows.

We are currently working on a standard construction catalogue, including a product catalogue, where all quality specifications will be defined. In future this will serve as a standard guideline for all departments and business partners, like Quarterback, in both new construction and refurbishment projects. Both catalogues are continuously reviewed in terms of social and ecological sustainability criteria and adapted as necessary.

The new building in Leipzig with 44 residential units was completed in the reporting year; it received the *Sustainable Housing* (Nachhaltiger Wohnungsbau – NaWoh) seal of quality. In early 2020, we were awarded silver DGNB certification for the rental property which forms part of our completed new construction project consisting of 91 rental apartments and 12 terraced houses in Potsdam-Babelsberg. Our new build in Elstal with 24 units was also certified by DGNB as platinum, the highest level. This award recognises the sustainable quality of the new construction over its complete life cycle of 50 years. In the case of eight other new construction projects, we are at the development, planning and building preparation stage. They alone will create new homes for some 10,000 people by 2025.

 Other new construction projects:

[deutsche-wohnen.com/en/
new-developments](http://deutsche-wohnen.com/en/new-developments)



Elstal near Berlin



Lindenauer Hafen
Leipzig-Neulindenau

Insights for professional debate on life-cycle analysis

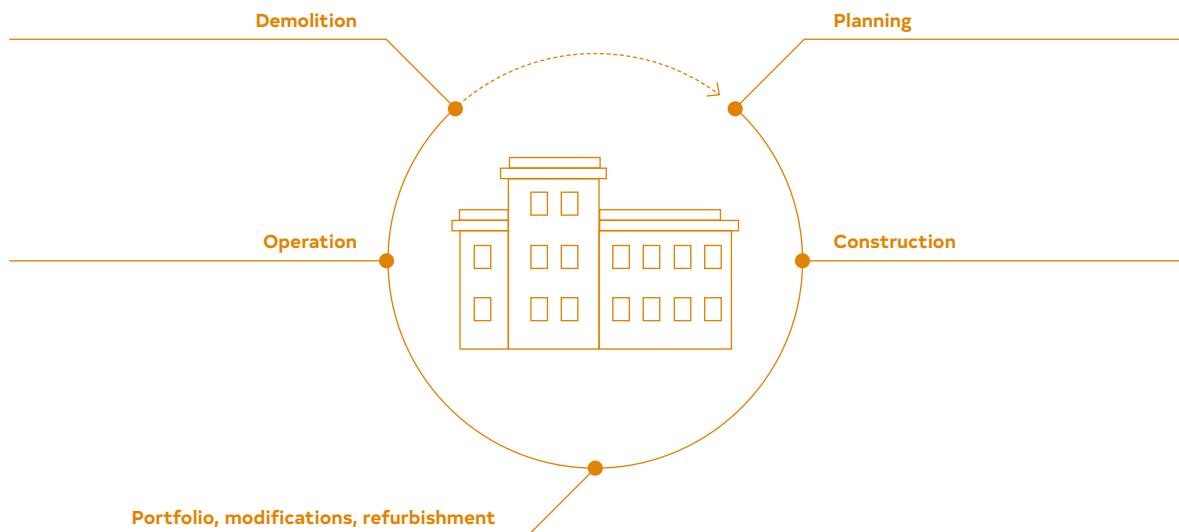
More residential construction poses the question of how best to deal with the significant ecological footprint of the materials used, which include steel, concrete and aluminium. Substantial carbon emissions are caused by producing, processing and transporting these materials to construct the building. That makes it all the more urgent to develop a circular economy for the raw materials used and to maintain existing buildings.

**Climate-relevant
emissions of
Deutsche Wohnen**
Responsibility for
the environment and
the climate

→ Page 84

In this context Deutsche Wohnen has been looking closely at the subject of life-cycle analysis for buildings, and wants to contribute more actively to the professional debate on this subject. So from the end of 2020 until spring 2021 we joined the Federal Foundation of Baukultur as an industry partner for its series of professional discussions on *Life-cycle analysis: methods and approaches for project developers and property owners*. The debates are open to experts, architects and players from the property industry. Deutsche Wohnen is represented by a member of its Management Board and of senior management. The individual events focus on a specific topic, such as certification systems, specifications for construction materials and how to implement the cradle-to-cradle principle. At the end of the programme, the findings will be summarised and the next steps defined.

Life cycle of a building



Based on DGNB
dgnb-system.de/en/buildings

ENSURING A SUSTAINABLE SUPPLY CHAIN AND USE OF MATERIALS

Deutsche Wohnen's supply chain centres on residential property management. We purchase energy, procure services from both tradespeople and technical firms, and award contracts for supply and disposal activities. The decentralised sourcing of construction materials is the responsibility of the tradespeople, building companies, architects and engineers who work for us and is based on the specifications defined in tenders and catalogues of standard products. We primarily source services directly from local or national tradespeople, planners and construction companies.

As Deutsche Wohnen only operates in Germany, our suppliers' business conduct is governed by the extensive legislation which applies here concerning ecological aspects, human rights and working practices. In addition to this, we have incorporated human rights and social issues such as preventing illicit work and ensuring payment of the minimum wage into our contracts. We have also established a whistle-blower system for employees, customers and suppliers. No breaches of our human rights obligations or other infringements were reported via the system in the reporting period.

We expect our business partners to act with integrity. All contractual partners and suppliers for major construction sites must therefore either be listed in Berlin's Register of Contractors and Suppliers for Public Contracts (Unternehmer- und Lieferantenverzeichnis für öffentliche Aufträge – ULV) or must fill out a self-declaration of eligibility pursuant to section 6a VOB/A.

In addition, we have implemented a code of conduct for business partners, which defines the requirements concerning compliance with legal provisions, as well as integrity and ethical standards. Among other things, the code includes:

- Following all the applicable laws and regulations, in particular anti-corruption, money laundering, antitrust, competition, environmental, data protection and capital market legislation
- Avoiding all forms of unethical or illegal labour conditions such as illegal employment, forced or compulsory labour and child labour
- The elimination of all forms of discrimination on the grounds of origin, skin colour, ethnicity, religion, political convictions, gender, sexual orientation, disability, age or other personal traits

We continuously analyse our purchasing processes and the related risks as part of our compliance management system. Deutsche Wohnen's purchasing policy also defines the responsibilities of the central and decentralised purchasing functions, lays out the principles and processes for working with business partners and specifies requirements in terms of quality, compliance and sustainability. It centres on the obligation of existing and new suppliers to acknowledge and implement the standards defined in the code of conduct for business partners.

Management approach

GRI 203

GRI 204

GRI 308

GRI 102-9

GRI 204-1

GRI 308-2

GRI 414-2

GRI 203-2

Whistle-blower system for confidential reports

Responsibility towards society

→ Page 31



Code of conduct for business partners

[deutsche-wohnun.com/en/
code-of-conduct-business](http://deutsche-wohnun.com/en/code-of-conduct-business)

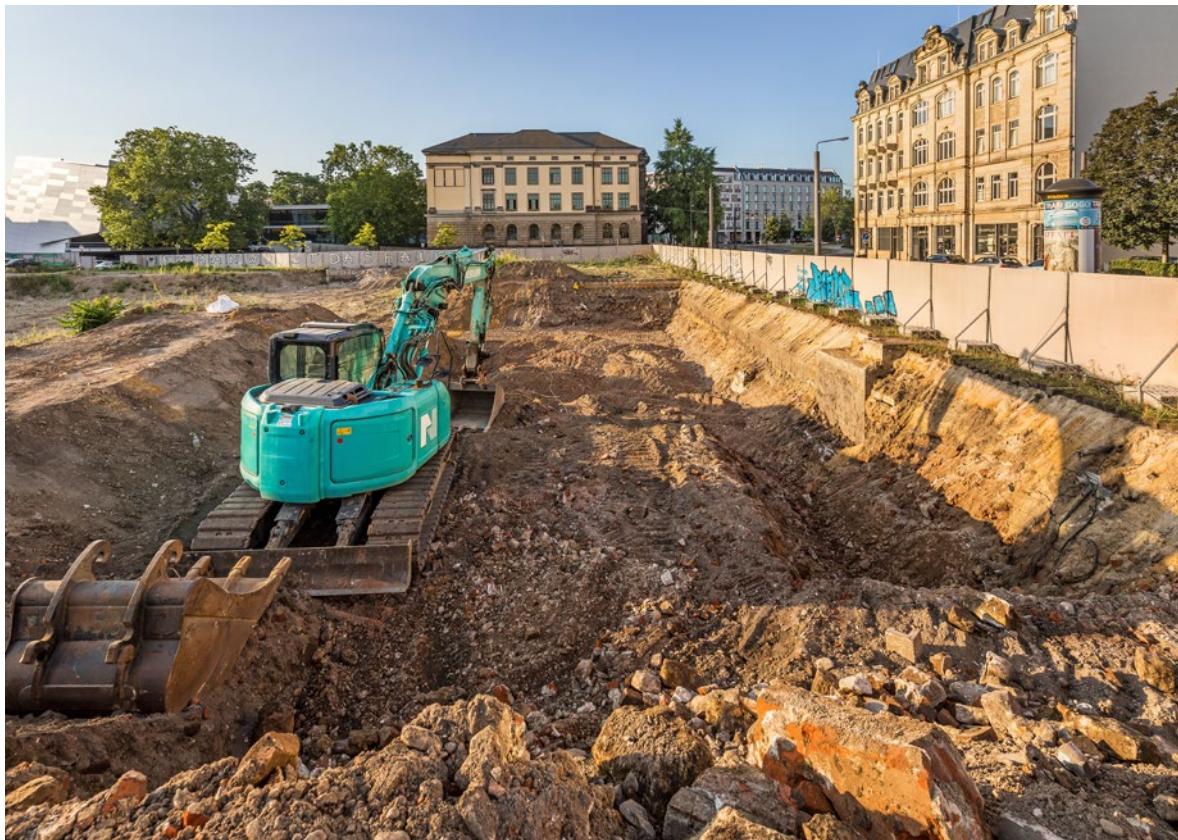
Business partner code focuses on integrity and compliance

Responsibility towards society

→ Page 31

High safety standards on building sites

To guarantee the occupational safety of the suppliers and external construction companies on building sites, we primarily use contracts based on Germany's Regulations on Contract Awards for Public Works (Vergabe- und Vertragsordnung für Bauleistungen - VOB/B). These stipulate that the contractor is responsible for order at the building site and for meeting all of their obligations in relation to their workers. From a particular building site size up, we notify the Berlin State Office for Occupational Safety, Health Protection and Technical Safety (Landesamt für Arbeitsschutz, Gesundheitsschutz und technische Sicherheit Berlin - LAGeSi) of our building activities in accordance with the Construction Site Ordinance (Baustellenverordnung - BauStellV) and put a health and safety plan (SiGe-Plan) in place. Compliance is monitored by means of a health and safety coordinator (SiGeKo), a function which is required when employees from more than one contractor are working on the site.



Schützengarten
Dresden city centre



Responsibility for our employees

Our targets

Enhance the attractiveness of the employer brand

- On the *kununu* rating platform, Deutsche Wohnen ranks among the top three employers of selected private or municipal housing companies (based on score)
- The majority of staff members (> 70%) are satisfied with Deutsche Wohnen as an employer
- Employee-initiated terminations remain at a consistently low level (< 7%)
- More than 50% of the workforce makes use of the option of working from home and uses the digital workplace (MS Teams) for communicating and collaborating
- Introduction of a model for flexible working hours to meet individual needs in different phases of life

Greater diversity and inclusivity

- Comply with code of conduct
- Appoint women to at least 40% of management positions within the Deutsche Wohnen Group
- Use gender-inclusive language in the company
- Support/strengthen diversity/individuality by developing activities in accordance with the Diversity Charter

A photograph of a man and a woman in an office setting. The man, with red hair and a beard, is pointing at a laptop screen while looking at it. The woman, with blonde hair, is looking down at the screen. They are both wearing casual clothing. A green plant is visible in the background.

Top 5
among the DAX® 30
companies in the
kununu employer
ranking

A MODERN, RESPONSIBLE EMPLOYER

Qualified and motivated employees are crucial for our company's success. We thus want to be a preferred and modern employer in the eyes of both our employees and potential new recruits. To achieve this we have to respond to many different social trends and challenges and turn them into convincing and forward-looking solutions. Among the most important factors influencing our work – alongside the ongoing shortage of qualified staff and demographic change – are the far-reaching changes in the world of work, which have been massively accelerated by the coronavirus pandemic. Virtual communications and mobile, flexible working from home and while travelling are just two typical aspects of the changes that demand a great deal of companies and their employees, but also offer great opportunities.

We not only want to observe these processes, but also to shape them actively in the interest of our company. Thus, we are investing in the company's digital infrastructure, encouraging distributed, networked working and dialogue among the workforce, and making working hours more flexible so that they cater to varying needs, also and especially during the pandemic. This not only enables efficient processes, but also makes our employer brand more attractive and boosts the satisfaction of our employees.

In addition to modern, digitalised workplaces, we offer our staff the best possible working environment, including bonuses and special benefits, cutting-edge professional development and a healthy working atmosphere. We seek to establish working relationships based on trust and responsible leadership, along with an appreciative company culture that is free of discrimination as well as being diverse and open-minded. When doing so, we are guided by our clear employer values, which we have integrated into our everyday work.

Dynamic staff development

Deutsche Wohnen has undergone a significant change in recent years – a change triggered by its strong growth and its evolution into one of the largest private real estate companies in Germany and Europe. Key factors behind this are the growth of FACILITA caretaker services for our properties, the expansion of our business, also thanks to the acquisition of the project development platform ISARIA München Projektentwicklungs GmbH, and the steady growth of the Nursing segment. This includes PFLEGEN & WOHNEN HAMBURG GmbH and KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH, which are wholly owned subsidiaries of Deutsche Wohnen.¹

As of 31 December 2020, we employed a total of 1,492 people (31 December 2019: 1,409); 84% of the workforce was based in the region around the capital city Berlin. This includes technical staff, administrative employees and employees from many other fields. 72% of the total headcount are involved in property management and administration, managing rental contracts and supporting clients.

Management approaches
GRI 402
GRI 405
Modern company
structure/culture

 Our culture
and values as
an employer

[deutsche-wohnen.com/en/
culture-values](https://deutsche-wohnen.com/en/culture-values)



84%

of our employees are
employed in Berlin

GRI 102-8
GRI 405-1

¹ The statements which follow are exclusive of the Nursing and Assisted Living segment.

Approximately 50% of our staff members are female, while the proportion of women in managerial positions is about 42%. At approximately seven years, the average length of service remained the same as in previous years.

Clear responsibilities defined

Overall responsibility for personnel issues forms part of the CEO's remit. The relevant Human Resources department is responsible for staff management as well as for staff and organisational development comprising the internal continuing professional development programme, occupational health management, recruitment, vocational training, HR marketing, internal communications and the shaping of the *digital workplace*. It is also responsible for the systematic management of change processes within the organisation, and for advising on structural projects in the company's operating units.

Extensive involvement and timely information

At Deutsche Wohnen, staff interests are represented by a focus group which was set up back in 2007. FACILITA has a nine-person works council for this purpose. The focus group is made up of 20 employees from various company functions and locations. They meet regularly with the Human Resources department to discuss current topics and comment on specific matters. Joint workshops are also held with the focus group on overarching subjects.

The company carefully complies with the minimum notice periods ahead of operational changes. In line with the applicable legislation, we provide staff in all sections of the company and at our shareholdings with comprehensive information in good time. We have also established new, digital dialogue formats to improve the flow of information. One of the most important information media for employees is our magazine *bruno*, which reports regularly on the latest developments and projects in the company.



42%

of management positions
are held by women

—
GRI 402-1

Other channels of communication with our employees

→ Sustainability Report 2019, page 73

Digital infrastructure for mobile working and communication strengthened

→ Page 74

ATTRACTING AND RETAINING EMPLOYEES

Management approaches
GRI 401
GRI 404
GRI 405

Many of the employees in Germany will reach retirement over the next few years and will no longer be available to the labour market as a result. According to surveys there will be a shortage of 2.9 million employees in Germany by 2025, around 80% in jobs requiring vocational training and 7% needing a university degree. More than half the companies in the property sector say they have a significant shortage of qualified staff.² One visible sign of this is the decline in the number of job applications. In 2015, for example, we received an average of 33 applications for each vacancy. Over subsequent years this fell to 14. In the reporting year we saw a new increase in applications per vacancy to 22. It remains to be seen whether this positive trend will continue.

To attract new talents, we have adopted a strategy of establishing contact as early on as possible, getting to know one another, and providing comprehensive information about working at Deutsche Wohnen. This takes the form of an onboarding process comprising individual induction guidelines, mentoring schemes and feedback meetings. Regular *Welcome Days* are held at our head office in Berlin as part of this onboarding process. We are also making increased use of *kununu*, the online ranking platform for employers, to enable dialogue and feedback outside the company's own platforms too. All the comments are reviewed individually, answered and other relevant contacts are provided. In the reporting year, we maintained our *kununu* score of 3.9 and increased our recommendation rate to 84%. We increased our score for some evaluation criteria by 10% or more (e.g. image, communication and working atmosphere). This result puts us well above the industry average and makes us one of the top three employers among public and private housing companies and one of the top five companies in the DAX® 30.

We strengthen our internal and external HR marketing continuously in order to position Deutsche Wohnen as a forward-looking employer. We are making systematic use of digital formats in addition to established instruments such as ads, flyers and campaigns. In addition to *Xing* and *LinkedIn*, we have also established our own business channel to convey our strengths to qualified staff and managers and to position our own employees as brand ambassadors.

We recruited 223 new members of staff in 2020. 38 of these appointments were the result of our recommendation programme *Freunde fürs Team* (Friends for the Team). In the course of the selection process we also give job applicants the opportunity to spend a *trial day* at the company. It enables us to get to know candidates better and also lets them gain an impression of us as an employer.

Deutsche Wohnen takes a sensitive approach to employees who would like to move to a different part of the company. The recruitment team is on hand to provide them with information, advice and support, whether they are interested in a specific open position or are looking for a change where no position has been advertised. Advice can be provided confidentially as well, without the manager's involvement. The team additionally puts the employee in touch with the department where they would like to work and facilitates introductory meetings and work shadowing.



GRI 401-1



Some 17%

of new recruitment is via our recommendation programme *Friends for the Team*

² Europäisches Bildungszentrum der Wohnungs- und Immobilienwirtschaft, EBZ HR development study 2019/2020, 10/2020.

Moreover, we also talk to members of staff who have decided to leave the company. By means of structured fluctuation analysis and a wide-ranging feedback system, which also includes an opinion from managers, we can find out even more about employees' motivation in order to keep improving ourselves. In the latest analysis we primarily registered room for improvement in the areas of career planning and professional development, decision-making autonomy and salary structures.

Fair pay and a share of company profits

To keep positioning ourselves as an attractive employer and retain our staff over the long term, we offer fair, market-standard pay and have given a commitment not to make operational lay-offs for three years from July 2018. Our performance-related, market-level pay structure establishes uniform standards with no gender bias and forms the basis for staff in comparable positions to receive equal pay. Guided by a comprehensive market comparison covering wage agreements within the sector and the salaries paid in the real estate industry, between five and seven salary levels have been defined, as needed, for each job at Deutsche Wohnen's individual companies. The senior management level beneath the Management Board is not included in the remuneration structure. We regularly review our remuneration structure and make adjustments if necessary. Around a quarter of our workforce consists of permanent employees whose remuneration is governed by wage agreements.

We rolled out a bonus programme in 2018, which rewards staff loyalty to allow our dedicated employees to keep sharing in the company's success. The bonus was paid for the first time in 2020 at a standard rate of EUR 4,000 per employee. Deutsche Wohnen also rewarded its employees for their dedication in the reporting year with the maximum tax-exempt pandemic bonus. The total volume of bonus payments came to some EUR 1.2 million. We also make special payments to our employees to support them at particular moments of their life, such as the birth of a child, a wedding or a death in the family.

—
GRI 405-2
GRI 102-41



Approx. EUR 1.2 million
in total for pandemic bonuses for employees' dedication

—
GRI 401-2

HR DEVELOPMENT FOCUSES ON VOCATIONAL AND PROFESSIONAL TRAINING

To succeed as a company, we need well-qualified, motivated employees who share our values and put them into practice in their day-to-day work. We want to fill key positions at our firm with in-house experts and retain top performers over the long term. With that in mind, structured staff development is at the heart of our HR strategy. This is designed to enable employees to develop their personal strengths and to cater for their needs.

Deutsche Wohnen has set itself ambitious targets for vocational and professional training. One is to continue to embed the digital workplace by means of suitable staff development measures. Another is to develop internal communications further, building on the previous work to improve information flows within the company.

Traineeships and dual courses of study to start working life

In-house training is the main method used to develop junior professionals. We offer young individuals the opportunity to gain a foothold in the form of work experience when they are still at school, as well as training for careers such as real estate agent, and, starting in 2019, office management assistant. Students can enter the world of work by joining us as an intern, a student employee or – following the successful completion of their degree – as a trainee. We support and offer dual courses of study in Business Administration/Real Estate Industry, Business Studies/Tax and Auditing, and Technical Facility Management, combining practical experience within our company with a theoretical course of study at the Berlin School of Economics and Law (Hochschule für Wirtschaft und Recht Berlin) or Hochschule für Technik und Wirtschaft Berlin. In 2020, we also started supporting the distance-learning course for a Bachelor of Arts Real Estate at the European Academy for Residential and Property Management (EBZ). In 2020, Deutsche Wohnen employed 56 trainees and 13 students on dual courses. This represents a more than two-fold increase in training capacities. A permanent job offer was made to all the trainees and students on dual courses who obtained their qualifications in the reporting year; of these, two trainees did not accept for personal reasons. With 15 out of 17 individuals accepting the offer of a permanent contract, this represents a success rate of 88% for the reporting year.

88% 
of trainees and BA students offered a permanent contract upon completion of course

Early integration of new talents

We have reorganised the structure of traineeships within the company in the *young talents* segment. The focus here continues to be on real estate agents; however, we are also examining whether new traineeships can be included in the Deutsche Wohnen portfolio, in the IT area, for example, or as dual-study courses.



**"Young Talent to go"
seminar in Blossin**

In 2020, we carried out a three-day seminar entitled *Young Talent to go* as part of the onboarding process for our new trainee and BA students. The aim is to ensure they have the best possible start in the company, strengthen team spirit and help them identify with Deutsche Wohnen as a training company. This was done primarily by introducing them to the workplace and conveying our employer values to them.

Since the 2019 academic year, we have offered a two-year training course as a way of preparing trainees for their future field of work in an even more targeted fashion. During the two years, regular feedback meetings and potential assessments are held to cater for the trainees' individual wishes and capabilities and to support them with further training where appropriate. This is followed by a year of gathering practical experience in their field of work, supported closely by the staff development team in order to give junior professionals a concrete insight into their career prospects at Deutsche Wohnen. We are increasingly offering forward-looking, digital learning formats for the young generation of apprentices. This involves using digital tools for teaching and testing in various areas.

Our offering has already won a number of awards for vocational training, including the *Fair Company* commendation presented by the initiative of the same name run by *karriere.de* and the Chamber of Commerce and Industry (Industrie- und Handelskammer – IHK) seal of *Training Excellence*, which we received again in 2020. In addition, the business magazine *Capital* awarded us five out of a possible five stars in two categories in its *Best Corporate Training Provider in Germany* study – in the categories of vocational training and dual-study courses – thereby recognising us as one of the best training companies in Germany.

We received two more awards that confirmed our attractiveness as an employer in the reporting year. According to a study by the F.A.Z. Institute and the Institute for Management and Economic Research (Institut für Management- und Wirtschaftsforschung – IMWF), we are one of *Germany's Most Popular Employers*. The analysis reviewed the 10,000 companies in Germany with the most employees and examined such factors as employer and management performance, family-friendliness and sustainability.

We also received the *Deutschland Test Seal of Quality for Top Career Opportunities 2020*. This was also based on a study carried out by the IMWF and was published by *FOCUS-MONEY* and *Deutschland Test*. It measured 22,500 of the biggest companies in Germany against criteria such as career opportunities, company culture and working atmosphere.

GRI 404-2



Equipping staff for future challenges

We determine the individual need for training by means of regular staff surveys and discussions with employees. Since these could not be carried out in the usual form under pandemic conditions in 2020, we also determined training needs in other ways, including feedback from managers. In the reporting year the focus was on statutory training courses and qualifying managers to lead work processes remotely (virtual leadership).

As we are always questioning and optimising our tools, we redesigned the format of the annual performance reviews in the reporting year and will be implementing the new format in 2021. Instead of a meeting in the final quarter of the year, from 2021 managers will have the option of carrying out the review over the course of the entire year and thus basing the working and leadership relationship on a continuous dialogue. Under the overarching title of *Opportunities and Objectives*, we focus on the four dimensions of self-reflection, structure, performance and engagement, as well as healthy working relationships, and give our employer values a concrete role to play in this system. Employees and managers can use a digital tool and a guide to prepare and follow up the meeting and to document the contents of the discussion.



Based on the development potential and needs identified, we are implementing a company-wide education programme accessed via a dedicated online portal. Our employees took part in a wide range of training courses in the reporting year, despite the pandemic, clocking an average of 13.1 hours. Whenever possible the courses were offered remotely. On the basis of feedback from our employees, we have found that this approach is very practicable for job-specific subjects and so intend to expand it to other topics, if the contents are suitable. This format will not completely replace our face-to-face modules, however, which we still consider to be very important.

Regarding their general impression of the events offered and the quality of the speakers, the seminar participants gave ratings of 1.78 and 1.44 respectively, with a score of 1 being very good on a scale of 1 to 5. Nearly 95% of development measures were rated as good or very good by our employees.

We continuously evaluate the training programme at Deutsche Wohnen. Furthermore, we also expanded our structured analysis of the effectiveness of programme content to include an opinion by the line manager concerned. This offers us an additional perspective on the effectiveness of our measures to that of the employee.

GRI 404-1
GRI 404-2
GRI 404-3



Nearly 95%

of development measures were rated as good or very good by our employees

Qualifying managers for new challenges

Our training activities focus particularly on strengthening our managers' skills. We specifically prepare them for their changing role in an increasingly digitalised working world and enhance their expertise in cross-generational collaboration with increasingly flexible forms of employment. The focus in the reporting year was on leadership in the framework of virtual teams. We carried out a modular qualification programme on a remote basis and developed a podcast under the overarching title of *Distance Leadership*. Managers could practice suitable methods of collaborating virtually and of leading virtual teams, covering such areas as communications, delegating tasks and dealing with conflicts.

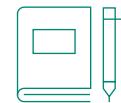
The management method Objectives and Key Results (OKR) was explained in a podcast: it is intended to help make the division of tasks within the team efficient and transparent. This is meant to provide the managers with methodological support with their day-to-day challenges, but also to make them aware of the opportunities and risks of virtual leadership.

For our junior managers we organise modular training courses that prepare them for their leadership role. The modules focus on the participants' perceptions of their own leadership role and on basic leadership methods.

We implemented a modular programme for deputy managers for the first time in the reporting year. The programme aims to introduce and practice the main management tools. It also enables teams from our operational areas to meet one another in a very different context as part of a one-day event, and to reflect on how they work together. The event is intended to develop the team culture further, strengthen the cohesion among its members and sharpen the focus on objectives and tasks.

In addition to the activities for current and soon-to-be managers and our team sessions, we also train our employees at a functional and overarching level. Subjects covered in these courses include the legal topics, stress management, customer communications and negotiation. Individual support in the form of extra-professional training is also an important building block for offering employees development opportunities and career prospects. This support is based on an analysis of potential, which the employees and their managers use to determine appropriate development activities. In 2020, eight employees were following training or degree courses in technical facility management, property management, IT security and consolidated financial reporting.

The continuing professional development programme at FACILITA is geared towards sharing the knowledge needed for specific roles. The role of expert was introduced in the caretaker teams to help spread and multiply knowledge within the company. The experts cover such areas as using the company-specific app, indoor cleaning, grounds maintenance and outdoor cleaning, the caretaker base, ordering supplies and communicating with tenants. The experts' existing knowledge was analysed in the reporting year to determine needs for further training.



Approx. **70%**

is the current
continuing professional
development rate

ENCOURAGING WORK-LIFE BALANCE AND FAMILY-FRIENDLY WORKING CONDITIONS

We believe that the ability to combine work and private life and the creation of a family-friendly working environment are key success factors for a modern, socially responsible employer. Here, too, Deutsche Wohnen adapted to the new conditions imposed by the coronavirus pandemic and made its approaches to shaping a new world of work a vital subject for the future. We concentrate on innovative concepts for creating a mobile, flexible and digitally enabled workspace and on the leadership processes required to support this. As part of our sustainability programme we have already set concrete targets for their implementation: more than 50% of the workforce should make use of the opportunity to work from home and use the *digital workplace* to communicate and collaborate with colleagues.

To increase our attractiveness as an employer in terms of work-life balance we are introducing flexible working hours on the basis of long-term accounts, which go beyond what is required by law. The aim is to accommodate individual needs at different times of life. Employees can accumulate working hours on their account in order to take time off for longer periods when they start a family, for instance, but also in order to retire earlier or over a longer transition period. Hours can also be accumulated by converting salary components, such as awards, bonuses or special payments.



Challenges of the coronavirus pandemic

As a result of the steps taken by the company to contain the coronavirus pandemic, most work was carried out from home in the reporting year. Some offices were closed or only operated with skeleton staff. Another focus was on enabling variable working hours, also outside the core working hours. Implementation of the *digital workplace* played a vital role here.

The topics of work-life balance and family-friendly working conditions are evaluated in the course of our regular staff surveys and structured performance reviews. The unusual situation in the reporting year meant that instead of a full staff survey, we carried out a rapid survey of the current situation and working from home in the second quarter. The feedback on communication and cooperation was positive. The changes to working hours were also well received. Since work-life balance was particularly important due to the need for distance learning and working from home, we also asked people how they felt about the situation and asked them for tips on how to make working from home a successful and healthy experience. The analysis showed that maintaining fixed structures and routines was important, as was staying in touch with colleagues. However, around 20% of the workforce still saw potential for improvement in the general information policy.

In 2020, approximately 89% of our staff members made use of this opportunity and spent a total of around 45,000 days working from home (2019: around 4,000 days). This is almost twice the figure for the previous year, which is largely due to the effects of the coronavirus pandemic.

At FACILITA, we were faced with the challenge of enabling employees to both carry out their work and organise distance learning for their children during the COVID-19 pandemic. Certain groups of employees, such as caretakers, still had to be present on the estates in order to do their work, which involved keeping the properties clean and tidy, despite increased volumes of waste. To find a solution that would help these employees, we introduced shift work on a weekly basis for caretakers in March 2020, which gave them more time to care for their children.

Independent of the pandemic, we want to stay in close contact with our employees when they are taking a break from work, during parental leave for example. We keep them up to date with the latest company developments by means of mailings and information about special occasions as well as via our staff magazine *bruno*.



Around **76%**

of those surveyed
said they were coping
well or very well with
the current situation in
their everyday work

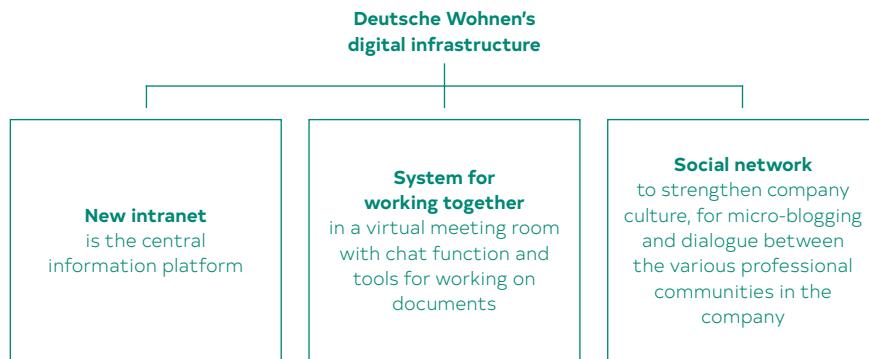


89 %

of staff working from
home in COVID year

Digital infrastructure for mobile working and communication strengthened

We made further substantial progress with the topic of a digital workplace in the reporting year. Digital infrastructure at Deutsche Wohnen is now based on a three-pronged system. It consists of the redesigned intranet, a system for working together in a virtual meeting room and a social network.



The relaunch of the intranet in 2020 was particularly intended to enable all-round communication and dialogue, as well as to encourage autonomy by creating individual pages for the different departments. One element of the implementation was training courses for the editors writing articles for the intranet.



With the introduction of the *digital workplace* we can enhance integration of employees by providing additional opportunities for feedback and networking. A stronger digital infrastructure also enables us to focus even more sharply on modern forms of corporate communication. These include video messages, for example, from the Management Board, from managers or from different company departments on current projects and topics. Our new digital structures are not only a response to the feedback from our most recent staff surveys about improving collaboration between departments and information flows. Developing efficient communications channels also helps to change the company culture at the same time.

ENSURING DIVERSITY AND EQUAL OPPORTUNITIES

People from 20 different nations work at Deutsche Wohnen. They cover a total of five generations and have the most diverse backgrounds. We respect the individuality of everyone in our teams. Because we are convinced that innovative and creative solutions can best be found by people with different personalities, perspectives and skills working together. So we attach great importance to an open-minded atmosphere where everyone can feel comfortable and express themselves, and we appreciate the diversity in our company. We reject any form of discrimination based on gender, age, ethnic origin, religion, disability or sexual orientation. This principle as well as the duty to treat employees and third parties in a friendly, professional, fair and respectful manner are also important elements of Deutsche Wohnen's Code of Conduct. Reinforcing diversity is one of the aims defined in our strategic sustainability programme. One example for this is our *Diversity Charter*, which we signed to reinforce our position with a view to our stakeholders.

To inform and educate our employees and managers about equal opportunities and anti-discrimination, we provide online courses on the General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz – AGG), which include a test and a certificate.

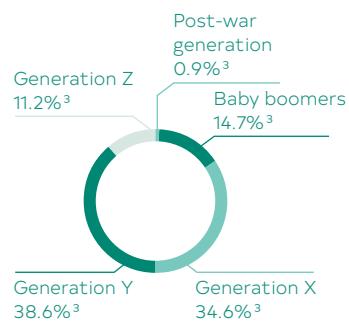
The proportion of male and female staff is very balanced, both among total employees and in management positions. Deutsche Wohnen's remuneration model is gender-neutral. Equal opportunities and equal rights form an intrinsic part of all recruitment and professional training activities; for instance, equal numbers of male and female candidates are selected for traineeships and junior management programmes.

Any complaints about equal treatment or aspects of work-life balance and family-friendly working conditions can be addressed to the focus group and also to the internal complaints officer for Deutsche Wohnen, who is part of the whistleblower system. The reports received are recorded and analysed by the HR business partners.

No cases of discrimination were reported to us in the 2020 reporting year.

We also consider that the use of gender-aware language is another way of making diversity visible within the company. By including binary and social genders in our corporate communications, we want to embed the principle of inclusion even more firmly in our company culture.

Management approach GRI 406



50%
of total staff are
women⁴

GRI 406-1

³ Post-war generation: 1946–1955, baby boomers: 1956–1964, Generation X: 1965–1979, Generation Y: 1980–1993, Generation Z: 1994–present.

⁴ Excluding the Nursing/Assisted Living segment.

ENHANCING OCCUPATIONAL HEALTH AND SAFETY

We want to offer our employees a safe, healthful working environment. At Deutsche Wohnen, the staff within the Administration department at the head office in Berlin are responsible for areas such as occupational health and safety. Two additional employees oversee this area at our office in Mainz. Deutsche Wohnen also has a specialist assistant to the company doctor and an occupational health and safety officer, who works on the basis of a contract with TÜV Rhineland. They perform their tasks in accordance with the applicable health and safety regulations for workplaces.

**Occupational safety
ensured throughout
the company**

→ Sustainability
Report 2019, page 81

In accordance with the statutory requirements, Deutsche Wohnen and FACILITA have established health and safety committees consisting of the company doctors, occupational health and safety officers, safety officers and employee representatives. They support and monitor our company-wide health and safety programmes and offer advice when needed. We also ensure that all workplace accidents are documented thoroughly. Such incidents are recorded in a central logbook and assessed once a year. At FACILITA, a logbook is kept at each site. The company provides its caretakers with work clothes that are manufactured in accordance with social and ecological sustainability criteria.

In addition to the risk assessments that have to be carried out regularly for the different areas in which our employees work, the risk of psychological stress is assessed and documented for defined stress factors; action to improve the situation is defined and its effective implementation is monitored.

Crisis team to cope with the pandemic

The Management Board set up a COVID-19 crisis team in late February 2020 to take all the decisions necessary for coping with the coronavirus pandemic. The crisis team consists of one Management Board member, the Director Administration and the Managing Director Human Resources. It continuously evaluates developments relating to the spread of the virus and defines measures to protect our employees, customers and business partners from infection and prevent contagion. In 2020 this included compliance with the essential hygiene standards, particularly providing employees with face masks and disinfectant, and maintaining social distancing. The workforce was also divided into groups to reduce infections, and rules were established to keep the business running in the event of a lockdown, record any suspected cases and impose quarantines. The IT infrastructure required for mobile working was also provided or adapted.

All the measures conform to the current regulations adopted by the federal government and individual state governments. Employees are notified promptly about all the measures via various digital channels. An emergency number and email address were also set up for the crisis team.

Workplace health activities expanded further

The occupational health management programme helps to promote a healthful working environment with benefits such as health awareness days, free massages, organic fruit or participation in sporting events. In this context, Deutsche Wohnen subsidises up to 80% of the cost of courses on the *machtfit* health platform. Employees booked some 750 external and internal courses in total over the course of 2020. As of the end of the year under review, around 740 employees were registered with our health platform.

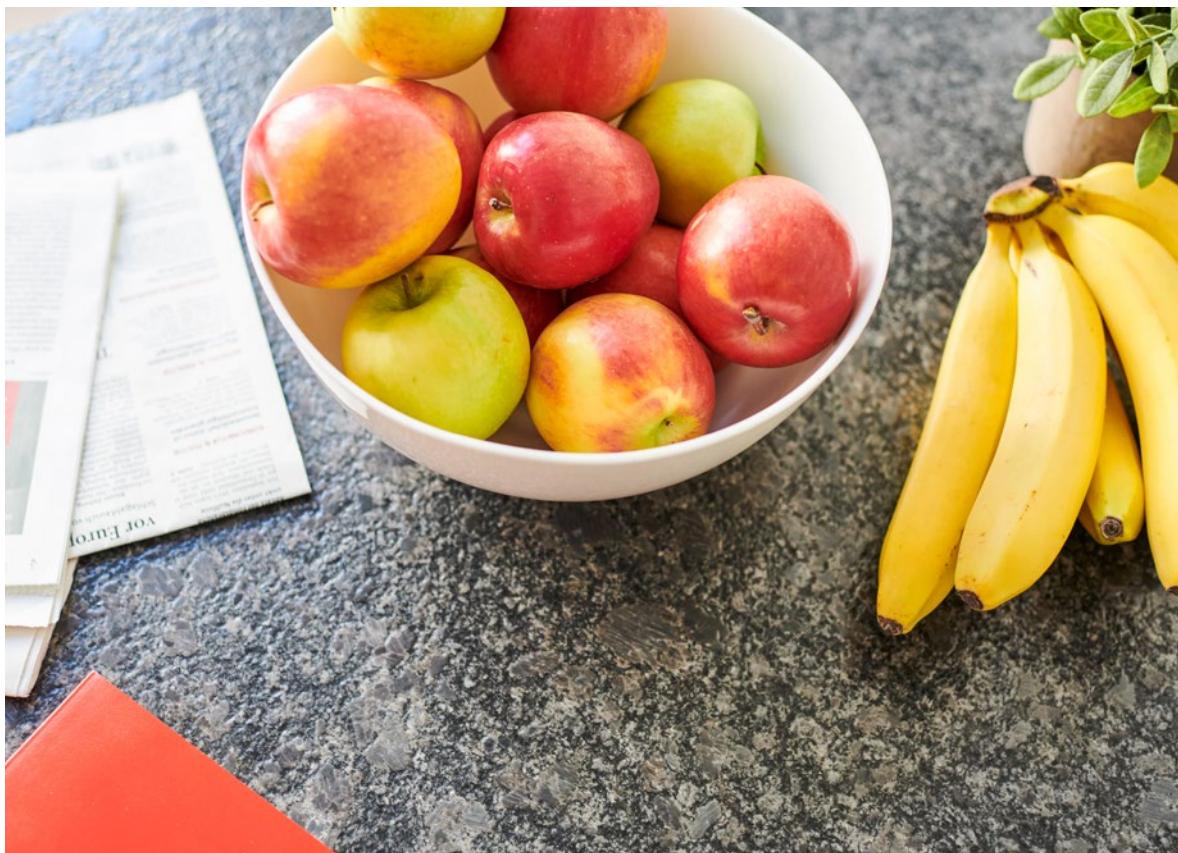
We have also established a corporate integration management scheme for people returning to work after a lengthy illness. Moreover, we hold regular talks with employees who are frequently absent from work due to illness and offer them our support as their employer to improve their health situation, possibly by changing the equipment available at their workplace or arranging individual working hours.

Talks about medical check-ups, health requirements and returning to work are also part of the *Health-oriented Leadership* course that managers can complete as part of the health management programme. As well as teaching basic leadership techniques, the course covers how to deal with stress and the manager's own resources.

Workplace health activities expanded further

→ Sustainability Report 2019, page 81

GRI 401-2



OUR RESPONSIBILITY AS EMPLOYERS IN THE NURSING AND ASSISTED LIVING SEGMENT

As in the entire nursing sector, the coronavirus pandemic raised particular challenges for the health and safety of our workforce but also for the residents and patients of the homes. Further waves of infection meant that many of the measures taken have become standard practice.

Every facility was required to draw up and implement a pandemic plan based on the guidelines from the Robert-Koch-Institute and the public health and supervisory authorities. This included special hygiene strategies, what do to in case of infection, quarantine and isolation measures, and the use of additional personal protective equipment, which had to be procured. We also had to arrange appropriate working hours for employees with families during the periods when schools and day nurseries were closed. In addition, we defined rules for working in the office and from home in order to minimise the risk of infection from using public transport to travel to and from work. Staff from partial inpatient care facilities offering day-care centres, which had to close prior, were also employed in order to avoid short-time working.

In addition to the COVID-19 pandemic, demographic change is particularly challenging for the labour market nationwide in the nursing care sector. On the one hand, people are living ever longer in Germany and requiring more nursing care. On the other, there are not enough people joining the profession, while older employees are retiring. There is already a shortage of some 120,000 carers in old people's homes.⁵ Our aim is therefore to offer the carers an attractive workplace with fair pay and in so doing further strengthen their loyalty to the company. From time to time we review how everyday work can be supported digitally, partly to make the care processes faster and safer, and partly to relieve pressure on our employees. At the same time, we try to get people interested in working in care professions and to expand our vocational training in order to retain future qualified staff. The traineeship ratio came to around 6% in the reporting year, which is in line with the average for the sector.

We had a total of 4,223 employees in the Nursing and Assisted Living segment as of 31/12/2020.⁶ The average length of service was roughly eight years. The percentage of qualified nursing staff and of unfilled vacancies (10–15%) at Deutsche Wohnen is currently comparatively good. This is primarily thanks to intelligent, web-based recruiting activities and the positive image of our two business platforms as employers, as well as to the good performance of our recommendation programme, *Employees Find Employees*. We recruited some 20% of all our new employees via this programme in 2019. In the reporting year it accounted for around 10%.

Professional training for our care staff primarily takes place via mandatory training courses on various nursing subjects, for example, on customer communications and on a service mentality in nursing care and assisted living. These courses have to be attended and documented in training plans. Augmenting this are qualifications on the personal level, which are aimed at the managers in charge of care services or nursing facilities. Our ongoing, two-year management development programme



120,000

additional carers are
needed in old people's
homes

6%



traineeship ratio in
Nursing segment at
Deutsche Wohnen

GRI 102-8

⁵ Source: SOCIUM Forschungszentrum Ungleichheit und Sozialpolitik, Zweiter Zwischenbericht im Projekt Entwicklung eines wissenschaftlich fundierten Verfahrens zur einheitlichen Bemessung des Personalbedarfs in Pflegeeinrichtungen nach qualitativen und quantitativen Maßstäben gemäß §113c SGB XI (PeBeM), February 2020.

⁶ Including trainees and interns.

is based on assessments, individual and collective coaching, and on training in communication, value-based management and leadership culture. Opportunities for training were limited in the reporting year, however, due to the pandemic.

Maintaining a good work-life balance is a permanent challenge in the nursing sector, especially due to the system of shift work. For this reason we have agreed on fair, employee-friendly arrangements for shift work and set clear limits on the number of shifts our employees may work. These limits are laid down in binding works agreements or agreements for the individual facilities. Maternity shifts with different working hours are available preferentially for young mothers, for example.

At least 90% of the holiday allowance is planned in advance and is ensured to be granted over the course of the year. A limit is also set on the number of employees who can be on holiday at any given time. We responded to the pandemic with measures to help families: childcare inside the facilities was enabled at first, depending on the rules in force in the individual region. Later, emergency childcare was offered for parents working in essential areas, which took some of the pressure off employees.

In terms of the promotion of equality for women, we do not see any particular need for action in this segment, given the specific situation in the nursing sector, which has a high proportion of women. In our Nursing/Assisted Living segment, the proportion of women in management is around 66%.

We also believe in dialogue with policymakers to create a positive operating environment. Our discussions with the Management Board of the employers' association for the nursing care industry give us a direct connection to political decision-makers. We also seek to discuss nursing care projects with municipalities via the trade association for private providers of care services. In Hamburg we have our own dialogue strategy for communicating with political decision-makers, which focuses partly on new construction projects.

Around **21%**
of staff work part time



66%
women in management





Responsibility for the environment and the climate

Our targets

Climate-neutral property portfolio by 2040	<ul style="list-style-type: none">Present a climate action strategy with concrete activities and milestones in 2021
Promote climate-friendly mobility	<ul style="list-style-type: none">Migrate the company car fleet to alternative drivesBuild 2,000 charging stations for electric vehicles by 2030Build 5,000 bicycle stands in the estates by 2025Introduce a mobility policy throughout Germany to promote the use of public transport for travelling to work and for work trips. The aim is to gradually increase the proportion of employees travelling to work on public transport.
Promote ecological upgrades and increase biodiversity of the estates	<ul style="list-style-type: none">Only plant new trees from the list of resilient species to maintain tree stock and increase its vitality (around 70% of the trees with a vitality level of 0-2 by 2025)Replant all front gardens in Berlin estates where shrubs and bushes are past their best by 2025Ecologically upgrade the estates by replacing impervious surfaces with gravel paths, rainwater management and increasing the proportion of green facades (in optimal locations)Increase urban meadows by 3,000 sqm a year as part of the project series <i>Homes for Bees</i>



**Our target:
climate-neutral
property portfolio by
2040**

OUR ENVIRONMENTAL AND CLIMATE STRATEGY

GRI 201-2

Achieving our climate goals is one of the key challenges for the years ahead, notwithstanding the coronavirus pandemic. The need to limit global warming to well below two degrees Celsius by radically reducing carbon emissions represents a dilemma for society, business and politics.

Both the EU and Germany's federal government set ambitious targets, took statutory measures and presented appropriate plans in order to implement the Paris Agreement. The federal government intends to lower greenhouse gas emissions by 80 to 95% in comparison to 1990 by 2050. According to the Climate Action Programme adopted in 2019, a carbon reduction of 55% is targeted to have already been achieved by 2030. In its Green Deal, the European Union set the target of being the first continent to become climate-neutral by 2050 and of emitting at least 60% less carbon by 2030.

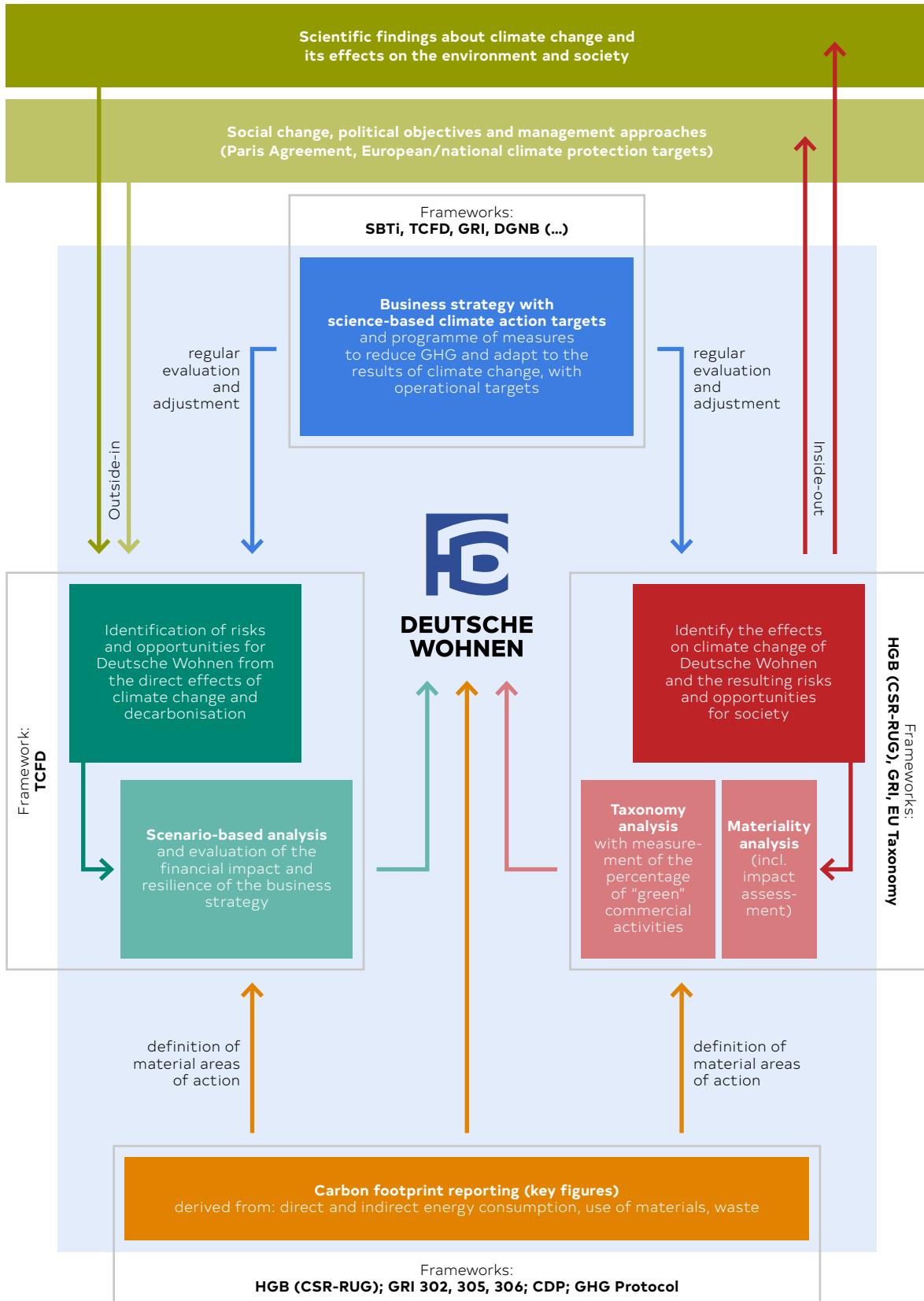
As a leading company in the residential property sector we are aware of our particular responsibility to protect the climate. We want to use our knowledge and our energy to find innovative solutions for achieving the political objectives. Thus, we have set ourselves the target of making our property portfolio climate-neutral by 2040. At the beginning of 2021 we published our climate action strategy for a climate-neutral portfolio, and will define a corresponding package of measures with quantifiable, science-based milestones. This strategy will be based on analyses covering both the effects of climate change on Deutsche Wohnen's property portfolio and the ecological impact of our own activities as a company.

From now on we will follow the TCFD recommendations to analyse the impact of both climate change and of the changing social and political environment on our company. With this as a starting point, we will use scientifically well-founded, scenario-based analyses to examine the financial effects and the resilience of our business model. The results of these analyses will be regularly factored into the evaluation of our business strategy and our climate action strategy.

In the reporting year, we identified the non-financial risks and opportunities associated with our material topics by means of an inside-out assessment. Climate change is one of the most important. We plan to use impact analyses to investigate the climate-related effects of our commercial activities and our business relationships, along with the resulting opportunities and risks.

To ensure that we are able to meet the regulatory requirements of the EU Taxonomy Regulation in future, we will also disclose for 2021 the percentage of our revenues, investment and operating expenses that is related to ecologically sustainable economic activities. The results of all these analyses will also be incorporated into the business strategy going forward and updated regularly.

All the analyses and strategic decisions are based on our carbon footprint reporting, which was updated in the reporting year, and presents Scope 1, 2 and 3 emissions transparently.



CLIMATE-RELEVANT EMISSIONS OF DEUTSCHE WOHNEN

Our carbon footprint for 2020 at a glance

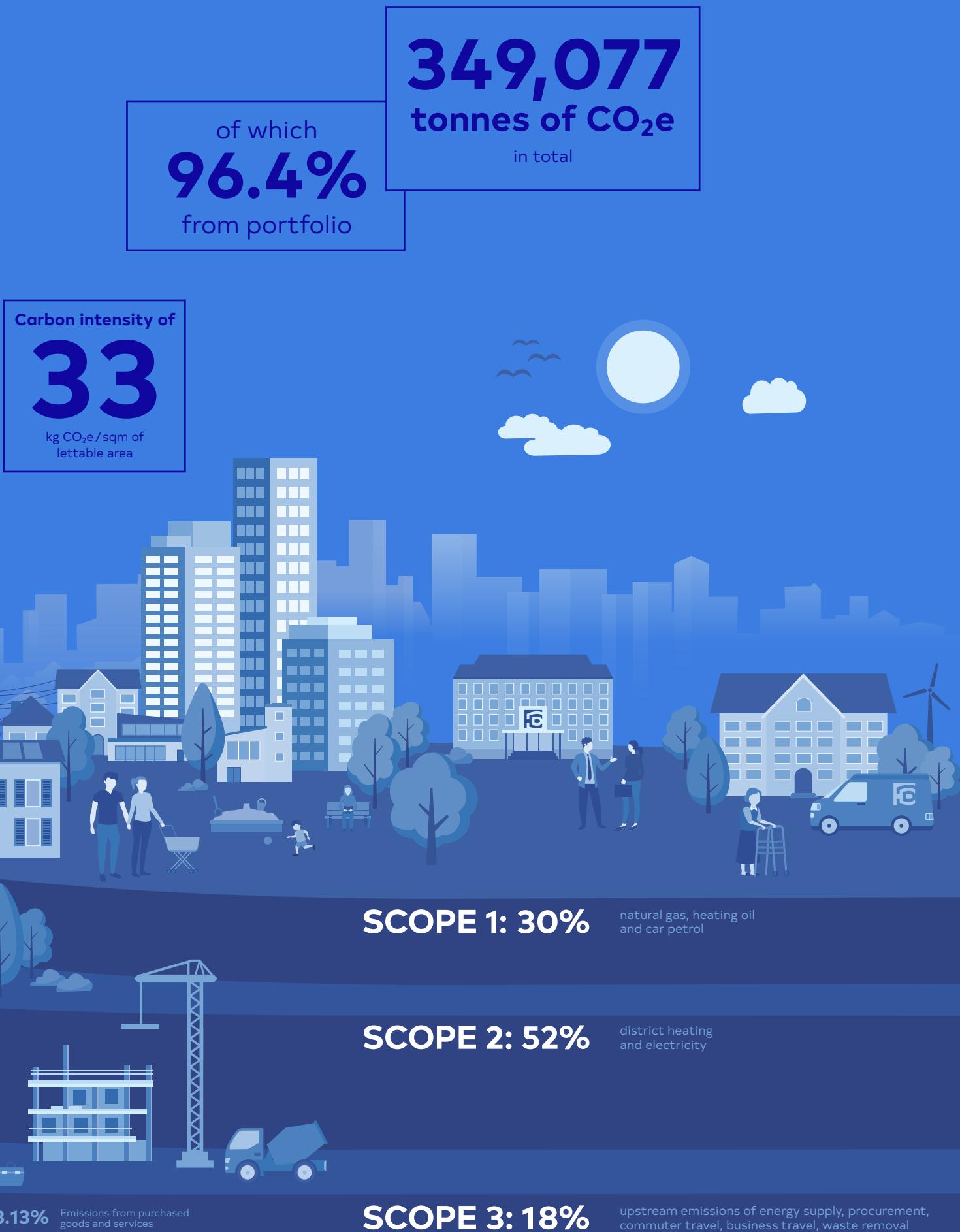
Deutsche Wohnen reports the greenhouse gas (GHG) emissions that result from its material business activities. For management purposes, the carbon footprint differentiates between administrative locations, the portfolio (residential and commercial units) and Nursing properties. The carbon footprint has been calculated according to the definitions and requirements of the *GHG Protocol Corporate Standards*. In order to account for sector-specific factors, the footprint was further prepared under consideration of the *GdW Guidance* and adjusted in line with the recommended calculation factors.

Deutsche Wohnen emitted approximately 350,000 tonnes of CO₂e (Scopes 1 to 3) in the reporting year. Of this, around 30% is attributable to Scope 1, about 52% to Scope 2 and some 18% to Scope 3. At a good 96% of total emissions, the portfolio (residential and commercial units) accounts for the lion's share of GHG emitted.

29.5%

CO₂ reduction in Scope 2
due to energy procurement
strategy





CLIMATE-NEUTRAL PROPERTY PORTFOLIO AT DEUTSCHE WOHNEN BY 2040

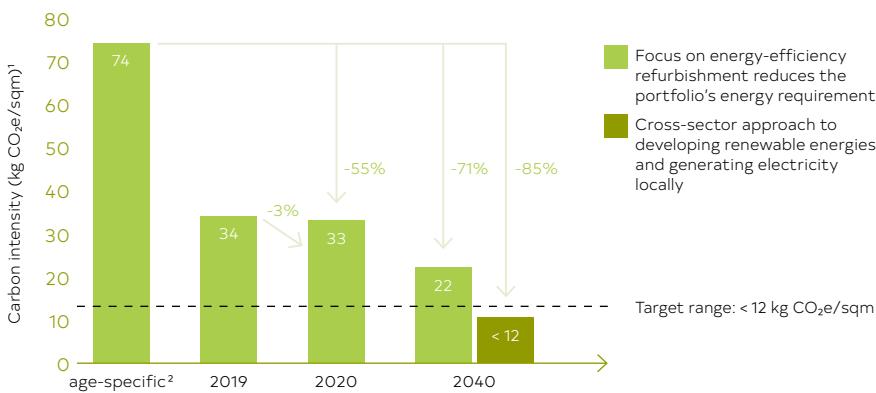
Management approach
GRI 305

"The turnaround in climate protection will also be decided in the property sector, because this is where one third of national carbon emissions currently originate. So as an industry we have to set ourselves ambitious targets and make sure we reach them. At Deutsche Wohnen we are therefore increasing the speed of our transition to an environmentally friendly property company. Our property portfolio is to be climate-neutral in less than 20 years. This will be achieved by means of our climate strategy, which has clear milestones and efficient measures that we intend to implement in a socially responsible manner."

Michael Zahn, CEO of Deutsche Wohnen

Our climate pathway to 2040

We have set ourselves an ambitious climate goal and want to make our portfolio climate-neutral by 2040. At their core, the various measures aim to minimise the energy requirement of our properties, and to use energy sources that emit as little carbon dioxide as possible to cover the remaining unavoidable energy requirement. This will enable Deutsche Wohnen to reduce its carbon intensity from currently 33 kg CO₂e per sqm to below 12 kg CO₂e per sqm by 2040. The company will then have reached the target range for a near-climate-neutral property portfolio as defined by the Initiative Wohnen.2050 (IW.2050) and others.



1 The carbon pathway shown is calculated using the carbon technology tool from the Initiative Wohnen.2050 (IW.2050) and does not include nursing homes. This is used across the industry to determine targets. The target range of < 12 kg CO₂e/sqm is derived from the available carbon budget for the sector and is considered by the industry to be an acceptable level of carbon emissions for achieving climate-neutrality in the property sector.

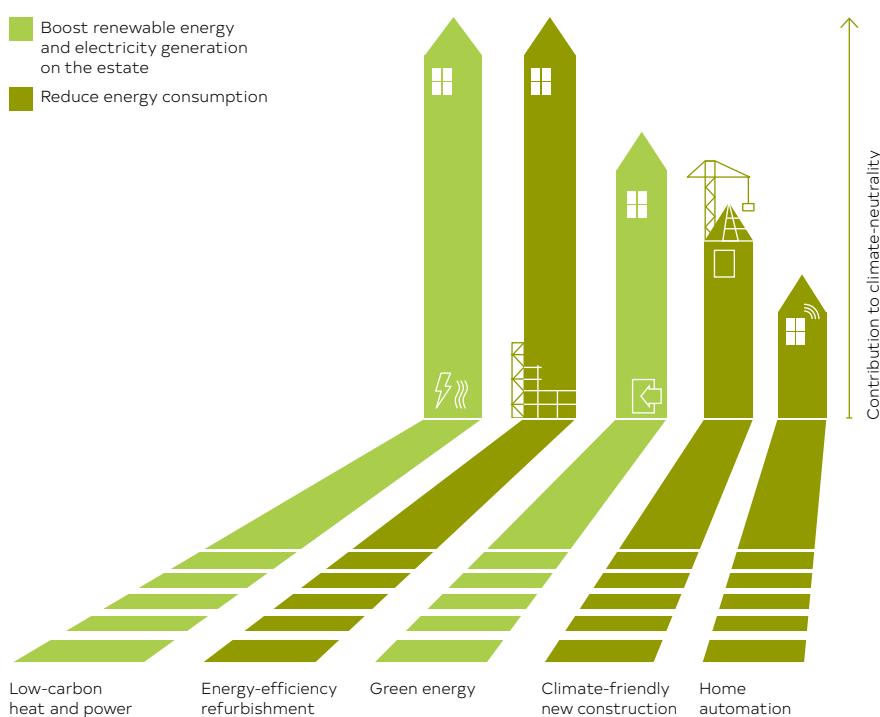
2 This figure represents the theoretical carbon intensity per sqm of a given product cluster of a standard house with the standards typical of the time it was built.

The aim of achieving climate-neutrality by 2040 builds on what Deutsche Wohnen has already done in this area. Thanks to its continuous investments in the building shell, heating units and energy efficiency, Deutsche Wohnen already has a climate-friendly portfolio compared with the industry average. The company began modernising the fabric of its buildings and heating systems many years ago, installing combined heat and power plants and switching to more environmentally friendly sources of energy. Today, some 90% of the communal electricity requirement in

the rental properties is already covered by 100% certified hydroelectric power. Deutsche Wohnen intends to improve on this good starting point in the years ahead by means of focused investment, especially increasing the amount of decentralised heating supplied by combined heat and power plants and the use of renewable energies. The roll-out of photovoltaic systems will successively provide renewable power for the estates. New construction of climate-friendly buildings, home automation services and intelligent heating management systems will also contribute to achieving the goal of climate-neutrality.

Our contribution to achieving climate-neutrality

We have identified five key action areas which we intend to leverage to make our property portfolio climate-neutral:



Low-carbon heat and power: we are investing in what is known as sector coupling: linking decentralised heat generation and efficient combined heat and power plants with renewable electricity generation and a charging infrastructure for electric vehicles.

Energy-efficiency refurbishment: we are refurbishing our portfolio to make it more energy-efficient and thereby improve the environmental footprint of our properties.

Green energy: by continuously increasing the proportion of district heating we are significantly reducing the primary energy factor of our final energy consumption and thus making our heating systems more climate-friendly.

Climate-friendly new construction: a key focus of our investment is to reduce the resources required for new construction for our portfolio and to meet high energy-efficiency standards, based on certification to the DGNB Gold standard. We also strive to achieve the KfW 55 standard, which calls for an energy requirement that is 20% lower than that required under current legislation of the German Energy Saving Ordinance.

Home automation: we enable our tenants to save energy with automated consumption controls and help them to make their own choices more climate-friendly by means of smart home solutions.

Our intention is to take our tenants with us as we proceed along the path to a climate-neutral portfolio.

**Our concept for
socially responsible
climate action**

→ Page 95

PROPERTY SECTOR HAS SIGNIFICANT IMPACT LEVERAGE

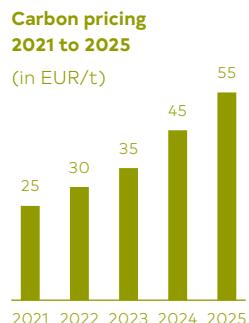
The relevance of the property sector for climate policy will continue to grow: according to a study by the World Green Building Council, new construction is expected to double the building stock worldwide by 2060.³ In Germany, around 35% of energy consumption and some 30% of national carbon emissions come from buildings.⁴ They account for 14% of direct greenhouse gas emissions, mainly for heating the buildings.⁵

Political targets are therefore focused on a corresponding reduction in greenhouse gas emissions in the property sector in Germany: to 72 million tonnes in 2030. This equates to a decrease of more than 65% compared with 1990 (209 million tonnes). The target set for 2030 can only be achieved, however, if there is an annual reduction of carbon emissions in the buildings sector of five million tonnes from now on. The phased introduction from 2021 of a carbon price for fossil fuels used for heating, such as fuel oil and natural gas, should also make a contribution.⁶ According to Germany's Federal Statistics Office, nearly one quarter of households used oil to heat their home in 2018.⁷

The path to climate-neutrality in the property sector will therefore depend to a large extent on transforming the energy sector and decarbonising the production of energy. The new Building Energy Act (GEG) in Germany also defines minimum energy-efficiency standards for buildings and the use of renewable energies in buildings, as well as a requirement to issue and use energy certificates. This is intended to ensure an efficient, climate-friendly energy supply. The assumption is that standards will continue to be raised in future in line with technological developments.

The housing industry has a vital role to play for climate policy in Germany, because its approximately 19 million buildings consume around 64% of the total energy required for the property sector as a whole.⁸ The German Economic Institute (IW) in Cologne believes that the primary focus should be on refurbishing residential buildings constructed between 1949 and 1978, as they account for some 42% of the housing stock and have an average primary energy requirement of approximately 250 kWh/sqm.⁹

All of the forecasts have one thing in common: additional investments are urgently needed to forge ahead with the energy-efficiency refurbishment of building shells, the installation of improved technical systems and the use of renewable energy systems. According to a study by IW Cologne, a refurbishment quota of 2.5% p.a. is necessary for the German residential property sector to achieve the climate targets. This means that EUR 498 billion has to be invested in modernising residential properties and energy-efficiency improvements have to be made in up to 1.04 million apartments every year.¹⁰



3 World Green Building Council: "New report: the building and construction sector can reach net zero carbon emissions by 2050", 23/09/2019.

4 Techem GmbH: "Energiewende in Gebäuden – Bedeutung der Digitalisierung" (Energy transition in buildings – the importance of digitisation), 2020.

5 BMU: "Klimaschutz in Zahlen: der Sektor Gebäude" (Climate protection in numbers: the property sector), May 2019.

6 BMU: "Fragen und Antworten zur Einführung der CO₂-Bepreisung zum 1. Januar 2021" (Questions and answers on the introduction of carbon pricing as of 1 January 2021), 21/12/2020.

7 Destatis, press release no. N002 of 02/10/2019.

8 Dena: "Perspektiven des Gebäudesektors in der Corona-Krise" (Prospects for the property sector in the coronavirus crisis), June 2020.

9 Henger et al: "Energiewende im Gebäudesektor" (Implementing the energy transition in Germany's buildings policy), IW analyses, no. 119, IW Cologne, 2017.

10 German Economic Institute: "IW-Gutachten: Auflösung des Klimaschutz-Wohnkosten-Dilemmas?" (IW report: Resolving the dilemma of climate action vs. housing costs?), November 2020.

Protecting the climate as a task for all of society

GRI 102-12

According to the German federal government's climate action plan, the building sector is to achieve greenhouse gas neutrality by the year 2050. As one of the largest property companies in Europe we are part of the sector which accounts for about a third of Germany's carbon emissions. We thus believe we have a responsibility to do our part toward achieving a near-carbon-neutral building sector in Germany by 2050, guided by the overall goal of reconciling affordable housing with climate-appropriate construction.

Our concept for socially responsible climate action in the property sector is intended to resolve this dilemma of climate protection versus housing costs and trigger a modernisation offensive. We view climate protection as a task for the whole of society which the government, businesses and citizens must all take on in equal measure. The German Economic Institute has confirmed that this concept is feasible.

The housing sector can exercise vital leverage to protect the climate, but only when all the players in the industry act in concert. The Initiative Wohnen.2050 (Housing Initiative 2050, IW.2050) was established in early 2020 to facilitate the necessary networking of the German residential property management industry and pool efforts to achieve the climate action targets. Deutsche Wohnen also joined the sector initiative, which already has 80 partners representing a total of some 1.7 million housing units.

We further underline our commitment to climate action by supporting the Foundation 2° – German Businesses for Climate Protection, where we have been a sponsoring member since 2019. Its aim is to encourage policymakers to establish effective market-economy conditions for climate protection and to contribute German companies' problem-solving capabilities.

Own concept for
socially responsible
climate action in
the property sector

→ Page 95



Strategic planning and precise management of ecological measures

Management approaches
GRI 302
GRI 305

Key decisions concerning the company's climate protection and environmental policies are taken by the Management Board. Processes are coordinated at operational level by the Chief Development Officer (CDO), whose direct reports include the dedicated management group, which meets regularly, and the investment board. Two internal departments reporting to the CDO are also responsible for the technical planning and implementation of energy-efficiency refurbishment and modernisation measures as well as in new buildings, and for energy management and technology respectively.

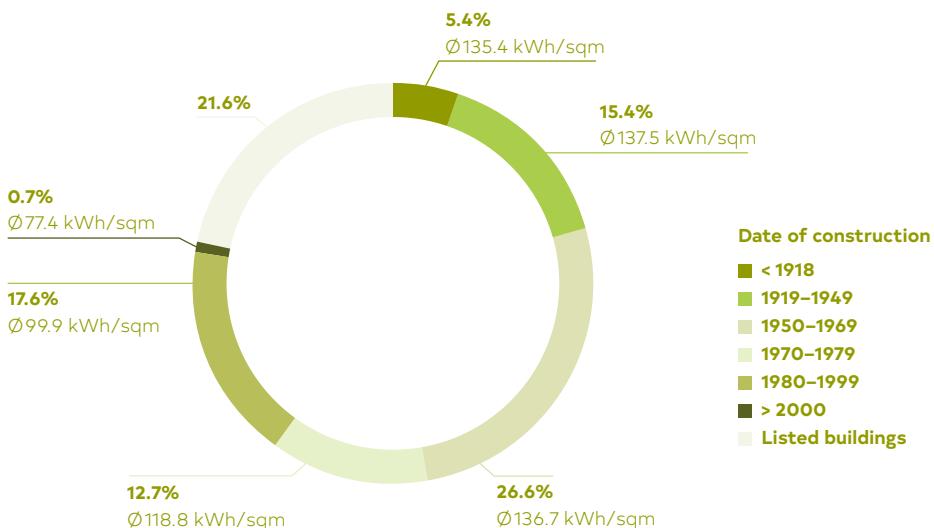
DRIVING AHEAD BUILDING REFURBISHMENT FOR GREATER ENERGY EFFICIENCY

Management approaches
GRI 302
GRI 305

CRE 8

More than half the Deutsche Wohnen portfolio was built before 1970 and has a much higher energy consumption than more recent buildings. The newer the buildings from the 1970s onwards, the more energy-efficient they are. The primary and final energy requirement and the age of the properties are taken into account when investment decisions are made as part of our project strategy.

Average energy consumption per building age group and share of Deutsche Wohnen residential units in 2020, according to energy certificates



Deutsche Wohnen again reinvested more than 40% of its rental income in refurbishing its property holdings in the reporting year, especially for energy-efficiency measures, updating its technical systems and making its energy supply climate-friendly, in particular with combined heat and power and also photovoltaics. The planned activities were carried out largely on schedule in the reporting year, despite the coronavirus pandemic. The average age of our residential holdings is more than 67 years. At present, energy-efficiency measures are completed for approximately 2% of the portfolio each year.

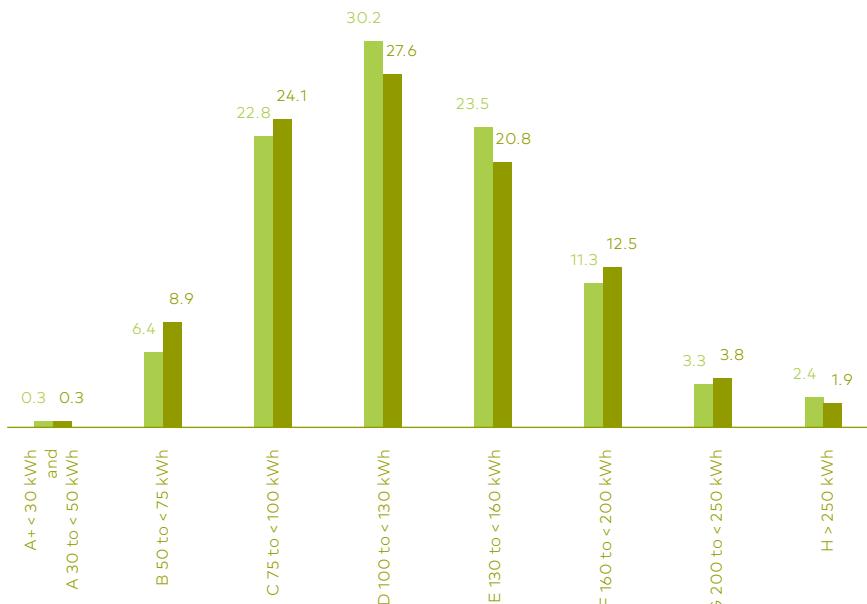
Our wide-ranging refurbishment measures are having a positive impact on the energy efficiency of our portfolio. Based on energy data from late 2020, the energy efficiency of approximately 62% of our residential properties is better than the average for residential buildings in Germany (133.0 kWh/sqm per annum).¹¹ Around one third of our units qualify as good, with consumption of less than 100 kWh/sqm annually (A+ to C). The average consumption of our holdings stands at 125.1 kWh/sqm per annum, which marks a further positive change on the previous year (2019: 128.9 kWh/sqm per annum).

¹¹ BMWi, 2019a, 107

Energy efficiency of residential units

Grouped as energy efficiency classes¹² based on final energy needs (kWh/sqm per annum) in %

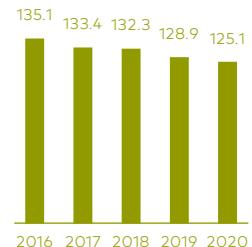
■ 2019 ■ 2020



GRI 302-4

Improvement in energy efficiency

(kWh/sqm of gross internal floor area annually)



¹² The weighted average of the final energy consumptions on the basis of the current energy performance certificate of properties in relation to the gross internal floor area. Discrepancies in the final energy requirements of approximately 20 kWh may arise due to the non-specification of the type of heating in question. The allocation according to current category of energy efficiency of properties is therefore based solely on the classification in accordance with the German Energy Saving Ordinance (EnEV). The analysis did not cover the roughly 30,000 apartments in listed buildings, for which energy certificates are not required.

In the context of devising our climate strategy we analysed the total portfolio, including the listed buildings, by reference to energy certificates, age groups and energy sources as at 31/12/2020. Electricity consumption is also considered, as well as energy used for heating. We see the results as the starting point for future measures to achieve the goal of a climate-neutral portfolio. As at the end of the reporting year, the carbon intensity of the portfolio came to 33 kg CO₂e per sqm of lettable area.

GRI 302-3
GRI 305-4

CRE 1
CRE 3

Energy and climate emission intensity, portfolio¹³

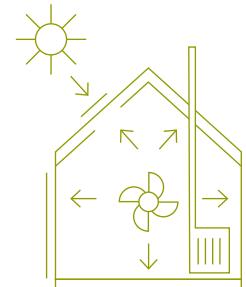
	Absolute		Like-for-like	
	2020	2019	2020	2019
Energy consumption per sqm of lettable area (in MWh)	0.158	0.160	0.158	0.158
Energy consumption per unit (in MWh)	9.8	9.9	9.8	9.8
Climate emissions per sqm of lettable area (in t CO ₂ e)	0.033	0.034	0.033	0.033
Climate emissions per unit (in t CO ₂ e)	2.00	2.10	2.00	2.00

¹³ The energy and climate emission intensities per sqm of lettable area and unit are based on the energy consumption values for the entire portfolio. All the Scope 1 and Scope 3 emissions (cat. 3) and the market-based Scope 2 emissions were used for further calculation. Figures for 2019 are not comparable with those in the previous year's report because the new reference framework is the lettable area and total energy consumption was derived from the energy certificates (86%) or age group and energy source (14%).

Three-figure million budget for refurbishment and maintenance

As part of our portfolio investments, we invested more than EUR 365 million in the maintenance and refurbishment of our holdings in the reporting year, of which approximately EUR 34 million in particular on energy-efficiency upgrades. This work focuses primarily on insulating facades, basement ceilings and roofs, refurbishing stairwells, fitting modern heating and hot-water systems, improving the standard of fixtures in our residential units, replacing windows or making them more energy-efficient and renewing heat generation plants. In doing so, we will continue to meet the requirements of the German Federal Immission Control Act (Bundes-Immissionsschutzgesetz – BImSchG) and the German Energy Saving Ordinance (Energieeinsparverordnung – EnEV) in the future.

Between 2015 and 2020, we complexly refurbished a total of approximately 8,000 residential units to enhance their energy efficiency. As a result, final energy requirements improved by an average of a good 37% to 103 kWh/sqm per annum. This corresponds to an annual reduction of some 31.4 million kWh or around 7,500 tonnes of CO₂ equivalent. The refurbishment measures are currently concentrating on our portfolio in Berlin and will be expanded to holdings in conurbations in western Germany in the future. More than 2,000 residential units are in the planning phase in Hanover, Brunswick and the Rhine-Main region, and work started on some 270 properties in the reporting year.



Approx. EUR 34 million

Invested in energy-
efficiency upgrading

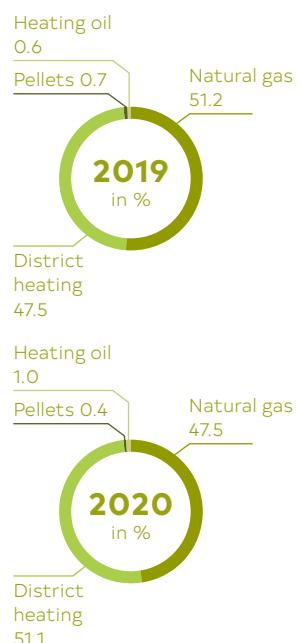
ENERGY-EFFICIENT, CLIMATE-FRIENDLY HEAT AND POWER

We supply 79% of the portfolio that is heated from a central source with heat or fuel from the joint venture G+D, which we operate with the energy service provider GETEC. Furthermore, G+D supplied heat for 62 heat generation plants with some 1,000 units in 2020. Between 2018 and 2021, our subsidiary EMD Energiemanagement Deutschland GmbH is investing approximately EUR 20 million in the renewal and maintenance of the heat generation plants for some 18,000 rental units. These investments improve the operating efficiency of the plants and in doing so save approximately 4,100 tonnes of CO₂e a year.

The diagram shows how the energy mix for heating our rental properties has evolved over time. Calculations are based on the energy certificates available at the end of the reporting year. It shows clearly that in the course of implementing our refurbishment strategy and changing the sources of energy, the proportion of district heating in our portfolio increased year on year by around 3.6 percentage points and now accounts for over half.

Changes in the share of natural gas, fuel oil and pellets are due both to the refurbishment measures and to changes in the portfolio as a result of acquisitions and disposals in the reporting year.

GRI 302-4



One of the main aims of upgrading the heating systems in our properties is to switch from fuel oil to more environmentally friendly sources of energy, in order to achieve further reductions in the carbon emissions from our portfolio. Around 40 heating plants are to be converted by 2022, which will reduce annual CO₂e by around 550 tonnes.

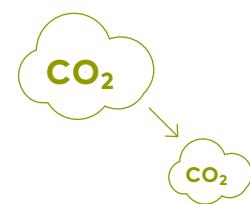
Increased use of combined heat and power plants also helps to protect the climate. The heat they generate is environmentally friendly, because the plants are very efficient, i.e. they make particularly good use of the energy input. District heating produces less carbon dioxide, a greenhouse gas, than conventional boilers fired with natural gas or oil. The primary energy factor of district heating plants is 0.7 on average. This figure indicates how much of the primary energy input is converted into usable final energy. It measures how environmentally friendly the energy source and its conversion are: the lower the factor, the more climate-friendly and efficient. For comparison, a building heated with oil or natural gas has a primary energy factor of around 1.1 according to GEG. The environmental impact is also reduced by the fact that district heating can replace many separate individual boilers. Flue gas is filtered centrally, which is cheaper overall.¹⁴

Some 4,100 Deutsche Wohnen households are already supplied by nine combined heat and power (CHP) plants, of which three run on biogas. These plants generated roughly 13.6 GWh in heat and 11.1 GWh in electricity, which was fed into the public grid. In the reporting year the CHP plants therefore contributed to a reduction of around 3,600 tonnes of CO₂e.

A heating monitoring system also enables us to track the operating performance of around 400 heat generation plants and read meters remotely. By expanding the number of online sensors and analysing data we will be able to identify further potential for saving energy in future and take appropriate steps to realise it.

Green power and environmentally friendly mobility

The use of renewable energies to generate electricity is advancing rapidly in Germany. Around 52% of electric power came from renewable sources in the first half of 2020, compared with about 43% in the first half of 2019.¹⁵ As part of our sourcing strategy, which has proven its worth over many years, we also cover our requirement for communal electricity with certified power from renewable sources. We source the general electricity for stairwell and hallway/corridor lighting at approximately 87% of our letting portfolio and the majority of our administrative locations entirely from hydroelectric power. Compared with a conventional energy mix this enabled us to save around 11,800 tonnes of CO₂e¹⁶ in the reporting year (2019: 15,900 t CO₂e). Additionally, we produce our own electricity with our 59 photovoltaic systems. We fed approximately 1,100 MWh into the public grid in the year under review. This enables us to save about another 440 tonnes of CO₂e each year.



Approx.

15,800 t

CO₂ equivalents saved
through use of renewable
energies

14 EnBW, Environmental footprint of heating networks.

15 Destatis, press release no. 352 of 11/09/2020.

16 Calculation based on a conventional electricity mix of 46% renewables (BMWI, Renewable energies) and a CO₂ factor of 401 g/kWh (German Environment Agency, 2019 Report: CO₂ emissions per kilowatt hour of power continue to fall, 08/04/2020).



**Heinrich Böll Estate
Berlin-Pankow**

For us the next logical step towards climate-friendly housing is to roll out decentralised power supplies using photovoltaic systems. Over the next ten years we will be investing approximately EUR 50 million in this, and in 2020 we agreed to partner with GETEC Energie Holding GmbH (GETEC), an energy services provider with operations throughout Europe, in the field of green power generation (SYNVIA Energy GmbH) and electric mobility (SYNVIA Mobility GmbH).

We are planning to install around 1,000 roof-based photovoltaic systems in the Deutsche Wohnen portfolio, with the first 20 successfully completed in Berlin-Hellersdorf in the reporting year. The power they produce is primarily available to the tenants in the buildings as green power that is not fed into the grid beforehand. This conserves resources and relieves pressure on the grid. Even small local solar power installations with a capacity of 38 kilowatt-peak (kWp) save around 14 tonnes of CO₂e a year through their decentralised supply. This means that total savings potential for the Deutsche Wohnen portfolio is around 14,000 tonnes of CO₂e annually, based on the current energy mix in Germany.

In addition to the revolution in heating, an essential part of a climate turnaround is a mobility transition in the direction of environmentally friendly transport concepts with low-pollutant drive technologies. Deutsche Wohnen is pursuing the promotion of climate-friendly mobility as a strategic goal and is taking various measures to this end. We are talking to local authorities about expanding the range of public transport, for example, working to provide alternative transport concepts, such as car sharing, and including cycle paths and parking spaces for bicycles in our planning and construction work. One of our current priorities is to use electricity produced by the decentralised photovoltaic systems to charge electric vehicles on the estates in future. Deutsche Wohnen intends to install more than 2,000 charging stations nationwide in cooperation with GETEC. This will require an investment volume of around EUR 25 million. So we are supporting the transport revolution by expanding the charging infrastructure in our estates.

Smart buildings for greater energy efficiency

Given the fact that buildings account for around 35% of the total energy requirement in Germany, of which some 80% is for heating, the potential for optimisation has to focus particularly on managing the control settings.¹⁷ Surveys show that 30% of users try to heat less, 23% of them turn off lights and 18% try to save energy used by the TV, devices in standby mode and charging smartphones. Saving energy is the biggest motivation for getting smart home solutions (39%). Analyses confirm that this is the right approach, as the use of digital applications in the house or apartment can deliver savings of between 9% and 14% in heating costs.¹⁸

According to the DIN standard, automated systems in housing can even result in overall energy savings of up to 19%. Deutsche Wohnen has already introduced a smart building concept called MiA – My intelligent Assistant – in around 700 apartments in Berlin and Leipzig. For example, residents can set their heating using a display in their apartment or via an app when out and about. The advantage of MiA is that it is not only relevant to new construction, but also to portfolio properties without the need for any invasive building work or the laying of cables – all with components which are energy self-sufficient and require no batteries. Initial analysis shows that heating can be reduced by around 10%.



Digitisation paves the way to the smart home
Responsibility for our customers and properties

→ Page 45

OWN CONCEPT FOR SOCIALLY RESPONSIBLE CLIMATE ACTION IN THE PROPERTY SECTOR

Deutsche Wohnen advanced the public debate on climate action and the energy-efficiency refurbishment of homes by presenting a concept of its own in the reporting year. We see an urgent need for action here, as there is a dilemma which pitches climate action against housing costs. Most people want to protect the climate, but at the same time are afraid that energy-efficiency refurbishment will drive their own housing costs up by more than they can afford. This leads to a lack of acceptance for such refurbishment measures on the part of tenants.

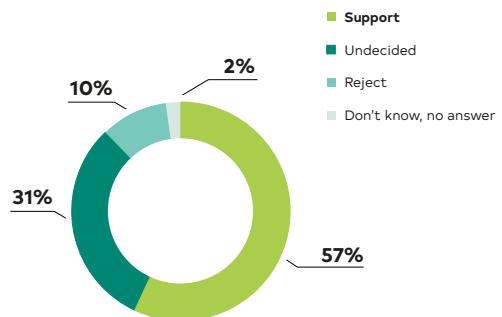
Socially responsible climate action in the property sector
deutsche-wohnen.com/en/climate-concept

¹⁷ dena Compact Report on Buildings 2019.

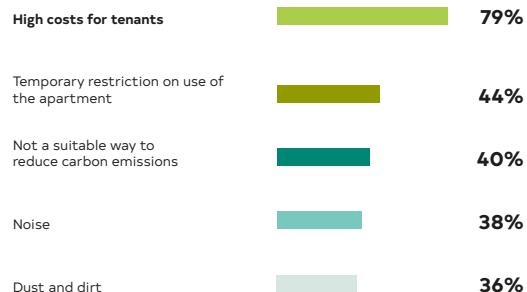
¹⁸ Techem GmbH, HRI: "Energiewende in Gebäuden – Bedeutung der Digitalisierung" (Energy transition in buildings – the importance of digitisation), 2020.

Results of the population survey on climate action, June 2020

57%
support making buildings more energy-efficient to protect the climate



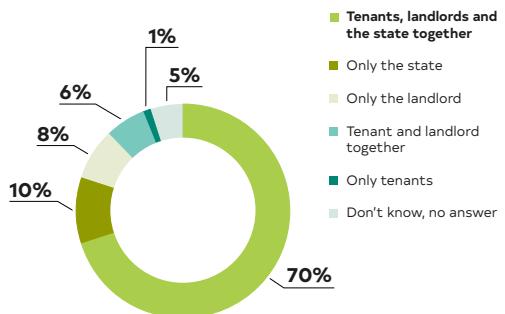
79%
see costs for tenants as the biggest obstacle to energy-efficiency refurbishment



Tenants reject high cost participation: 87% do not want their rent to go up by more than EUR 50 per month

87%

70%
see climate action as a task for the whole of society



Kantar TNS on behalf of Deutsche Wohnen

This is where our concept comes in, by reconciling climate action and housing costs. The carbon price charged from 2021 on greenhouse gas emissions caused by heating in the property sector will generate significant funds to make vital improvements to buildings and advance climate protection. Deutsche Wohnen has brought these two aspects together to form a concrete, feasible proposal, which takes the interests of policymakers, companies and tenants into account equally.

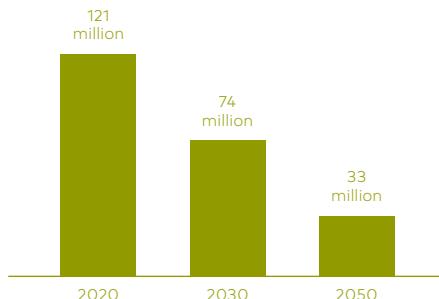
The proposal is that the money from the new state Energy and Climate Fund (ECF) should go directly to modernising the buildings in Germany and be used in such a way that the modernisation costs are not charged to tenants and owner-occupiers at first, but only gradually over a period of 15 years. Financing via the ECF and thus from the receipts of carbon pricing ensures that the primary source of funding is the property sector itself.

Deutsche Wohnen has asked the IW for a scientific assessment of this concept. The expert report shows that the concept would release investment of around EUR 500 billion for modernisation work to improve energy efficiency over the period 2021 to 2050. This represents EUR 16.6 billion a year and in the best-case scenario, with a high refurbishment rate (2.5%) and refurbishment depth, can enable the climate action targets for the property sector to be achieved by 2050.

Experts also assume that the wave of modernisation triggered by ECF funding could reduce annual carbon emissions in the property sector from 121 million tonnes at present to 74 million tonnes in 2030 and 33 million tonnes in 2050.

ECF funding: effects on climate action

- Carbon emissions in the property sector to fall from 121 million tonnes at present to 74 million tonnes in 2030 and 33 million tonnes in 2050
- This will save environmental costs of EUR 179 billion, or EUR 6 billion per year



Source: German Economic Institute

The environmental costs this would avert – in the form of damage caused by climate change which would otherwise result from generating energy from fossil fuels – come to some EUR 179 billion in total or an average of EUR 6 billion a year. The proposal would save tenants EUR 123 billion, or EUR 4.1 billion a year.

Not least, the Deutsche Wohnen proposal would trigger investments in climate protection measures that boost demand for services from the building and other trades and so have a positive impact on the overall economy, according to the IW.¹⁹



Up to EUR 22 bn

in potential extra orders for construction and other trades thanks to the climate action concept

¹⁹ German Economic Institute: "IW-Gutachten: Auflösung des Klimaschutz-Wohnkosten-Dilemmas?" (IW report: Resolving the dilemma of climate action vs. housing costs?), November 2020.

EFFICIENT AND SUSTAINABLE USE OF RESOURCES

To minimise our environmental impact and reduce operating costs, we are committed to using natural resources economically and preventing waste. The consumption of energy and water at let residential units depends largely on the residents' behaviour as users. Our customers enter into their own contracts with suppliers for electricity and gas. Deutsche Wohnen is obligated to procure water from the relevant municipal water companies.

For a large part of our Berlin properties – which account for some 69% of the total portfolio – we calculated our water consumption at around 8.5 million litres on a like-for-like basis. This marked a rise of 7.5% compared with the previous year. Viewed in relation to the floor area of our holdings, consumption figures are also higher at 1.29 l/sqm (2019: 1.21 l/sqm). We assume that our tenants spent more time in their apartments as a result of the coronavirus pandemic, which in turn resulted in higher consumption.

As a landlord, we do not have a direct influence over waste volume, which depends on the individual shopping and waste separation behaviour of our clients. Like the water supply, disposing of private households' refuse is not our responsibility: it is dealt with by municipal companies providing a public waste management service.

As a large real estate company, however, we are looking into the extent to which we can make a greater contribution towards reducing household waste. We cooperate with waste management service providers with whom we analyse the volume and type of waste and critically examine disposal routes. These boost the environmental friendliness of our holdings by then systematically sorting the waste in rubbish and recycling bins after removal. All the bin areas are continuously checked by our service providers and FACILITA according to specific criteria such as container configurations and capacity utilisation, missing waste categories, and orderliness and cleanliness. This means identified shortcomings are rectified as quickly as possible by means of active management.

Another important step is enhancing our transparency regarding recycling. For example, Deutsche Wohnen records how much tenant waste at its holdings is recycled on the basis of volume and disposal route. The drop in glass recycling, following a resolution by the Berlin parliament, and increase in volumes in other recycling bins mean that the ratio fell year-on-year by one percentage point to 32%. Recycling and recovery always take precedence over mere disposal. A large proportion of refuse which cannot be recycled is reused to produce energy and heat.

We ran a campaign in summer 2020 to make our tenants more aware of the need for waste separation, waste avoidance and recycling. In cooperation with the Berlin waste removal company we installed two oversized objects in our estates in Marzahn-Hellersdorf: one in the shape of an empty box of teabags in Hellersdorfer Promenade and one shaped like a metal bottle top on the Theaterplatz in the Schkeuditzer Straße. These installations could be used as benches and were also decorated with key messages about the importance of separating different kinds of waste.

Water consumption and
water intensity, portfolio
Facts and figures

→ Page 125



32%

recycling quota for
the Berlin portfolio
2020

Environmentally friendly processes at Deutsche Wohnen

Together with our employees we also strive to use resources sparingly and reduce waste within the company. In this area we are counting on the increasing digitisation of business processes and digital document management, for example. In the reporting year, paper consumption was reduced by 10.8 tonnes compared with the previous year. Another way in which we are improving our environmental footprint is by guaranteeing the carbon-neutral production of our printed customer communications. For example, we source from our printers only materials whose related carbon emissions are offset via certified climate protection projects. In the year under review, we acquired certificates to offset 32 tonnes of CO₂e from ClimatePartner.

We can also reduce the carbon emissions caused by our own processes by means of recycling. As in the previous years, the company was awarded the ALBA Certificate SAVED in 2020. This resource conservation certificate is awarded by the Berlin-based ALBA Group with scientific support from the Fraunhofer Institute for Environment, Safety and Energy Technology. We succeeded in avoiding 1,607 tonnes of greenhouse gas emissions in 2019²⁰ by recycling material flows consisting of 10,802 tonnes of paper, card, board and lightweight packaging.

We are continuing to take steps to improve energy efficiency at our administrative locations. In 2018, we started renewing all the windows at our head office in Berlin, for example. The work will be completed by the end of 2021. It will enable us to save approximately 64 tonnes of carbon emissions annually.

Focus on low-emission mobility

Implementing a sustainable mobility project will be an important project for the future. Our aim is to gradually increase the proportion of employees travelling to work on public transport (around 25% as at 12/2019). The concept will include a selection of various service components, including the use of e-bikes and public transport. By using trains for business travel rather than cars we already saved 10.8 tonnes of CO₂e in the reporting year.

On top of this, we are constantly adding vehicles with alternative drives, bicycles and e-bikes to our fleet of approximately 210 vehicles. At present, we use 38 electric vehicles. They had mileage of approximately 231,000 kilometres in the year under review. 89 bicycles and 28 e-bikes are available for use by the employees in the Group, who used them to travel some 57,500 kilometres in the reporting year. Deutsche Wohnen intends to convert its entire company car fleet to alternative drives by 2024. Around 20% of the fleet consisted of electric and hybrid-power vehicles at the end of the reporting year.



By 2024

the entire company
car fleet should use
alternative drives

²⁰ Each certificate awarded to Deutsche Wohnen is received in the year following the period to which it relates because the Fraunhofer Institute can only produce its calculations once the data for the whole period has been made available.



Responsibility towards society

Our targets

Expand, continue and structure corporate social responsibility activities

- Implement a guideline for social and cultural activities
- Commit to supporting youth sport

Promote a vibrant neighbourhood structure

- 25% of new apartment lettings will be to tenants entitled to a certificate of eligibility for social housing
- Promote small business use within the portfolio
- Promote urban art and young artists in the neighbourhoods
- Establish links to social agencies within the districts
- Deliver on the promise to the tenants relating to the hardship clause in the case of rent increases (following modernisation measures and rent index adjustments)



DEUTSCHE
WOHNEN

Sozialverträglicher Klimaschutz im Gebäudesektor

Berlin, 7. Oktober 2020



Let around **30%**
of apartments to
tenants eligible for social
housing

COMMITMENT TO LIVEABLE CITIES AND SOCIAL COHESION

We create attractive living environments and neighbourhoods for people, whether they are young or old, single or part of a family. Modern living standards and an intact infrastructure increase their well-being and contribute to a better social climate. The design of a housing estate also reflects on the surrounding neighbourhoods. We therefore want to strengthen the communities within these neighbourhoods by promoting diversity, integration and a vibrant local culture. Furthermore, we support social causes by means of our wide-ranging involvement in cultural, artistic and sporting projects and initiatives.

The strategic aims of our sustainability programme are to promote a vibrant neighbourhood structure and to further our social engagement. We wish to play our part in the areas that we know the most about. These are the estates, towns and cities in which we operate. As urban development partners we strive to make cities liveable and strengthen their social structures – which is why we set great store by a continuous process of exchange and cooperation with residents, policy-makers and social agencies. In this way we want to contribute to creating *sustainable towns and cities*.

At the heart of our engagement is our *Promise to our tenants*, with which we make a concrete contribution to improving the difficult situation on the housing market. We take the individual incomes and circumstances into account for our tenants who are in need of assistance. The coronavirus relief fund set up in the reporting year is also intended to lessen the burden for customers and partners experiencing hardship as a result of the COVID-19 pandemic.

Its economic, social and ecological importance mean that the residential property market is at the centre of political and public debate. Deutsche Wohnen is a DAX® 30 company and the second-largest landlord in Germany and so has a key role in the dialogue with local governments, parliaments, trade associations, media and NGOs, which the company intends to fulfil responsibly. We contribute to the debate to illustrate the contribution we make to achieving such political objectives as new construction and climate action and to suggest concrete solutions.

The protection of listed buildings and building culture are also important social considerations for us. Our portfolio includes a number of historic buildings listed as UNESCO World Heritage sites. By appropriately maintaining historic buildings that are worthy of protection, we play a significant part in preserving the cultural identity that these buildings represent.

DWM, DWI/DWKS and DWCF in close coordination with Corporate Communications are responsible for estate management, the protection of listed buildings and building culture, and the management of corporate social responsibility.

We maintain ongoing dialogue with our stakeholders regarding the planning and implementation of projects and activities. In addition to our tenants they include associations, social agencies, businesses and representatives of art, culture, education, sport and science, as well as policymakers. Our offices on the estates and our involvement in social initiatives and trade associations give us the forums and opportunities to do so.

Management approaches
GRI 203
GRI 413

GRI 203-1
GRI 413-1



 **Promise to tenants**
[deutsche-wohnens.com/en/
promise-to-our-tenants](http://deutsche-wohnens.com/en/promise-to-our-tenants)



Around 20%
of our portfolio consists
of listed buildings

Social responsibility in letting

We attach great importance to having a social and demographic balance of tenants on our estates and seek to prevent one-sided changes in tenant structures. In this context we have made a *Promise to our tenants*, in which among other things we undertake to ensure that one in four new lets are to someone entitled to a certificate of eligibility for social housing. These people find it particularly difficult to find an apartment on the current market. We kept this promise again in 2020 and let some 30% of our residential units to people eligible for social housing. Furthermore, we and our housing advisers find individual solutions for tenants whose needs have changed. Deutsche Wohnen fundamentally does not terminate lease agreements for the purposes of its own use.

As one of four private-sector housing companies, Deutsche Wohnen provides housing on Berlin's Protected Market Segment. A cooperation agreement between the Berlin government ministries responsible, public-sector and private-sector housing companies enables homeless people and those at risk of becoming homeless to have access to the housing market.

In addition, we set up a coronavirus aid fund in the reporting year for tenants, business partners and service providers who are experiencing financial distress as a result of the COVID-19 pandemic.

Greater support and safety for women

One woman in four experiences domestic violence. For this reason, women and their children are frequently forced to seek refuge in a women's shelter. The Caritas charity launched the project *NeuRaum – Wohnen nach dem Frauenhaus* (*New-Space – Life after the Women's Shelter*) in 2015 to make it easier for these women to find a new, safe home. Deutsche Wohnen has supported this project from the beginning as one of its key partners by making housing available. At the same time, we have worked closely with Hestia e.V. since 2013, providing this Berlin-based association with apartments quickly and expediently for women at risk of being the victims of violence.

In the reporting year, Deutsche Wohnen also supported two campaigns that aid victims of domestic violence and draw attention to this topic, which has become even more urgent as a result of the pandemic-related lockdowns. One of the initiatives, #sicherheim, raises funding for women's rights organisations. Famous people have taken a stand in posters, TV and radio spots, and other adverts to increase public awareness of this vital topic. Deutsche Wohnen is an official partner of the campaign, providing both funding and organisational support to the women's rights organisations involved.

The company also actively supported the §25/11 campaign by putting up notices in the entrance halls of its properties in Berlin. The aim of this campaign organised by the Sozialdienst katholischer Frauen e.V. (SkF) and the Berlin-based PEIX agency group is to make people aware of the help available to women at risk of domestic violence. There is an emergency number for victims to call quickly and directly, and family members and neighbours can also arrange for necessary assistance to be provided.

Some **30%**

of apartments let to
tenants eligible for social
housing

**Coronavirus relief
fund provides support
in difficult situations**
Responsibility for
our customers and
properties

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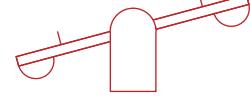
NeuRaum

Deutsche Wohnen has been involved in the *Housing First* project to end homelessness in Berlin since 2019. In cooperation with social agencies, homeless people are given their own apartment without any preconditions that might constitute an obstacle. Deutsche Wohnen has provided a total of 26 apartments to date as part of this initiative. In its model project *Housing First für Frauen*, the SkF has now arranged a total of 35 tenancy agreements for formerly homeless women, 21 of which are being provided by Deutsche Wohnen. By making an additional cash donation in the reporting year, we were also able to help the project organisers to provide advice and support for the first time to women at risk of homelessness due to the coronavirus pandemic. We provided additional apartments for a cooperative project between the non-profit Neue Chance gGmbH and the Verein für Berliner Stadtmission, which organises housing for homeless men.



Focus on developing attractive estates

Our estates contribute to creating a liveable environment. The architecture of our portfolio covers a wide range of styles and eras, from a listed classical modernist estate and stylish historic buildings to large estates and new builds. Approximately 1,500 playgrounds make our estates especially attractive for families with children. The majority of our buildings are surrounded by open, green areas. These serve as recreational spaces and help improve the local air quality. In its grounds management programme, Deutsche Wohnen develops the outdoor areas of its estates to make them more pleasant places to spend time and to maintain and encourage a diverse natural habitat. Planting flowers that attract bees and installing nesting boxes for birds are some of the ways we do this.



1,500

playgrounds are available
on our estates

**Green space management
made digital, sustainable
and ecological**
Responsibility for
our customers and
properties

→ **Page 47**

Making suitable spaces available to local businesses is also part of our work to develop our neighbourhoods in a healthy way. We actively protect small businesses and support the establishment of nurseries and childcare facilities. Our commercial space management ensures that there is an optimal range of different retail and service offerings in the districts, which in turn increases their attractiveness for the residents. We support initiatives and social associations which have a positive impact on the neighbourhoods within our estates with donations or affordable commercial space. Around 11% of this space is let to social organisations.



Some 11%

of our commercial
space is let to social
organisations

As one of the largest private landlords in Berlin's Spandau and Falkenhagener Feld districts, local neighbourhood development is something which is very important to Deutsche Wohnen. Deutsche Wohnen set up the fund DWFonds with EUR 10,000 back in 2014 and topped it up again in 2020, as it does every year. This fund enables local initiatives and neighbourhood associations to apply for financial support for projects for children and young people, which can range from holiday activities to karate training. By supporting such projects, we aim in particular to create services for the many families in Falkenhagener Feld, thus strengthening social cohesion within the district. We also maintain our 40 playgrounds there and have renewed the football areas.

Our support for neighbourhood networks also strengthens tenants' identification with their own estate. In the reporting year we sponsored the Falkenhagener Express, for example. This is a local newspaper produced by volunteers from the estates, which reports on stories and news of interest to the neighbourhood. Sponsorship from us and other companies has enabled the newspaper to achieve a degree of independence for the first time, having been dependent for many years on public funding.



Spring Estate
Berlin-Kreuzberg

Local support for social projects

As part of our community engagement we support many social projects in various districts, including the NaDu children's house in Hanover-Sahlkamp, which was set up in 2002 and which we have sponsored for many years. We support this facility by means of donations and by funding a social worker project position.

Together with the association Loyal e. V., we support one of the most important drop-in centres for children and adolescents at Kottbusser Tor in Berlin-Kreuzberg. A key component of this concept is the "Mädchenladen", which offers recreational opportunities for girls aged eight to 16. We provide the association with a commercial-use room free of charge. Since 2019, we have been supporting Nachbarschaftsheim Schöneberg e. V. with a reduction in its net cold rent. This association plays an important role as a provider of all kinds of cultural, social and educational services for all generations in the neighbourhood.

Furthermore, the company supports numerous social projects in Marzahn-Hellersdorf and is involved in various local networks. We also support the association KIDS & CO e. V. in the borough, which runs all kinds of projects for young people. These include the café *KastanienNest* for parents and kids, which gives young people in socially challenging situations the opportunity to be guided into a career, with a focus on lone parents in particular.

In Hellersdorf Nord we support the association Förderverein für Jugend und Sozialarbeit e. V., which is dedicated first and foremost to teaching media skills to children, adolescents, parents and teachers. The *Streetwork Hellersdorf* project initiated by the association has a contact and advice centre, which works in rooms provided free of charge by Deutsche Wohnen. Young people engage in all kinds of leisure activities there or get assistance with their homework or with job applications.

We have also supported associations, social organisations and community initiatives, especially during the coronavirus pandemic, with donations to buy laptop computers, for instance, so that they can continue their work and communicate via digital means.

COMMITMENT TO DIALOGUE ON CLIMATE PROTECTION AND URBAN DEVELOPMENT

Policymakers at national, state and local level are all interested in Deutsche Wohnen's expertise as a leading residential property company. With around 112,500 residential and commercial units in Berlin and a market share of approximately 6%, we are the largest private housing company in the region and thus an important point of contact for matters relating to the housing industry in Germany's capital city. We communicate with the elected members of the regional Berlin parliament and the federal parliament, as well as with policymakers and administrators at municipal and borough levels.

In the reporting year, Deutsche Wohnen initiated a public debate about climate action in the property sector by presenting its own concept paper, which is intended to advance the state of the discussion. We see an urgent need for action here, given the backlog of refurbishment work in the property sector and the unwillingness of tenants to accept energy efficiency improvements for fear of higher housing costs that could force them to move. The climate concept aims to resolve this dilemma of climate action vs. housing costs and to combine climate action, cost-efficiency and social responsibility in a sensible way.

Deutsche Wohnen has held many background meetings with politicians to discuss this approach and presented the concept to industry associations and decision-making bodies. In October 2020, the company also convened the first climate event with guests from politics, public administration, business and academia. The politicians and business representatives present were convinced by the model and expressed their willingness to support the initiative.

Dialogue with policymakers is also particularly important for us in terms of positive urban development. In the course of purchasing a larger portfolio in Berlin, we actively approached the borough planning officials to emphasise our intention of managing the properties for the long term and maintaining their value. We also explained that our *Promise to tenants* applies equally and without restrictions to the newly acquired properties, as do the offers of support during the COVID-19 pandemic.

We also get involved in the debate about housing and urban development at public events. As one example, our Management Board member Henrik Thomsen took part in a panel discussion as part of the celebrations to mark the *centenary of Greater Berlin* in October 2020. The event was attended by the Berlin Minister for Building and numerous architects and focused on questions of quality in urban planning and the right to affordable housing.



Around **6%**

market share in Berlin

Our concept for socially responsible climate action in the property sector

Responsibility for the environment and the climate

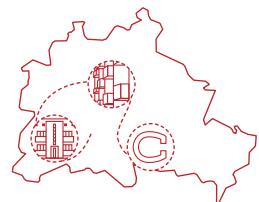
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 **Concept for socially responsible climate action in the property sector**

deutsche-wohnen.com/en/climate-concept/

SPECIAL RESPONSIBILITY FOR HISTORIC BUILDINGS AND HERITAGE PROTECTION

With its approximately 30,000 residential units, Deutsche Wohnen is one of the largest private owners of listed residential properties in Germany. These include four of the six estates in Berlin which are UNESCO World Heritage sites: the Siemensstadt Ring Estate (Ringsiedlung Siemensstadt), White City (Weiße Stadt), the Carl Legien Housing Estate (Wohnstadt Carl Legien) and the Horseshoe Estate (Hufeisensiedlung) Britz.



We have many years of experience and expertise in managing historic buildings and heritage protection, for example by means of energy-related refurbishment. In protecting historic buildings and listed architecture, we are playing our part in preserving cultural identity. Our estates and residents likewise benefit from this. To ensure that these historic buildings are preserved as part of our heritage for generations to come, we invested approximately EUR 3.2 million in their future viability, intrinsic value and energy efficiency improvements in the reporting year.



Weiße Stadt
Berlin-Reinickendorf

Deutsche Wohnen not only contributes to preserving historic architectural heritage by maintaining its own listed buildings, but also plays an active role in doing so at the Federal Foundation of Baukultur, where it has been a member of the Friends' Association since 2017. This foundation based in Potsdam develops and realises its own initiatives, event series and publications with the aim of forging links between stakeholders who are interested in building culture and corresponding activities. The foundation and its projects bring engineers, architects and town planners together with regional and national initiatives, foundations, chambers and associations as well as the housing and real estate industry. The work of the non-profit foundation is now supported by more than 1,000 members.

Insights for
professional debate on
life-cycle analysis
Responsibility for
our customers and
properties

→ Page 59

Deutsche Wohnen provided financial sponsorship and content material for a series of events and exhibitions in 2020 on urban development and building culture dealing with the establishment of Greater Berlin 100 years ago. The event series to mark this anniversary was organised by the Architekten- und Ingenieurverein zu Berlin-Brandenburg e.V.

FOCUSED SUPPORT OF ART, CULTURE AND SPORT

In addition to our activities on the estates, we are committed to culture, the arts, and sport. Overall, we spent approximately EUR 1.9 million on social and non-profit initiatives and also on top-class sport in Berlin in the reporting year. We also worked on a holistic sponsoring and commitment strategy in 2020. It will be based on three pillars: sport, art and culture, and society. The results are to be finalised by 2021 and implemented along with a concrete policy to provide specific guidance.

Promoting art and a vibrant community culture

In the 1920s, the Berlin-based GEHAG with its architect Bruno Taut built modern and affordable housing for a broad cross section of the population. The first exhibition of the GEHAG Forum, held in 1988, was developed in honour of Taut. From the beginning, the forum has been held at the GEHAG premises in Berlin-Wilmersdorf. The GEHAG Forum has since become a recognised venue for contemporary art exhibitions. The exhibition space in Deutsche Wohnen's head office provides a suitable platform for the multifaceted expressions of modern art above and beyond the mainstream.

As a housing company with numerous and also diverse districts in Germany's cities, the promotion of art in the public arena is a matter of importance to us. Deutsche Wohnen therefore champions the development of the urban art scene, funds young artists' projects and makes firewalls and gable areas available as canvases for urban works of art. During the coronavirus pandemic, Deutsche Wohnen sponsored around 20 crews of local Berlin street artists to embellish a car park with sophisticated graffiti while it was being refurbished. Deutsche Wohnen not only paid for the artists' fees, but also for the costs of material, technical equipment, communications and promotional activities. Another mural by a newcomer to the



20
crews of local artists
in Berlin supported

From left to right:

**Stereoheat, Ghettostars,
Die Dixons**
**Car park Hugo-Heimann-
Straße 8, Berlin-Neukölln**

**Left mural: RAWS
Right mural: TAPE THAT**
**Car park Hugo-Heimann-
Straße 8, Berlin-Neukölln**



From left to right:

CASE Maclaim
Miquelallee 194,
Frankfurt am Main

El Bocho
Lasdehner Straße 7,
Berlin-Friedrichshain

Gita Kurdpoor
Hainleiteweg 1,
Berlin-Spandau

Berlin street art scene was painted on a house in Berlin-Spandau in late 2020. We also facilitated an artistic intervention of this kind on one of our properties in Dresden. We are regularly advised on selecting artists by *Die Dixons*, who are also well known as the founders of the temporary art project *The Haus* and the Berlin Mural Fest.

An artistic building mural commissioned by Deutsche Wohnen was purchased for EUR 35,000 at the charity auction organised by the Verein Berliner Kaufleute und Industrieller e. V. (VBKI) in November 2020. It will be created in spring 2021 by a street artist from Berlin. The entire proceeds of the gala auction of EUR 750,000 will primarily go to the VBKI *Einstieg zum Aufstieg* (Job Entry for Social Upgrade) project, which aims to provide job opportunities for refugees.

In 2020 our cultural sponsorship also benefited the Movimento cinema in the Berlin borough of Friedrichshain-Kreuzberg. We gave this iconic movie theatre financial support during the coronavirus pandemic by waiving the rent to ensure its continued existence.

Partnership for top-class sport in Berlin

We entered into an exclusive and strategic partnership with the Füchse Berlin (Berlin Foxes) handball club in 2016. Since then, Deutsche Wohnen has been the official main and strip sponsor of this Bundesliga club, which has enjoyed both national and international success, thereby making a contribution to top-class sport in Berlin. As part of this long-term partnership we focus in particular on extensive and sustained work with young and up-and-coming talent. Together with the club, we intend to turn *Füchse Town*, the handball team's sports base at the Sport-forum Hohenschönhausen, into one of the most state-of-the-art centres for the next generation of handball players in Germany.

Bereft of spectators and advertising income, the coronavirus pandemic has been a financial challenge for the Berlin Foxes. To preserve the valuable work done by the club in recent years and ensure that it has a future, Deutsche Wohnen agreed at the end of the reporting year to expand and renew its sponsorship.

Since 2018, Deutsche Wohnen has also been an official partner of the Olympic Training Centre Berlin (Olympiastützpunkt Berlin – OSP) and official title partner of the women's scull team, *Frauenskull*. The common goal within this partnership is to support the rowers on the women's national scull team within the German Rowing Federation (Deutscher Ruderverband – DRV) on their way to competing at the 2021 Olympic Games in Tokyo. Deutsche Wohnen's sponsorship is based first and foremost on the athletes' needs. With our assistance, for example, a new team bus and mountain bikes were made available for training purposes, with these being used both at the training centre in Berlin and at training camps and the world cups.



Team Füchse Berlin

Facts and figures

KEY FIGURES

Corporate management

Governance

In %	2020	2019	2018
Diversity of Management Board, Supervisory Board			
People on the Management Board by gender ¹	100 ♂ 0 ♀	100 ♂ 0 ♀	100 ♂ 0 ♀
People on the Supervisory Board by gender	67 ♂ 33 ♀	83 ♂ 17 ♀	83 ♂ 17 ♀
Average tenure on the Supervisory Board (in years)	7	9	9
Management Board by age group			
Up to 45 years of age	25	25	33.3
46–55 years of age	25	50	66.7
Over 55 years of age	50	25	0
Supervisory Board by age group			
Up to 45 years of age	0	16.7	16.7
46–55 years of age	50	33.3	33.3
Over 55 years of age	50	50	50

GRI 102-7
GRI 102-8
GRI 102-22
GRI 201-1
GRI 405-1

Economy

In EUR m	2020	2019	2018
Rental income	837.6	837.3	785.5
Earnings from Residential Property Management	720.4	729.8	656.2
Earnings from disposals	308.7	186.1	43.1
Earnings from Nursing and Assisted Living	82.0	88.3	55.3
Adjusted EBITDA	1,010.1	901.2	–
FFO I ²	544.1	553.1	482.5
EPRA NAV (undiluted)	18,151.0	16,791.3	15,087.8
Market capitalisation (in EUR bn)	15.0	13.0	14.3

1 By 30/06/2025 the proportion of women on the Management Board is to be 20%.

2 Change in calculation method: income taxes on disposals are no longer included in FFO I. The previous year's figures have been restated accordingly (2019: EUR +15.0 million; figures for 2018 were not restated).

Note on all tables:

The unit used and the number of decimal places shown were chosen to make the texts as easy to read as possible, while maintaining their accuracy. There may be some minimal differences in totals due to rounding.

Legend: "0" = no emissions; "–" = not measured or not relevant

Customers and property portfolio

Holdings and estates

		2020	2019	2018
Residential and commercial units (total)	number	158,284	164,044	166,980
of which residential	number	155,408	161,261	164,265
of which commercial	number	2,876	2,783	2,715
Buildings in portfolio	number	~16,400	~17,000	~17,000
Buildings with the KIWI electronic access system	number	6,936	4,565	1,611
Listed units	number	~30,000	~30,000	~30,000
Proportion of portfolio in Core ³ markets	%	93.2	91.9	88.3
Proportion of portfolio in Core markets	%	6.7	8.0	11.6
Proportion of portfolio in Berlin	%	73	72	70
Market share in Berlin (residential units)	%	6	6	6
Fair value of properties ³	EUR bn	26.2	24.2	22.2
Fair value per residential and commercial area	EUR/sqm	2,683	2,394	2,157
Fair value of Nursing properties	EUR bn	1.2	1.2	1.3
Fair value of development projects	EUR bn	0.9	0.3	-
Average in-place rent	EUR/sqm/month	6.71	6.94	6.62
Average vacancy rate	%	1.7	1.8	2.1
Average apartment size	sqm	60.1	60.4	60.3
Nursing properties	number	77	89	89
Beds	number	10,580	12,200	12,200
Investments in refurbishment and maintenance (total) ⁴	EUR/sqm	36.15	45.45	41.05
of which investments in refurbishment	EUR/sqm	25.76	35.53	30.91
of which investments in maintenance	EUR/sqm	10.39	9.92	10.14
Average investment per unit in the case of tenant turnover	EUR	9,441	10,853	9,698
Investments in contamination removal	EUR m	6.7	11.6	10.7
Investments in the supply chain	EUR m	537.9	545.6	672.9

GRI 102-7

GRI 102-9

3 Only takes into account residential and commercial buildings, excluding Nursing and Assisted Living and excluding usage rights resulting from leasing agreements measured as per IFSR 16.

4 Taking account of the average floor space on a quarterly basis in the relevant period; including investments in contamination removal.

Customer satisfaction and service

		2020	2019	2018
Tenant survey ⁵				
Participation rate	%	33	36	-
Satisfaction with the living situation	%	88	87	-
Satisfaction with Deutsche Wohnen as a landlord	%	82	78	-
Average length of tenancy	years	12	12	12

5 Before 2019, the survey was carried out every two years.

Outdoor areas

		2020	2019	2018
Investment in outdoor areas within the portfolio	EUR m	16.3	7.1	18.0
Green space	million sqm	7.3	7.9 ⁶	8.6 ⁶
of which tenants' gardens	million sqm	0.85	0.89 ⁶	0.97 ⁶
of which high-biodiversity areas	million sqm	0.70	0.74 ⁶	1.0 ⁶
Trees within portfolio area	number	~69,500	~64,000	~63,000
Playgrounds	number	1,456	1,455 ⁶	1,463 ⁶
Proportion of sealed land on plots ⁷	%	40.7	39.7	39.4

6 Figures restated on the basis of more precise data from the geo-information system as of 2020.

7 The proportion of sealed land is calculated from the reporting year onwards as follows: area of land covered with impervious materials in relation to the size of the plot. The data for previous years has been adjusted accordingly.

Employees

Preliminary note on key figures for employees

As at 31 December 2020, the total headcount at our company was 5,788 (31 December 2019: 3,549). The increase is particularly due to the KATHARINENHOF® Group, which has been a wholly owned subsidiary of Deutsche Wohnen since February 2020 (previous year: 49% interest) and has 2,030 employees and 130 trainees/interns. ISARIA München Projektentwicklungs GmbH with 73 employees has also been part of the Deutsche Wohnen Group since July 2020.

The following employee figures do not include the staff at ISARIA München Projektentwicklungs GmbH due to its data protection policies for personal data.

Unless stated otherwise, the figures include permanent and temporary employees (headcount includes trainees, assistants, students, interns) at the Deutsche Wohnen Group, including FACILITA and SYNVIA Group (from 2020), all as at the reporting date of 31 December. The middle management at Deutsche Wohnen comprises the leaders of teams, service points and local offices. Senior management comprises managers, managing directors and directors.

Figures for the Nursing segment were reported and shown separately for the first time in 2020. They consist of the PFLEGEN & WOHNEN HAMBURG Group and the KATHARINENHOF® Group.

There is no regional breakdown of the key figures for Deutsche Wohnen as all the company sites are in Germany. There are other workers who are not employees who perform various non-material tasks within the company. The key figures for these are not reported separately as the work involved in collecting the data is not commensurate with the insights this would provide.

Deutsche Wohnen Group⁸**Key figures for employees**

		2020	2019	2018	
Total number of employees ⁹	number	1,492 (Ø 1,454)	1,409 (Ø 1,370)	1,280 (Ø 1,233)	GRI 102-8
of which in region around the capital city Berlin	number	1,259	1,196	1,075	GRI 102-41
%	%	84.4	84.9	84.0	GRI 102-43
of which permanent	number	686 ♂ 702 ♀	637 ♂ 660 ♀	551 ♂ 615 ♀	GRI 102-44
%	%	93.0	92.1	91.1	GRI 401-1
of which temporary	number	58 ♂ 46 ♀	55 ♂ 57 ♀	57 ♂ 57 ♀	
%	%	7.0	7.9	8.9	
of which full-time	number	725 ♂ 608 ♀	675 ♂ 590 ♀	594 ♂ 562 ♀	
%	%	89.3	89.8	90.3	
of which part-time	number	18 ♂ 141 ♀	17 ♂ 127 ♀	14 ♂ 110 ♀	
%	%	10.7	10.2	9.7	
Employees by functional area ¹⁰					
in residential unit management and administration, rental contract management and tenant management	number	1,057	1,056	955	
in the holding company	number	435	353	325	
Employees in customer service (total) ¹⁰	number	1,013	1,019	925	
of which FACILITA employees	number	314	313	232	
Employees covered by collective bargaining agreements	%	26.0	28.1	24.9	
Total number of new employees ¹¹	number	223	315	275	
	%	14.9	22.4	21.5	
Total employee turnover ¹²	number	146	178	140	
	%	9.6	12.2	10.6	
of which employee-initiated terminations ¹²	number	65	84	70	
	%	4.3	5.8	5.3	
Length of service ¹³					
Up to 1 year	%	13.3	19.9	19.7	
1 to 5 years	%	51.6	45.0	44.3	
6 to 15 years	%	19.1	18.2	18.8	
16 to 25 years	%	9.0	10.0	10.7	
Over 25 years of age	%	7.0	6.9	6.5	
Average length of service ¹³	years	7.0	6.8	7.1	
Employee satisfaction survey ¹⁴					
Participation rate	%	-	71	71	
Proportion who are "satisfied" or "very satisfied" with Deutsche Wohnen as their employer	%	-	77	79	

⁸ Excluding Nursing and Assisted Living segment.⁹ The average for the past 12 months is shown in brackets.¹⁰ Figures for 2019 and 2018 were restated due to a new calculation method.¹¹ All new hires between 1 January and 31 December of each financial year were taken into account.¹² The figures comprise permanent and temporary employees (headcount) who left between 1 January and 31 December - this key figure does not include trainees, assistants, students, or interns and was adjusted accordingly for 2018.¹³ Not including SYNVIA Group.¹⁴ The survey is carried out every two years, most recently in 2019. There were surveys in 2020 on the introduction of the digital workplace, which were also extended to include working from home as a result of the pandemic. The granularity of the survey cannot be compared with prior years.

Diversity

		2020	2019	2018
Workforce by gender	%	49.9 ♂ 50.1 ♀	49.1 ♂ 50.9 ♀	47.5 ♂ 52.5 ♀
Management by gender				
Management Board ¹⁵	number	4 ♂ 0 ♀	4 ♂ 0 ♀	3 ♂ 0 ♀
	%	100 ♂ 0 ♀	100 ♂ 0 ♀	100 ♂ 0 ♀
Senior management	number	32 ♂ 13 ♀	30 ♂ 17 ♀	25 ♂ 15 ♀
	%	71.1 ♂ 28.9 ♀	63.8 ♂ 36.2 ♀	62.5 ♂ 37.5 ♀
Middle management	number	40 ♂ 43 ♀	28 ♂ 40 ♀	30 ♂ 34 ♀
	%	48.2 ♂ 51.8 ♀	41.2 ♂ 58.8 ♀	46.9 ♂ 53.1 ♀
Proportion of women in management positions	%	42.4	47.9	45.8
Workforce by age group				
Up to 35 years of age	number	525	514	463
	%	35.2	36.5	36.2
36–45 years of age	number	401	370	326
	%	26.9	26.3	25.5
46–55 years of age	number	331	330	313
	%	22.2	23.4	24.4
Over 55 years of age	number	235	195	178
	%	15.8	13.8	13.9
Average workforce age	years	42	41	41
Management by age group				
Senior management				
Up to 35 years of age	number	1	2	1
	%	2.2	4.3	2.5
36–45 years of age	number	24	27	27
	%	53.3	57.4	67.5
46–55 years of age	number	15	13	9
	%	33.3	27.7	22.5
Over 55 years of age	number	5	5	3
	%	11.1	10.6	7.5
Middle management				
Up to 35 years of age	number	13	14	14
	%	15.7	20.6	21.9
36–45 years of age	number	44	29	25
	%	53.0	42.6	39.1
46–55 years of age	number	14	17	17
	%	16.9	25.0	26.5
Over 55 years of age	number	12	8	8
	%	14.5	11.8	12.5
Total employees post-WWII generation (1946–1955)	number	13	18	27
	%	0.9	1.3	2.1
Total employees baby boomer generation (1956–1964)	number	220	219	257
	%	14.7	15.5	20.1
Total employees Generation X (1965–1979)	number	516	491	463
	%	34.6	34.8	36.2
Total employees Generation Y (1980–1993)	number	576	552	477
	%	38.6	39.2	37.3
Total employees Generation Z (1994–present day)	number	167	129	56
	%	11.2	9.2	4.3
Proportion of disabled employees	%	3.6	3.2	3.1

		2020	2019	2018
Staff remuneration ¹⁶				
Average pay rise p.a.	%	6.2	6.0	5.0
Ratio of CEO's remuneration to average employee remuneration ¹⁷	x times	36	36	39

15 By 30/06/2025 the proportion of women on the Management Board is to be 20%.

16 Not including SYN VIA Group.

17 Figures exclude FACILITA, SYN VIA Group, managing directors and directors. Ratio of average remuneration of employees on permanent contracts (excl. middle and senior management, trainees, interns and students) to that of the CEO (excl. long-term incentive) for the respective reporting year.

Training¹⁸

		2020	2019	2018
Trainees	number	69	60	56
Training ratio	%	6.2	5.6	5.4
Trainees who received offer for a position at the company following completion of qualification	number	17	16	14
	%	100.0	100.0	100.0
Trainees who stayed with the company upon qualifying	number	15	15	13
	%	88.2	93.8	92.9

18 Not including FACILITA or SYN VIA Group or interns. Prior year figures have been adjusted accordingly.

Staff development¹⁹

		2020	2019	2018
Number of employees who took part in training	number	1,013	796	820
Senior management, total	number	39	35	29
by gender	number	27 ♂ 12 ♀	23 ♂ 12 ♀	17 ♂ 12 ♀
Middle management, total	number	71	60	62
by gender	number	31 ♂ 40 ♀	28 ♂ 32 ♀	30 ♂ 32 ♀
Rest of the workforce, total	number	903	701	729
by gender	number	500 ♂ 403 ♀	454 ♂ 247	437 ♂ 292 ♀
Average hours for training, total	hours	17.6	21.1	25.6
Senior management, total	hours	24.5	21.0	9.7
by gender	hours	19.9 ♂ 34.8 ♀	24.2 ♂ 15.0 ♀	12.1 ♂ 6.3 ♀
Middle management, total	hours	34.0	30.5	40.7
by gender	hours	33.6 ♂ 31.9 ♀	34.1 ♂ 27.3 ♀	39.5 ♂ 41.7 ♀
Rest of the workforce, total	hours	16.0	20.3	24.9
by gender	hours	19.9 ♂ 11.2 ♀	22.7 ♂ 15.7 ♀	29.5 ♂ 18.0 ♀
Hours of training, total	hours	17,838	16,774	20,974
Days of training, total	days	2,258	2,107	2,640
Proportion of training hours dealing with topic of sustainability	%	3.9	7.8	5.5
Training ratio managers	%	88.6	81.2	-
Training ratio (excluding managers)	%	67.1	59.2	-
Investment in employee training	EUR k	711	696	858

19 Not including SYN VIA Group.

Career and family

		2020		2019		2018
Total number of employees entitled to parental leave by gender	number	744 ♂	748 ♀	692 ♂	717 ♀	608 ♂
Total number of employees who took parental leave by gender ²⁰	number	18 ♂	55 ♀	15 ♂	48 ♀	15 ♂
	%	2.4 ♂	7.4 ♀	2.2 ♂	6.7 ♀	2.5 ♂
Total number of employees returning to work during the reporting period at the end of their parental leave, by gender	number	18 ♂	19 ♀	14 ♂	23 ♀	13 ♂
	%	2.4 ♂	2.5 ♀	2.0 ♂	3.2 ♀	2.1 ♂
Proportion of employees who returned to work following parental leave, by gender	%	100.0 ♂	34.5 ♀	93.3 ♂	47.9 ♀	86.7 ♂
Proportion of employees who made use of option to work from home ²¹	%		89.2		42.9	
						31.0

20 All employees who took parental leave between 1 January and 31 December of each financial year were taken into account.

21 Not including FACILITA, SYNVIA Group – this figure does not include trainees, assistants, students, interns and mini-jobbers; the figures for 2019 and 2018 were adjusted accordingly. The increase in 2020 was due to the coronavirus pandemic.

Occupational health and safety

		2020		2019		2018
Workplace accidents recorded	number	50		37		47
Workplace accidents recorded by business partners	number	2		0		-
Lost days due to workplace accidents ²²	number	385		578		139
Work-related fatalities, total workforce	number	0		0		0
Work-related fatalities, business partners	number	0		-		-
Workplace accident rate (workplace accidents in relation to total working hours of all the employees)	%	0.01		0.01		0.02
Employees who made use of the <i>machtfit</i> platform ²³	number	743		414		336
Proportion of employees who made use of the <i>machtfit</i> platform ²³	%	66.9		38.3		32.7
Proportion of workstations reviewed for health and work safety aspects	%	95.0		95.0		95.0
Coverage of entire workforce by occupational health and safety committees	%	100.0		100.0		100.0
Total illness rate ²⁴	%	6.0		5.6		6.1 ²⁵

22 Cumulative number of lost work days due to employees not being able to perform their usual duties as a result of a workplace accident.

23 Figures do not include FACILITA, SYNVIA Group.

24 Lost days based on calculation of actual absenteeism expressed as a percentage of the total number of work days designated for the employees over the same period.

25 2018 figure corrected on the basis of new data.

Nursing and Assisted Living segment

Key figures for employees²⁶

	2020	
Total number of employees	number	4,093 (Ø 4,091)
of which permanent	number	730 ♂ 2,766 ♀
	%	85.4
of which temporary	number	151 ♂ 446 ♀
	%	14.6
of which full-time	number	568 ♂ 1,455 ♀
	%	49.4
of which part-time	number	308 ♂ 1,762 ♀
	%	50.6
Employees covered by collective bargaining agreements	%	49.9
Total number of new employees ²⁷	number	992
	%	24.2
Total employee turnover ²⁸	number	819
	%	20.0
of which employee-initiated terminations	number	362
	%	8.8
Length of service		
Up to 1 year	%	21.8
1 to 5 years	%	35.2
6 to 15 years	%	26.5
16 to 25 years	%	10.1
Over 25 years of age	%	6.4
Average length of service	years	7.7
Total illness rate ²⁹	%	6.1

26 Without trainees and interns (113/17); the average was calculated for the past 12 months.

27 All new hires between 1 January and 31 December of each financial year were taken into account.

28 The figures comprise permanent and temporary employees (headcount) who left between 1 January and 31 December.

29 Lost days based on calculation of actual absenteeism expressed as a percentage of the total number of work days designated for the employees over the same period.

Diversity³⁰

2020			
Workforce by gender	%	21.5 ♂	78.5 ♀
Management by gender			
Senior management, total	number	19 ♂	16 ♀
	%	54.3 ♂	45.7 ♀
Middle management, total	number	37 ♂	92 ♀
	%	28.7 ♂	71.3 ♀
Proportion of women in management positions	%	65.9	
Workforce by age group			
Up to 35 years of age	number	1,026	
	%	25.1	
36–45 years of age	number	953	
	%	23.3	
46–55 years of age	number	1,074	
	%	26.2	
Over 55 years of age	number	1,040	
	%	25.4	
Average workforce age	years	45	
Total employees post-WWII generation (1946–1955)	number	104	
	%	2.5	
Total employees baby boomer generation (1956–1964)	number	928	
	%	22.7	
Total employees Generation X (1965–1979)	number	1,509	
	%	36.9	
Total employees Generation Y (1980–1993)	number	1,161	
	%	28.4	
Total employees Generation Z (1994–present day)	number	391	
	%	9.6	
Proportion of disabled employees	%	5.5	

30 Not including trainees and interns (113/17).

Training

2020			
Trainees	number	231	
of which recruited in the reporting year	number	81	
Training ratio	%	5.5	
Trainees who received offer for a position at the company following completion of qualification	number	42	
	%	95.2	
Trainees who stayed with the company upon qualifying	number	36	
	%	85.7	

Career and family³¹

2020			
Total number of employees entitled to parental leave by gender	number	881 ♂	3,212 ♀
Total number of employees who took parental leave by gender ³²	number	16 ♂	153 ♀
	%	1.8 ♂	4.8 ♀

31 Not including trainees and interns (113/17).

32 All employees who took either partial or full parental leave between 1 January and 31 December of each financial year were taken into account.

The environment and climate

Preliminary note on key figures for the environment

To manage the key environmental impacts and issues, we gauge our sustainability performance on the basis of specific key indicators. These are presented in the tables below for the administrative occupations and locations and for the portfolio of residential and commercial units (excluding Nursing and Assisted Living). Unless indicated otherwise, the key figures relate to the financial year in question and the entire Group (i.e. all the fully consolidated companies as per the consolidated annual financial statements, without the SYNVIA Group or ISARIA München Projektentwicklungs GmbH). In contrast to the previous year, this year's report includes key environmental figures for the KATHARINENHOF® Group and the PFLEGEN & WOHNEN HAMBURG Group. The relevant dataset is being expanded successively.

One exception to the accounting rule is the recognition of G+D Gesellschaft für Energiemanagement mbH, Magdeburg, a joint venture in which Deutsche Wohnen holds a 49% stake. The energy that G+D supplies to the Deutsche Wohnen portfolio, which is provided with heating centrally, is recorded in the energy footprint consumption figures and is taken into account in all the key figures derived. The energy which is sold and fed into the grid (combined heat and power [CHP] plants and the energy produced by Stadtwerke Thale GmbH) is not included in Deutsche Wohnen's energy and carbon footprint reporting.

Environmental data, administrative locations

Energy consumption of electricity and heating supply³³

In MWh	2020	2019	2018
Heating energy			
Natural gas	1,087	1,205	1,195
Pellets	5.7	5.8	5.8
District heating	5,635	5,563	3,602
Electricity	1,349	1,378	1,296
Total	8,077	8,152	6,099

GRI 302-1
CRE 1

³³ The electricity and heating consumption values for the administrative locations (comprising a total of 117 offices) have been adjusted to reflect weather conditions. The increased consumption, especially of district heating, is due to the fact that some locations used part of the time in 2019 were used all year in 2020. The figures for electricity consumption in 2020 were taken from the statements and those for heating energy were based on the previous year's forecasts.

Energy and emission intensity

	2020	2019	2018
Energy consumption per sqm of gross internal floor area ³⁴	MWh/sqm	0.251	0.253
Energy intensity per employee ³⁵			
Heating consumption per employee ³⁵	MWh/employee	6.36	6.41
Electricity consumption per employee ³⁵	MWh/employee	1.28	1.30
Climate emissions per sqm of gross internal floor area ³⁶	t CO ₂ e	0.071	0.079
			0.044

GRI 302-3
GRI 305-5

³⁴ The intensity figures for 2018 relate to 32,439 sqm of floor area, for 2019 and 2020 to 32,221 sqm.

³⁵ The average electricity and heat requirements per employee relate to 955 employees in 2018, 1,056 employees in 2019 and 1,057 employees in the reporting year. The staff actively employed at the sites were taken into account, resulting in the figures deviating from Deutsche Wohnen's total employee headcount.

³⁶ Emission intensity from 2019 onwards is calculated on the basis of the administrative locations' Scope 1, Scope 2 and Scope 3 emissions (see Deutsche Wohnen carbon footprint, p. 128).

Air pollutant emissions from electricity and heating supply³⁷

In kg	2020	2019	2018
Sulphur dioxide (SO ₂)	773	766	503
Nitrogen oxides (NO _x)	2,469	2,461	1,671
Particulate matter (PM)	121	118	80
Total	3,363	3,346	2,254

GRI 305-7

37 Air pollutant emissions were calculated using the GEMIS 5.0 factors. The values show the direct and indirect air pollutant emissions from electricity and heating supply.

Vehicle fleet and transport

		2020	2019	2018
Number of conventional vehicles	number	173	178	169
Kilometres travelled	km	936,012	-	-
Number of electric and hybrid vehicles	number	38	33	32
Kilometres travelled	km	230,850	-	-
Number of e-bikes	number	28	23	22
Kilometres travelled	km	57,471	-	-
Number of bicycles	number	89	107	70

GRI 302-1

Fuel consumption of the fleet³⁸

		2020	2019	2018
Petrol	MWh	578	623	618
Diesel	MWh	94	151	187
Natural gas	MWh	0	0	3
Average CO ₂ emissions according to the manufacturer	g/km	114	114	117

38 Consumption was translated into litres using the fuels' calorific values. For this, average values of 8.4 kWh/l and 9.8 kWh/l were applied for premium-grade petrol and diesel respectively. Actual emissions were included in Scope 1 emissions in the carbon footprint reporting.

GRI 301-1

Materials used by weight

In t	2020	2019	2018
Printing and photocopying paper	25.3	36.1	45.5
Floor coverings (carpet)	9.1	3.4	-
Windows	19.4	20.1	-
Tenant post	14.5	25.4	-
Wall paint	3.1	-	-

Environmental data, portfolio

Refurbishment

		2020 ⁴²	2019	2018
Refurbished residential units ³⁹	number	13,488	14,794	2,356
of which energy-efficiency work ⁴⁰	number	2,863	3,109	2,356
Annual energy-efficiency refurbishment rate ⁴⁰	%	1.8	1.9	1.4
of which complex energy-efficiency work ⁴⁰	%	0.8	1.9	1.4
Reduction in energy requirement ⁴⁰	MWh	5,523	13,260	4,248
Reduction in climate emissions ⁴⁰	t CO ₂ e	775	1,943	1,268
Investment in maintenance and refurbishment	EUR m	365,4	469.1	416.4
of which investments in maintenance	EUR m	105,0	102.4	102.9
of which investments in refurbishment	EUR m	260.4	366.7	313.5
of which energy-efficiency work	EUR m	34.2	41.2	17.0
of which complex energy-efficiency work ⁴¹	EUR m	19.2	30.4	17.0

39 From 2019 including tenant turnover and without large-scale programmes.

40 Without large-scale programmes, the figures for 2019 and 2018 were restated accordingly; year-on-year reduction in final energy requirement due to refurbishment, on the basis of energy performance certificate data. Potential savings of climate emissions were calculated using emission factors from the IWU (Institut Wohnen und Umwelt) – GEMIS 5.0.

41 Complex energy-efficiency work is understood to be a combination of various individual measures such as facade refurbishment, window replacement, attic insulation, cellar insulation and other building fabric measures.

42 The amount of investment fell year on year. This is partly due to lower tenant turnover, partly to reticence in starting new complex refurbishment projects in view of regulatory uncertainty, and partly to delays caused by the coronavirus pandemic.

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GRI 302-5
GRI 305-5

Significant use of materials for new construction and refurbishment projects by weight or volume⁴³

		2020	2019	2018
Basic construction materials				
Steel	t	1,303	-	-
Concrete	cbm	9,057	-	-
Screed	t	1,403	1,070	709
Timber (e.g. construction timber, fibreboard, wooden beams)	cbm	4,013	255	625
AAC blocks	cbm	1,102	-	-
Facade/insulation				
Windows (aluminium)	sqm	301	-	-
Windows (wood/aluminium)	sqm	1,632	-	-
Windows (wood)	sqm	7,533	-	-
Windows (plastic)	sqm	9,021	-	-
Window sills (aluminium)	m	4,652	-	-
Window sills (galvanised steel)	m	8,406	-	-
Mineral plaster for facades	sqm	41,699	-	-
Mineral wool	cbm	9,531	17,755	17,200
Expanded polystyrene and perimeter insulation ⁴⁴	cbm	955	1,129	1,900
Cellulose blown-in insulation	cbm	1,193	2,921	1,400
Roofs				
Roofing felt (bitumen)	sqm	19,796	-	-
Roofing felt (synthetic)	sqm	13,502	-	-
Roof tiles (concrete)	sqm	11,453	-	-
Roof tiles (clay)	sqm	8,015	-	-
Guttering and drainpipes (galvanised steel)	m	11,820	-	-
Flashing (galvanised steel)	m	4,513	-	-

GRI 301-1

43 The volume of material used varies according to the number and scope of the refurbishment projects effected.

Refurbishment accounts for 75% of the material used and new construction for 25%.

44 Expanded polystyrene was predominantly used for perimeter insulation (in the ground) and for roof insulation. Facade insulation was performed exclusively using mineral wool.

		2020	2019	2018
Interior outfitting				
Flooring (wood)	sqm	18,692	-	-
Flooring (tiles)	sqm	4,918	-	-
Flooring (linoleum)	sqm	8,494	-	-
Wall tiles	sqm	17,003	-	-
Plasterboard panels/dry plaster (not on studwork)	sqm	8,856	-	-
Plasterboard partitions	sqm	31,576	-	-

Significant use of materials for tenant turnover⁴⁵

		2020	2019	2018
Refurbishment of bathrooms	number	2,227	1,796	-
Wash basins	number	2,227	1,796	-
Taps	number	4,454	3,592	-
WCs	number	2,227	1,796	-
Bath tubs	number	2,227	1,796	-
Tiles	sqm	42,967	29,657	-
Replacement of gas heating systems	number	126	75	-
Flooring	sqm	33,363	54,310	-

45 The volume of material used varies according to the number and scope of the tenant turnover projects.

Energy consumption, portfolio

In MWh	Absolute ⁴⁶		Like-for-like ⁴⁷	
	2020	2019	2020	2019
Direct energy consumption	469,071	494,901	400,763	406,388
Natural gas	456,588	481,824	390,434	395,611
Heating oil	12,482	13,078	10,329	10,778
Indirect energy consumption	1,074,698	1,121,048	1,026,226	1,025,168
District heating	671,300	702,867	635,615	632,960
Local heating ⁴⁸	368,344	375,737	358,331	357,503
renewable district and local heating	76,752	78,959	75,578	75,338
renewable share (in %)	7.4	7.3	7.6	7.6
Electricity for heating	1,381	3,274	1,322	1,322
Electricity for communal areas	33,672	39,171	30,958	33,383
of which renewable	29,318	34,862	28,487	30,718
renewable share (in %)	87.1	89.0	92.0	92.0
Total	1,543,768	1,615,950	1,426,989	1,431,556
of which renewable	106,070	113,820	104,065	106,056
renewable share (in %)	6.9	7.0	7.3	7.4

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46 The values represent the energy consumption of Deutsche Wohnen's total portfolio (see figures on p. 113). The following lettable areas were used for the calculation: 2020 – 9,779,635 sqm, 2019 – 10,115,939 sqm. The distinction between direct and indirect consumption was more precise than in prior years. Total energy consumption for heating was measured using the energy certificates for each building and the gross internal floor area (lettable area x 1.2). Consumption figures are based on energy consumption certificates (53%), energy specification certificates (33%) and the construction dates of buildings, together with the energy source (14%). The category "Electricity for heating" refers to the electricity used for heating apartments, in electric storage heaters for example. Electricity for communal areas in about 90% of the letting portfolio is supplied under a framework agreement for green power. Electricity consumption is measured by reference to the statement from the electricity utility; only the non-renewable part is calculated using an average value for each lettable area.

47 The like-for-like comparison relates to a segment of the absolute reference framework which was in Deutsche Wohnen's possession uninterrupted for the two-year period. The like-for-like reference framework for heating and general electricity supplies comprises 9,032,629 sqm lettable area and 145,895 units.

48 Local heating refers to heating from local heat and power plants operated by commercial providers. The renewable share refers to the heat generated by pellets and biogas and the share of renewable energy in the district heating supplied by the respective providers (published certificates). Not all providers currently show this share. The aim is to obtain this information by asking them.

Energy intensity, portfolio⁴⁹

In MWh	Absolute		Like-for-like	
	2020	2019	2020	2019
Energy consumption per sqm of lettable area	0.158	0.160	0.158	0.158
Energy consumption per rental unit	9.8	9.9	9.8	9.8

49 Energy intensity per sqm lettable area and unit is based on the energy consumption figures for the whole portfolio or the like-for-like framework. Figures for 2019 are not comparable with those in the previous year's report because the new reference framework is the lettable area and total energy consumption was derived from the energy certificates. For the reference values for the absolute and like-for-like figures, see the explanations in the footnotes under the table "Energy consumption, portfolio".

Air pollutant emissions of portfolio⁵⁰

In t	Absolute		Like-for-like	
	2020	2019	2020	2019
Sulphur dioxide (SO ₂)	107	113	100	101
Nitrogen oxides (NO _x)	426	444	397	397
Particulate matter (PM)	20	21	18	18
Total	552	578	516	516

GRI 305-7

50 The emissions from the combustion of natural gas, heating oil and pellets as well as district heating emissions were calculated using the GEMIS 5.0 factors. For the reference values for the absolute and like-for-like figures, see the explanations in the footnotes under the table "Energy consumption, portfolio".

Water consumption and water intensity, portfolio⁵¹

In cbm	Absolute		Like-for-like ⁵²	
	2020	2019	2020	2019
Water consumption	8,583,640	8,015,539	8,511,117	7,919,982
Water consumption per sqm	1.30	1.21	1.29	1.21

51 The data relate to most of the consumption in our Berlin portfolio, which represents around 69% of our total portfolio in 2020. The data is taken from our main water meters. These record both the individual tenants' consumption levels, which account for the majority of total consumption, and general water consumption in the communal areas as well as for sprinkler systems. There are no sub-meters for the individual spaces in part of our portfolio. It is therefore not currently possible to provide separate data for water consumption in the communal areas, which account for only a very small proportion – less than 1% – of the total area.

52 The like-for-like comparison relates to a segment of the absolute reference framework which was in Deutsche Wohnen's possession uninterrupted for the two-year period. The like-for-like reference framework comprises 6,605,623 sqm and 109,854 units.

Waste from maintenance, refurbishment and new construction projects which is subject to monitoring

In t	2020	2019	2018
Method of disposal	Waste category		
Thermal utilisation	Wood and wood-based materials, polystyrene insulating materials and tar-based materials ⁵³	987	520
Treatment (if possible), otherwise landfilling	Contaminated soil ⁵⁴	15,846	5,215
Landfilling	Asbestos-containing "old" MMVF and contaminated construction waste ⁵⁵	2,082	1,488
Landfilling (underground)	Waste containing asbestos, tar-based materials and polyurethane insulating and filler materials ⁵⁶	47	261
			359

53 Wood and wood-based materials impregnated with wood preservative or with coatings containing heavy metals; polystyrene insulating materials containing the flame retardant hexabromocyclododecane (HBCD); tar-based sealants, adhesives and insulating materials containing polycyclic aromatic hydrocarbons (PAH).

54 Flooring, cladding and moulded parts with strongly bound asbestos fibres.

55 Insulating materials made of man-made vitreous fibres; sprayed asbestos products and asbestos board or rope containing weakly bound fibres.

56 Tar-based sealants containing asbestos fibres; insulating and filler materials made of polyurethane hard foam containing the propellant chlorofluorocarbon (CFC).

Waste from tenants by disposal method and type⁵⁷

In million litres	Type	2020	2019	2018
Method of disposal				
Recycling	Paper, cardboard, cardboard boxes	228	207	185
	Glass	15	21	17
Composting	Organic waste	61	59	48
	Household waste	686	608	554
Recovery, including energy recovery	Recycling container	177	145	127
	Total	1,167	1,040	931
Average waste per residential unit (in litres)		7,508	7,171	6,623

⁵⁷ The increase in tenant-based waste in 2020 relates primarily to the waste volumes from other holdings which had not yet been recorded in previous years.

Preliminary note on carbon footprint reporting

The carbon footprint comprises the material greenhouse gas emissions generated by administrative offices, the portfolio (residential and commercial units) and the Deutsche Wohnen Nursing properties; it has been calculated according to the definitions and requirements of the GHG Protocol Corporate Standards.

In order to account for sector-specific factors, the footprint was further prepared under consideration of the GdW Guidance 85 (CO₂ monitoring) and adjusted in line with the recommended calculation factors. Furthermore, the dataset has been given greater granularity and expanded as compared to the carbon footprint presented in last year's report. Deviations will result. Adjustments were made with a view to enhancing precision and providing clarity in differentiations as well as an efficient data collection process.

For reasons of better comparability and accuracy, in addition to absolute greenhouse gas emissions for the portfolio, the like-for-like values are also reported; these relate to a segment of the portfolio that has been unchanged for a two-year period (see footnote to energy consumption table, p. 124). The climate emission intensity of the portfolio is derived from this and used as a key management indicator.

Scope 1: represents direct emissions from stationary (heating) and mobile (vehicle fleet) combustion. The basis for calculation was the respective energy consumption (pp. 121, 124) and the fuel consumption of the fleet (p. 122).

Scope 2: represents the emissions that result from the generation of (general) electricity and local and district heating. The basis for calculation was the respective energy consumption (pp. 121, 124). The market-based emissions were determined on the basis of the emission factors of the respective energy supplier, insofar as these were available. The location-based emissions were calculated using the year-specific emission factor for Germany's electricity mix as issued by the German Environment Agency (Umweltbundesamt – UBA) and the standard factors issued by the GdW Guidance 85.

Scope 3: represents the indirect upstream and downstream emissions in the categories identified as material for Deutsche Wohnen:

(Cat. 1): The data pool is limited to the use of paper at administrative locations as suitable emission factors are not available for other materials for the reporting year (see p. 122). Significant use of materials for refurbishment and new construction projects and for tenant turnover was reported for the portfolio (see pp. 123–124). Standardised conversion and emission factors from the LCA database ProBas and product data sheets from producers of construction materials were used to calculate climate emissions.

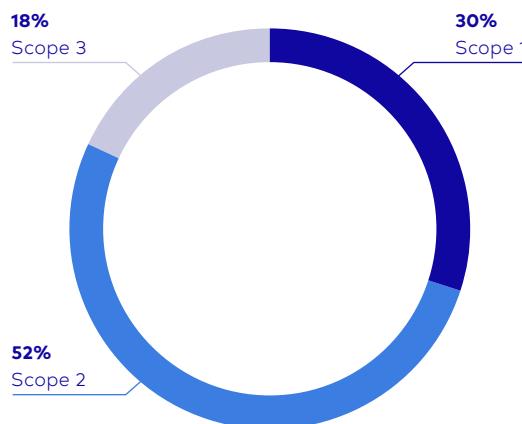
(Cat. 3): GHG emissions caused by production and transport of fuels, based on the heating requirement/consumption. Figures were calculated using the emission factors in GdW Guidance 85.

(Cat. 5): The data pool comprises the waste which is subject to disposal verification generated by maintenance, refurbishment and new construction projects (see p. 125). The standardised non-material-specific emission factors of DEFRA (2020) were used to calculate the climate emissions.

(Cat. 6): Business travel is effected using company vehicles (fleet consumption recognised under Scope 1), employees' own vehicles, the railway and aeroplanes. Approximations were calculated on the basis of standardised emission factors and the per-kilometre allowance (German Environment Agency [Umweltbundesamt – UBA], reference year: 2018). Flights were recognised using myclimate's flight emissions calculator, which calculates the average direct and indirect climate emission values per passenger for a specific flight route based on travel class (Economy/Business). Quantification is based on the latest international statistics regarding passengers and freight as well as capacity utilisation and aircraft types (calculation principles as at 31/03/2021: <https://www.myclimate.org/de/informieren/ueber-uns/berechnungsgrundlagen/>). The effects of the coronavirus pandemic resulted in a decrease in emissions.

(Cat. 7): Data for employees commuting between their home and their place of work was collected in the year under review on the basis of a voluntary employee survey carried out in 2019. Based on the number of net working days in the reporting year (days worked from home as a result of the pandemic already taken into account), the emissions were calculated depending on the means of transport (employee's own car, local public transport, on foot, by bike) and were then extrapolated for the entire active workforce.

Climate-relevant emissions of Deutsche Wohnen



**Our carbon footprint
for 2020 at a glance**
Responsibility for
the environment and
the climate

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Deutsche Wohnen carbon footprint

In t CO ₂ e	Administrative locations		Nursing segment	Portfolio (absolute)		Portfolio (like-for-like)	
	2020	2019	2020	2020	2019	2020	2019
Scope 1:							
direct emissions	392	448	4,997	98,418	103,727	84,045	85,178
Emissions from stationary combustion	219	243	4,937	98,418	103,727	84,045	85,178
Natural gas (fossil)	219	243	4,937	95,090	100,248	81,289	82,311
Heating oil (fossil)	0	0	0	3,328	3,479	2,755	2,867
Emissions from mobile combustion (fleet)	173	205	60	-	-	-	-
Scope 2:							
indirect emissions from purchased energy (market-based)	672	656	3,769	176,643	187,364	167,541	167,148
(Communal) electricity	0	0	1,688	1,746	1,728	991	1,068
District heating	672	656	652	98,740	107,315	92,478	91,932
Local heating	0	0	1,429	75,603	77,008	73,542	73,617
Tenant electricity for heating	-	-	-	554	1,313	530	530
indirect emissions from purchased energy (location-based)	1,618	1,599	9,034	246,296	256,303	234,796	235,224
(Communal) electricity	649	642	6,693	13,503	13,980	12,414	13,387
District heating	969	957	912	156,637	164,002	148,310	147,691
Local heating	0	0	1,429	75,603	77,008	73,542	73,617
Tenant electricity for heating	-	-	-	554	1,313	530	530
Scope 3:							
indirect emissions along the value chain	1,194	1,454	1,555	61,407	54,370	42,396	42,500
(Cat. 1) Emissions from purchased goods, services and capital goods	54	83	-	14,761	4,784	-	-
Refurbishment	-	-	-	4,969	2,867	-	-
New construction	-	-	-	7,820	-	-	-
Tenant turnover	-	-	-	1,971	1,917	-	-
(Cat. 3) Upstream emissions from energy supplies	156	162	1,555	46,555	49,524	42,396	42,500
(Cat. 5) Emissions from waste generated in operations	-	-	-	92	62	-	-
(Cat. 6) Emissions from business travel	97	257	-	-	-	-	-
(Cat. 7) Emissions from employee commuting	887	952	-	-	-	-	-

GRI 305-1
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GRI 305-3
GRI 305-5

Strategic KPI: climate emissions intensity, portfolio⁵⁸

In t CO ₂ e	Absolute		Like-for-like	
	2020	2019	2020	2019
Climate emissions per sqm of lettable area	0.033	0.034	0.033	0.033
Climate emissions per unit	2.0	2.1	2.0	2.0

58 Climate emission intensity per sqm lettable area and unit is based on the energy consumption figures for the whole portfolio or the like-for-like framework. All the Scope 1 and Scope 3 emissions (cat. 3) and the market-based Scope 2 emissions were used for further calculation. Figures for 2019 are not comparable with those in the previous year's report because the new reference framework is the lettable area and total energy consumption was derived from the energy certificates. For the reference values for the absolute and like-for-like figures, see the explanations in the footnotes under the table "Energy consumption, portfolio".

GRI 305-4
CRE 3

Society

Estates

	2020	2019	2018
District management			
Share of new lets to people eligible for social housing	%	30	25
Proportion of commercial units used by small businesses	%	60	60
Proportion of commercial space used for social/non-profit purposes	%	11	10
Support for non-profit initiatives, donations and sponsorship	EUR m	1.9	1.9
Preservation of historic buildings			
Investments in the refurbishment of listed buildings	EUR m	3.2	11.4
			29.0

GRI 413-1

GRI CONTENT INDEX

GRI 102-55

This report has been prepared in line with the GRI Standards, applying the "Core" option. Certain indicators were additionally supplemented with the Construction and Real Estate Sector Disclosures (CRESD).

GRI 102-54

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
GRI 101: Foundation 2016				
GENERAL DISCLOSURES				
Organisational profile				
GRI 102: General Disclosures 2016				
	102-1 Name of the organisation	> Company portrait	p. 4	
	102-2 Activities, brands, products and services	> Company portrait	p. 4	
	102-3 Location of headquarters	> Company portrait	p. 4	
	102-4 Location of operations	> Company portrait	p. 4	
	102-5 Ownership and legal form	> Company portrait	p. 5	
	102-6 Markets served	> Company portrait	p. 4	
	102-7 Scale of the organisation	> Company portrait > Key figures – Corporate management > Key figures – Customers and properties > Annual Report 2020, pp. 142–145	p. 4 p. 112 p. 113	
	102-8 Information on employees and other workers	> Responsibility for our employees – Dynamic staff development > Key figures – Corporate management > Key figures – Employees	p. 64 p. 112 p. 115	
	102-9 Supply chain	> Responsibility for our customers and properties – Ensuring a sustainable supply chain and use of materials > Key figures – Customers and properties	p. 60 p. 113	
	102-10 Significant changes to the organisation and its supply chain	> Company portrait	p. 5	
	102-11 Precautionary Principle or approach	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities > Responsible corporate management – Risk management for early identification of impending losses	p. 29 p. 33	
	102-12 External initiatives	> Responsibility for the environment and the climate – Protecting the climate as a task for all of society	p. 89	
	102-13 Membership of industry and business associations	> Memberships	p. 147	
Strategy				
GRI 102: General Disclosures 2016				
	102-14 Statement from senior decision-maker	> Editorial	p. 2	

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
	102-15 Key impacts, risks and opportunities	> Editorial > Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities > Responsible corporate management – Our contribution to reaching the United Nations' Sustainable Development Goals	p. 2 p. 29 p. 22	
Ethics and integrity GRI 102: General Disclosures 2016				
	102-16 Values, principles, standards and norms of behaviour	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities	p. 29	
	102-17 Mechanisms for advice and concerns about ethics	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities	p. 29	
Governance GRI 102: General Disclosures 2016				
	102-18 Governance structure	> Company portrait > Responsible corporate management – Sustainability is firmly embedded in the company	p. 4 p. 18	
	102-22 Composition of the highest governance body and its committees	> Key figures – Corporate management > Annual Report 2020 – Composition of the Supervisory Board, p. 31	p. 112	
	102-24 Nominating and selecting the highest governance body			The members of the Supervisory Board are elected during the Annual General Meeting of Deutsche Wohnen SE. The election proposals are made by the Supervisory Board, which itself is presented with proposals by its Nomination Committee. The Supervisory Board forms committees from among its members. The Executive Committee comprises the Chair of the Supervisory Board, their deputy and an additional Supervisory Board member. The Nomination, Acquisition and Audit Committees each comprise three members of the Supervisory Board, although neither the Chair of the Supervisory Board nor former members of the Management Board should belong to the Audit Committee. The choice of proposals for election to the Supervisory Board is made with the aim that the Supervisory Board always consist of members who have the diverse array of knowledge, skills and specialist experience needed in order to execute the duties properly and who are sufficiently independent. Consideration should also be given to independence and sufficient gender diversity. Only persons who have not yet turned 73 at the time of their appointment should be nominated for election as a member of the company's Supervisory Board. Additionally, at least one member of the Supervisory Board must have expertise in the areas of accounting or auditing and all the members must be familiar with the sector in which the company is active.
	102-25 Conflicts of interest			Every member of the Supervisory Board must disclose conflicts of interest to the Supervisory Board. Material and ongoing conflicts of interest on the part of a Supervisory Board member shall result in termination of the member's mandate. The board members are asked to disclose any conflicts of interest annually as part of annual financial reporting. The board members' mandates and voting rights notifications pursuant to the German Securities Trading Act (WpHG) shall be published and any critical shareholdings shall be disclosed.

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
GRI 102: General Disclosures 2016	102-28 Evaluating the highest governance body's performance	> Annual Report 2020 – Remuneration report		Achieving the aims of the strategic sustainability programme is a non-financial performance target within the Management Board's variable short-term remuneration.
	102-35 Remuneration policies	> Annual Report 2020 – Remuneration report, p. 90		
Stakeholder engagement				
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	> Responsible corporate management – Identifying material topics, defining frameworks > Responsible corporate management – Varied formats for exchanging views with partners and interest groups	p. 19 p. 23	
	102-41 Collective bargaining agreements	> Responsibility for our employees – Fair pay and a share of company profits > Key figures – Employees	p. 67 p. 115	
	102-42 Identifying and selecting stakeholders	> Responsible corporate management – Identifying material topics, defining frameworks > Responsible corporate management – Varied formats for exchanging views with partners and interest groups	p. 19 p. 23	
	102-43 Approach to stakeholder engagement	> Responsible corporate management – Identifying material topics, defining frameworks > Responsible corporate management – Varied formats for exchanging views with partners and interest groups > Key figures – Employees	p. 19 p. 23 p. 115	
	102-44 Key topics and concerns raised	> Responsible corporate management – Addressing current and future challenges with commitment > Responsible corporate management – Identifying material topics, defining frameworks > Responsible corporate management – In dialogue with... > Key figures – Employees	p. 8 p. 19 p. 24 p. 115	
Reporting practice				
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	> About this report		
	102-46 Defining report content and topic boundaries	> About this report > Responsible corporate management – Identifying material topics, defining frameworks	p. 19	
	102-47 List of material topics	> Responsible corporate management – Identifying material topics, defining frameworks	p. 19	
	102-48 Restatements of information			Insofar as information previously published needed updating, the changes have been explained in the appropriate places.

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
	102-49 Changes in reporting	> Responsible corporate management – Identifying material topics, defining frameworks > About this report	p. 19	
	102-50 Reporting period	> About this report		
	102-51 Date of most recent report			2019 report: the most recent report was published in June 2020.
	102-52 Reporting cycle	> About this report		
	102-53 Contact point for questions regarding the report	> Contact and publishing details	p. 152	
	102-54 Claims of reporting in accordance with the GRI Standards	> About this report > GRI content index	p. 130	
	102-55 GRI content index	> GRI content index	p. 130	
	102-56 External assurance			The report was not audited externally.
MATERIAL TOPICS				
Economic performance				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Company portrait > Annual Report 2020, Combined management report, pp. 32	p. 4	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 201: Economic Performance 2016				
	201-1 Direct economic value generated and distributed	> Annual Report 2020, Combined management report, pp. 32 > Key figures – Corporate management	p. 112	
	201-2 Financial implications and other risks and opportunities due to climate change	> Responsibility for the environment and the climate – Our environmental and climate strategy > Recommendations of the Task Force on Climate-related Financial Disclosures	p. 82 p. 144	
Indirect economic impacts				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Making our property portfolio and new construction sustainable	p. 38	
	103-2 The management approach and its components	> Responsibility towards society – Commitment to liveable cities and social cohesion	p. 102	
	103-3 Evaluation of the management approach			

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
GRI 203: Indirect Economic Impacts				
	203-1 Infrastructure investments and services supported	> Responsibility towards society – Commitment to liveable cities and social cohesion	p. 102	
	203-2 Significant indirect economic impacts	> Responsible corporate management – Analysis of potential human rights risks in the value chain > Responsibility for our customers and properties – Ensuring a sustainable supply chain and use of materials	p. 32 p. 60	
Procurement practices				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Ensuring a sustainable supply chain and use of materials	p. 60	
	103-2 The management approach and its components	> Responsible corporate management – Close partnerships with the region and suppliers	p. 28	
	103-3 Evaluation of the management approach			
GRI 204: Procurement Practices 2016				
	204-1 Proportion of spending on local suppliers	> Responsible corporate management – Strategic sustainability programme – status in 2020 > Responsibility for our customers and properties – Ensuring a sustainable supply chain and use of materials	p. 14 p. 60	
Anti-corruption				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities	p. 29	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 205: Anti-corruption 2016				
	205-2 Communication and training about anti-corruption policies and procedures	> Responsible corporate management – Policies and processes established > Responsible corporate management – Responsibilities within the compliance management system > Responsible corporate management – Business partner code focuses on integrity and compliance	p. 29 p. 31	New employees are given a copy of the Code of Conduct and the Anti-Corruption Policy when they join the company. The up-to-date versions of all compliance policies are permanently available on the intranet. All employees with internet access can use an e-learning programme for compliance training. The Code of Conduct for Business Partners of Deutsche Wohnen SE came into force on 1 May 2019 and serves as the basis for informing our business partners about Deutsche Wohnen's strategies and measures to combat corruption.
	205-3 Confirmed incidents of corruption and actions taken	> Responsible corporate management – Whistle-blower system for confidential reports	p. 31	

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
Anti-competitive behaviour				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities	p. 29	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 206: Anti-competitive Behaviour 2016				
	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices			No material legal actions relating to anti-competitive behaviour or breaches of anti-trust and monopolies legislation were pending in the reporting period.
Taxes				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Compliance system for tax legislation	p. 30	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 207: Taxes				
	207-1 Approach to tax	> Responsible corporate management – Compliance system for tax legislation	p. 30	
	207-2 Tax governance, control, and risk management	> Responsible corporate management – Compliance system for tax legislation > Responsible corporate management – Whistle-blower system for confidential reports	p. 30 p. 31	The whistle-blower system at Deutsche Wohnen enables people to register complaints or otherwise point out any serious breaches of legislation or regulations, which also includes indications of tax evasion.
	207-3 Stakeholder engagement and management of concerns related to tax			Deutsche Wohnen is in close contact with the tax authorities regarding its tax affairs and any queries. A meeting is also held with the tax authority once a year. Any material discrepancies are disclosed to the tax office when filing tax returns. An internal meeting to discuss tax issues is held once a month with the CFO of Deutsche Wohnen. In addition, the managing directors of companies in the Deutsche Wohnen Group are informed when tax inspections are due to take place, notified of the findings and of any material decisions taken in the course of the inspection.
	207-4 Country-by-country reporting	> Annual Report 2020, Consolidated financial statements, pp. 141 et seq.		

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
Materials				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Making our property portfolio and new construction sustainable	p. 38	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 301: Materials 2016				
	301-1 Materials used by weight or volume	> Key figures – Climate and the environment	p. 123	
Energy				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for the environment and the climate – Strategic planning and precise management of ecological measures	p. 89	
	103-2 The management approach and its components	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency	p. 90	
	103-3 Evaluation of the management approach			
GRI 302: Energy 2016				
	302-1 Energy consumption within the organisation	> Key figures – Climate and the environment	p. 121, 122, 124	
	302-2 Energy consumption outside of the organisation	> Key figures – Climate and the environment	p. 124	
	302-3 Energy intensity	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency > Key figures – Climate and the environment	p. 91	
	302-4 Reduction of energy consumption	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency > Responsibility for the environment and the climate – Energy-efficient, climate-friendly heat and power > Key figures – Climate and the environment	p. 90 p. 92 p. 123	
	302-5 Reductions in energy requirements of products and services	> Key figures – Climate and the environment	p. 123	
CRE 1				
	Building energy intensity	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency > Key figures – Climate and the environment	p. 91	
CRE 8				
	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency	p. 90	

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
Emissions				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for the environment and the climate – Climate-neutral property portfolio at Deutsche Wohnen by 2040	p. 86	
	103-2 The management approach and its components	> Responsibility for the environment and the climate – Strategic planning and precise management of ecological measures	p. 89	
	103-3 Evaluation of the management approach	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency	p. 90	
GRI 305: Emissions 2016				
	305-1 Direct (Scope 1) GHG emissions	> Key figures – Climate and the environment	p. 128	
	305-2 Energy indirect (Scope 2) GHG emissions	> Key figures – Climate and the environment	p. 128	
	305-3 Other indirect (Scope 3) GHG emissions	> Key figures – Climate and the environment	p. 128	
	305-4 GHG emissions intensity	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency > Key figures – Climate and the environment	p. 91 p. 129	
	305-5 Reduction of GHG emissions	> Key figures – Climate and the environment	p. 121, 123, 128	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	> Key figures – Climate and the environment	p. 122, 125	
CRE 3				
	Greenhouse gas emissions intensity from buildings	> Responsibility for the environment and the climate – Driving ahead building refurbishment for greater energy efficiency > Key figures – Climate and the environment	p. 91 p. 129	
Environmental compliance				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities	p. 29	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 307: Environmental Compliance 2016				
	307-1 Non-compliance with environmental laws and regulations	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities		There were no material incidences of non-compliance with environmental protection laws and/or regulations in the reporting period. In one case in 2019, a contractor instructed a subcontractor, without approval or clearance, to dispose of excavated soil; the soil was not known to be contaminated. The contractor has not so far been able to provide evidence in the form of official receipts that the soil was properly disposed of. The competent authorities were informed; the proceedings and the discussions with the authorities have not yet been closed. The contractor no longer works for Deutsche Wohnen.

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
Supplier environmental assessment				
GRI 103: Management Approach 2016				
103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Ensuring a sustainable supply chain and use of materials	p. 60		
103-2 The management approach and its components				
103-3 Evaluation of the management approach				
GRI 308: Supplier Environmental Assessment 2016				
308-2 Negative environmental impacts in the supply chain and actions taken	> Responsibility for our customers and properties – Ensuring a sustainable supply chain and use of materials	p. 60		
Employment				
GRI 103: Management Approach 2016				
103-1 Explanation of the material topic and its boundary	> Responsibility for our employees – Attracting and retaining employees	p. 66		
103-2 The management approach and its components				
103-3 Evaluation of the management approach				
GRI 401: Employment 2016				
401-1 New employee hires and employee turnover	> Key figures – Employees	p. 115		
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	> Responsibility for our employees – Fair pay and a share of company profits > Responsibility for our employees – Workplace health activities expanded further	p. 67 p. 77		
401-3 Parental leave	> Key figures – Employees	p. 118		
Labour/management relations				
GRI 103: Management Approach 2016				
103-1 Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 64		
103-2 The management approach and its components				
103-3 Evaluation of the management approach				
GRI 402: Labour/Management Relations 2016				
402-1 Minimum notice periods regarding operational changes	> Responsibility for our employees – Extensive involvement and timely information	p. 65		

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
<u>Modern corporate structure and culture (no specific GRI Standard applicable)</u>				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 64	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
<u>Training and education</u>				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our employees – Attracting and retaining employees	p. 66	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 404: Training and Education 2016				
	404-1 Average hours of training per year per employee	> Responsibility for our employees – Equipping staff for future challenges > Key figures – Employees	p. 70 p. 117	
	404-2 Programs for upgrading employee skills and transition assistance programs	> Responsibility for our employees – Early integration of new talents > Responsibility for our employees – Equipping staff for future challenges	p. 68 p. 70	
	404-3 Percentage of employees receiving regular performance and career development reviews	> Responsibility for our employees – Equipping staff for future challenges	p. 70	
<u>Diversity and equal opportunity</u>				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 64	
	103-2 The management approach and its components	> Responsibility for our employees – Attracting and retaining employees	p. 66	
	103-3 Evaluation of the management approach			

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
GRI 405: Diversity and Equal Opportunity 2016				
	405-1 Diversity of governance bodies and employees	> Responsibility for our employees - Dynamic staff development > Responsibility for our employees - Ensuring diversity and equal opportunities > Key figures - Corporate management > Key figures - Employees	p. 64 p. 75 p. 112 p. 116	
	405-2 Ratio of basic salary and remuneration of women to men	> Responsibility for our employees - Fair pay and a share of company profits	p. 67	Deutsche Wohnen has a model for salary progression based on job profiles. It can be viewed by all staff members on the intranet to ensure transparency and does not distinguish between genders.
Non-discrimination				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our employees - Ensuring diversity and equal opportunities	p. 75	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 406: Non-discrimination 2016				
	406-1 Incidents of discrimination and corrective actions taken	> Responsibility for our employees - Ensuring diversity and equal opportunities	p. 75	
Local communities				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties - Focus on customer satisfaction	p. 39	
	103-2 The management approach and its components	> Responsibility towards society - Commitment to liveable cities and social cohesion	p. 102	
	103-3 Evaluation of the management approach			
GRI 413: Local Communities 2016				
	413-1 Operations with local community engagement, impact assessments and development programmes	> Responsibility for our customers and properties - Our commitment to fairness and social responsibility > Responsibility towards society - Commitment to liveable cities and social cohesion > Key figures - Customers and properties > Key figures - Society	p. 42 p. 102 p. 114 p. 129	

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
CRE 7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project			Omission: The CRE7 standard does not directly apply to Deutsche Wohnen as our business activities are subject to strict social acceptability requirements within the German legal system. As a general rule, the inconvenience caused by the construction work involved in larger modernisation and refurbishment measures may in some cases be so severe as to require particular groups of tenants (the elderly, the disabled, the sick, families with young children) to leave their homes for a number of days or even weeks. In such cases, Deutsche Wohnen handles and assumes the costs involved in their relocation to temporary alternative accommodation. We also recognise cases of financial hardship insofar as residents are verifiably unable to absorb the increase in their rent following modernisation measures.
Supplier social assessment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	> Responsibility for our customers and properties – Making our property portfolio and new construction sustainable	p. 38	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	> Responsible corporate management – Analysis of potential human rights risks in the value chain > Responsibility for our customers and properties – Ensuring a sustainable supply chain and use of materials	p. 32 p. 60	
Public policy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	> Responsible corporate management – Close, trust-based dialogue with our stakeholders	p. 23	
GRI 415: Public Policy 2016	415-1 Political contributions	> Responsible corporate management – Transparency regarding donations, membership fees and state support	p. 27	

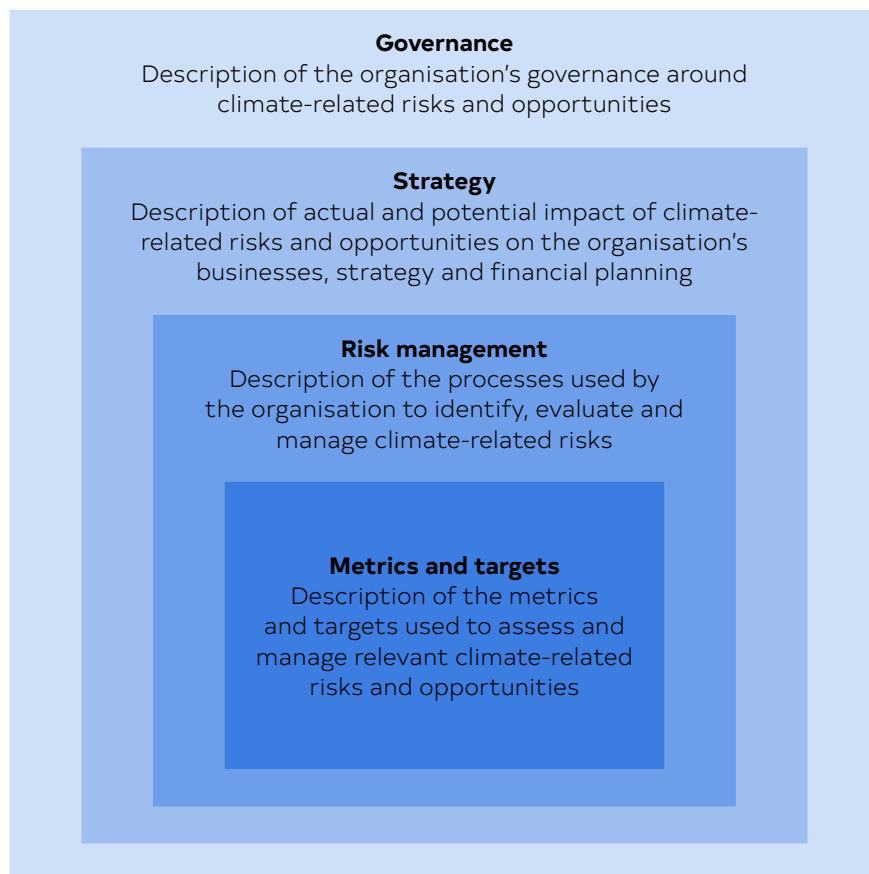
GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
Customer health and safety				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Focus on health and safety of our customers	p. 50	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 416: Customer Health and Safety 2016				
	416-1 Assessment of the health and safety impacts of product and service categories	> Responsibility for our customers and properties – Safe handling of hazardous materials > Responsibility for our customers and properties – Priority for sustainable and resource-efficient building	p. 50 p. 57	All of the buildings and outdoor facilities are inspected on a weekly basis, and any defects which are discovered are notified to the responsible service providers for rectification. In the event of any malfunctions or defects which pose a threat of imminent danger, for example burst water pipes or the complete breakdown of the electricity supply, our service providers are required to send an employee to the location in question immediately or at most within 90 minutes of them receiving notification.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			We were not made aware of any material incidents of non-compliance with the applicable regulations regarding customer health which were not remedied immediately in 2020.
Dialogue with tenants (no specific GRI Standard applicable)				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Dialogue with our tenants	p. 40	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
Customer satisfaction (no specific GRI Standard applicable)				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Focus on customer satisfaction	p. 39	
	103-2 The management approach and its components	> Key figures – Customers and properties	p. 113	
	103-3 Evaluation of the management approach			

GRI Standard	Disclosure	Reference	Page	Reason for omission / comment
Residential nursing offering in light of demographic change (no specific GRI Standard applicable)				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsibility for our customers and properties – Attractive residential nursing facilities from Deutsche Wohnen	p. 52	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
Customer privacy				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Ensuring end-to-end data protection and data security	p. 33	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 418: Customer Privacy 2016				
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	> Responsible corporate management – Continuous assessment of data protection risks and incidents	p. 35	
Socioeconomic compliance				
GRI 103: Management Approach 2016				
	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Safeguarding integrity by means of compliance and anti-corruption activities	p. 29	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 419: Socioeconomic Compliance 2016				
	419-1 Non-compliance with laws and regulations in the social and economic area	> Responsible corporate management – Continuous assessment of data protection risks and incidents	p. 35	No further significant fines and/or non-monetary sanctions were imposed in the reporting period as a result of non-compliance with laws and/or regulations in the social and economic area.

Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Deutsche Wohnen wants to contribute to fighting climate change. In this context we consider the impact of climate change on our company and want to analyse in greater depth going forward what the financial and non-financial opportunities and risks of climate change will be for us. We are guided in this endeavour by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As part of our strategic sustainability programme, we have therefore formulated the goal of preparing our own concept for integrating the TCFD recommendations into our Group reporting.

Recommendations of the Task Force on Climate-related Financial Disclosures: an overview



The overview that follows shows which steps we have already taken, how we report on these in line with the TCFD and what is planned for the future.

1. Governance

The Management Board has overall responsibility for the sustainability strategy, climate-related targets and related decisions on the investment strategy concerning improvements to the energy efficiency of our portfolio and the installation and use of renewable energies. Climate-related topics are discussed as part of our sustainability strategy and our strategic sustainability programme and are evaluated on an annual basis. We established an interdisciplinary sustainability committee in 2018 with a remit comprising the strategic management and further development of sustainability within the company. The Sustainability Committee is chaired by the Chief Financial Officer (CFO) and is managed by the direct report, Sustainability Management/CSR Reporting. The committee members represent the relevant departments in the Group. Throughout the year, the committee convenes regularly to discuss a variety of topics, e.g. regulatory and legal requirements for (climate) reporting and the related opportunities and risks. On this basis, it is responsible for continuously developing and evaluating the sustainability strategy and monitoring the achievement of targets.

→ **Annual Report 2020: Risk and opportunity report, p. 82;
Remuneration report, p. 100**

Sustainability is firmly embedded in company
Responsible corporate governance

→ **Page 18**

2. Strategy

Deutsche Wohnen has campaigned actively for climate action to achieve the 2 °C target since 2017. In order to define our contribution to this target in operational terms, we are currently working on a climate strategy that is intended to describe our ambitions on the way to a lower-carbon economy. Over the reporting year, we supplemented this work with workshops to look more closely at the potential financial consequences of climate change for Deutsche Wohnen and the related opportunities and risks.

Climate change is currently altering the political environment, technological developments and markets as well as society's expectations of our company. This may give rise to transitory risks resulting from the transition to a low-carbon economy. One example is the introduction of a carbon tax on fossil fuels for heating from 2021, which starts at EUR 25 per tonne and rises every year to EUR 55 per tonne in 2025. On top of this, there are the physical risks of climate change for the property sector and thus for us at Deutsche Wohnen too. They include damage to buildings and infrastructure as a result of extreme weather events, for instance. We currently take into account what are known as once-in-a-century weather events when planning new building projects, for example. In 2021, we will record the opportunities and risks in a structured way, as recommended by the TCFD, test them on the basis of scenarios and evaluate their effects on our business and strategy.

→ **Annual Report 2020: Group strategy, p. 34;
Risk and opportunity report, p. 82**

**Climate strategy
at Deutsche Wohnen**
Responsibility for
the environment and
the climate

→ **Page 82**

3. Risk management

Deutsche Wohnen's risk strategy is geared towards safeguarding the continued existence of the company and increasing its value as a going concern on a sustainable basis. The Management Board bears overall responsibility for the Group's risk management activities. It decides upon the organisation of the related structural and procedural measures and upon the allocation of the necessary resources. Furthermore, the Management Board approves the documented outcome of the risk management activities and takes these into account in its strategic management. Deutsche Wohnen has designated selected executives as risk owners. They assume responsibility for the identification, assessment, documentation and communication of all material risks arising within their areas of responsibility. The risk manager coordinates these processes, handles information submitted by the risk owners, and prepares a report for management and the Supervisory Board. Internal Audit monitors the functioning of the risk management system. The Risk and opportunity report, which is prepared quarterly, provides an overview of the potential risks for Deutsche Wohnen. We have not currently identified any climate change risks for the continued existence of Deutsche Wohnen. Based on the identification of relevant climate change-related opportunities and risks (see section 2: Strategy), we will use a risk assessment in future to evaluate them also in terms of their impact.

→ Annual Report 2020: Risk and opportunity report, p. 82

Risk management for early identification of impending losses
Responsible corporate governance

→ Page 32

4. Metrics and targets

We continued to develop our climate reporting in the reporting year. We publish direct and indirect greenhouse gas emissions by Deutsche Wohnen (Scopes 1, 2 and 3) for head office and the portfolio, based on the energy data collected systematically as of 31/12/2020 in accordance with the Greenhouse Gas Protocol (GHG), the world's most widely used standards for greenhouse gas reporting. As we develop our climate strategy, we plan to define performance indicators and targets against which to measure climate-related opportunities and risks by the end of the 2021 reporting year.

→ Annual Report 2020: Fundamental aspects of the Group, Property portfolio, Energy efficiency of properties, p. 33, 39, 44

Carbon footprint
Facts and figures

→ Page 128

MEMBERSHIPS

GRI 102-13

Arbeitgeberverband der Deutschen Immobilienwirtschaft e.V.
(Association of Employers in the German Property Industry, AGV)

Akademie der Immobilienwirtschaft e.V. (Academy of Real Estate Management, BBA)

Baukammer Berlin (Berlin Building Chamber, BK)

Bundesverband der Kommunikatoren e.V.
(Federal Association of Communicators, BdKom)

Bundesverband der Personalmanager (Federal Association of HR Managers, BPM)

Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V.
(Federal Association of German Housing and Real Estate Companies, GdW)

Creditreform e.V.

Deutsche Entwicklungshilfe für soziales Wohnungs- und Siedlungswesen e.V.
(German Centre for Development Aid with regard to Social Housing and Human Settlements, DESWOS)

Deutsche Gesellschaft für Nachhaltiges Bauen e.V.
(German Sustainable Building Council, DGNB)

Deutsche Public Relations Gesellschaft e.V. (German Public Relations Association, DPRG)

Deutsche Prüfstelle für Rechnungslegung e.V.
(German Financial Reporting Enforcement Panel, FREP)

Deutsche Schutzvereinigung für Wertpapierbesitz e.V.
(German Association for the Protection of Investors, DSW)

Deutsche Gesellschaft für Personalführung e.V.
(German Association for Human Resource Management, DGFP)

Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V.
(German Association for Housing, Urban and Spatial Development, DV)

DialogGesellschaft e.V. (DialogueSociety)

Deutscher Investor Relations Verband e.V. (German Investor Relations Association, DIRK)

Deutschsprachige SAP-Anwendergruppe e.V. (German-Speaking SAP User Group, DSAG)

Deutsches Aktieninstitut e.V. (German Share Institute)

European Federation for Living (EFL)

European Public Real Estate Association (EPRA)

Förderverein der Bundesstiftung Baukultur
(Friends' Association of the Federal Foundation of Baukultur)

Gesellschaft für Datenschutz und Datensicherheit e.V.
(German Association for Data Protection and Data Security, GDD)

Grüner Wirtschaftsdialog e.V. (Green Economic Dialogue)

Initiative Wohnen.2050 (Housing Initiative 2050, IW.2050)

Internationaler Controllerverein e.V. (International Association of Controllers, ICV)

Kommunaler Arbeitgeberverband e.V. (Municipal Employers' Association, KAV)

Marzahn-Hellersdorfer Wirtschaftskreis e.V.
(Marzahn-Hellersdorf Business Association, MHWK)

Schutzbündnis der Kapitalanleger e.V.
(German Association for the Protection of Capital Investors, SdK)

Stiftung 2° – Deutsche Unternehmer für Klimaschutz
(Foundation 2° – German Businesses for Climate Protection)

Urban Land Institute (ULI)

Verband Berlin-Brandenburgischer Wohnungsunternehmen e.V.
(Association of Residential Property Companies in Berlin-Brandenburg, BBU)

Verein Berliner Kaufleute und Industrieller e.V.
(Association of Berlin Business People and Industrialists, VBKI)

Vereinigung Berliner Pressesprecher (Association of Berlin Press Officers, VBP)

Wirtschaftsrat der CDU (Economic Council of the CDU)

Zentraler Immobilien Ausschuss e.V. (German Property Federation, ZIA)

GLOSSARY

Carbon Disclosure Project (CDP): CDP is a non-profit organisation that works on behalf of investors to offer a transparent global system for the disclosure of relevant environmental impacts, climate risks, climate strategies and reduction targets for companies, organisations, towns and regions.

Carbon footprint: the carbon footprint is a metaphor for the CO₂ emissions caused by a company's business model. It provides information about the climate impact of the business and can help to develop an effective climate protection strategy.

Climate-neutral building: a building is described as climate-neutral if the difference between a) the emissions produced by the building and b) the emissions saved by the production and external supply of CO₂-free energy (e.g. by selling power from photovoltaic installations) in a financial year is equal to or less than zero.

CO₂ equivalents: CO₂e, also known as global warming potential (GWP) is a figure that describes the effects of chemical substances on our climate. To compare various substances (e.g. CH₄, N₂O etc.) with one another in terms of their global warming potential, they are expressed in relation to CO₂. So if a gas has a GWP value of 100, its impact on the climate is one hundred times greater than that of carbon dioxide.

Complex refurbishment is the term used for refurbishment that is carried out because the demands made of a building have changed. These measures may include changes to interior fittings, pipework and floor plans, as well as work on wiring, heating, plumbing and floor coverings.

Corporate governance: the principles of corporate governance constitute the legal and practical framework for the management and supervision of a company for the benefit of all relevant stakeholders.

DAX® 50 ESG: the DAX® 50 ESG is an index of shares in the 50 largest and most liquid German companies listed on the Frankfurt Stock Exchange. In addition to trading volume and market capitalisation, inclusion in the index is based on an evaluation of the ESG position using the Global Compact Screening method from Sustainalytics, which judges a company's performance on the basis of environmental, social and governance (ESG) criteria.

Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB, German Sustainable Building Council): The German Sustainable Building Council, known as DGNB after its German title, is a non-profit organisation established in 2007 that campaigns for demonstrably good buildings and agreeable neighbourhoods, for a sustainable urban environment in short. It aims to transform the construction and property market by defining an appropriate quality benchmark for responsible, sustainable activities.

Energy consumption certificate: this shows the energy consumption by the users of a building for heating and hot water in the past three years. It records the actual energy consumption per square metre and so is therefore closely related to individual consumer behaviour.

Energy refurbishment quota: percentage of buildings in the total portfolio for which complex refurbishment work (e.g. replacement or insulation of windows, facades, cellar ceilings and roofs, replacement of heating systems) has been completed to reduce energy consumption and CO₂ emissions.

Environmental, social and governance (ESG) criteria are a set of metrics used to evaluate a company's performance in these areas.

Energy specification certificate: the energy specification certificate is an energy performance certificate for buildings that is much more detailed than the consumption certificate. Whereas the consumption-based certificate only shows the energy consumption for the past three years, the energy specification certificate is a full energy efficiency analysis, including recommendations for modernisation work.

EPRA NAV: EPRA NAV (adjusted net asset value) is an indicator of the asset value or intrinsic value of a property company. The figure is based on consolidated equity (before minority interests) and adjusted for the exercise of options, convertible bonds and other equity rights, as well as for the market value of derivative financial instruments and deferred taxes, i.e. items that have no effect on the long-term performance of the Group. EPRA NAV is to be replaced by EPRA NTA from financial year 2021, which is measured on largely the same basis as the EPRA NAV communicated to date.

EPRA sBPR stands for Best Practices Recommendations for Sustainability Reporting and is a reporting standard for the property sector drawn up by the European Public Real Estate Association, a trade association of publicly listed real estate companies.

EU Taxonomy is a classification system adopted by the European Union to evaluate the extent to which commercial activities by companies are ecologically sustainable.

EU Green Deal: the European Commission agenda for a sustainable European economy. One objective of the European Green Deal is that Europe should produce no net emissions of greenhouse gases by 2050. The aim is to see climate and environmental challenges in all policy areas as opportunities and to make the transition process fair and inclusive for all EU citizens.

FFO stands for "funds from operations" and is a key performance indicator for property companies; it is a cash-based figure derived from the profit and loss statement, which forms the basis for dividend payments. Starting from adjusted EBITDA, further adjustments are made for any non-recurring effects, non-cash financial expenses and income, and non-cash tax expenses and income. FFO I (without disposals) is the figure adjusted for net income from disposals.

GEG is German legislation on energy saving and the use of renewable energy for heating and cooling buildings.

GHG Protocol: an international standard for quantifying and reporting greenhouse gas emissions by companies.

Grey energy: the term used to describe energy used in the manufacture and storage, transport, processing and disposal of materials and other products.

ISS-ESG: an ESG rating agency.

Life-cycle analysis: also known as life-cycle assessment, or LCA, is the systematic analysis of the environmental impact of a product throughout all stages of its life cycle. Life-cycle analysis covers all environmental impacts during production, use and disposal, as well as the associated upstream and downstream processes (e.g. production of raw materials, consumables and supplies). Environmental impacts are defined as all environmentally relevant inputs (e.g. mineral ores, crude oil) and emissions (e.g. waste, carbon dioxide emissions).

Like-for-like is a term used to describe growth in the property portfolio adjusted for acquisitions and disposals, i.e. a measure of organic growth.

MSCI: an ESG rating agency.

NaWoh: an association to promote sustainable building standards for residential property.

Rent cap: legislation changing the statutory rules on maximum rents in Berlin.

Primary energy consumption: primary energy consumption is the sum of final energy consumption and losses occurring in the production of final energy from primary energy.

Primary energy requirement: in addition to the amount of energy actually used in the system, the primary energy requirement of a system (according to GEG legislation) is the energy required for upstream process chains outside the system boundary to produce, convert and distribute the energy source (primary energy).

Scope 1: emissions of CO₂ and other greenhouse gases are those from sources within the boundaries of the system under consideration, such as from the company's own heating systems or vehicle fleets.

Scope 2: emissions of CO₂ and other greenhouse gases are those produced when energy is sourced externally. They essentially consist of power and heat from energy services.

Scope 3: all other emissions of CO₂ and other greenhouse gases caused by a company's activities, but not within its control, such as those produced by suppliers, service providers, employees or consumers.

Sustainable finance: sustainability in the financial system refers to the practice of including environmental, social and governance (ESG) criteria in investment decisions by financial market participants, which may lead to greater long-term investment in sustainable economic activities and projects. In the context of the Paris Agreement this particularly refers to mitigating climate change and adapting to its effects.

Sustainalytics: an ESG rating agency.

TCFD: the Task Force on Climate-related Financial Disclosures was set up by the G20 Financial Stability Board and publishes recommendations for the voluntary disclosure of the financial impact of risks and opportunities of climate change on a company's existing business model.

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