

EMPLOYEES

Our employees are the key to our success. They possess personal and professional skills that they employ every day to help bring Vonovia one step closer to achieving its targets. As an employer, we are responsible for offering our employees a working environment in which they are happy, healthy and able to advance in line with their own expectations. To ensure these values are upheld, we implement measures in the various HR management areas and, wherever possible, across the company.

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Our Approach Regarding Employees

☒ 102-8, 103-1, 103-2, 103-3, 401-1, 401-2, 407-1

Management Approach 103-1

Vonovia has grown successfully over the past few years. We will continue to pursue our growth strategy, not just in Germany but across Europe. This presents our HR management with a wide range of new tasks and challenges, as for our growth strategy to be successful, recruiting employees and establishing HR activities with a long-term focus is essential. We need qualified and motivated employees throughout the company that will stay with us for a long time. There is particular demand for such employees in the Vonovia technical service (VTS) and residential environment, where our employees are in close contact with our customers. As BUWOG and Victoria Park were in the process of being integrated into Vonovia in 2018, we will dedicate this chapter exclusively to the reporting of Vonovia Germany data. Thus we ensure them to be comparable to the data in last year's sustainability report.

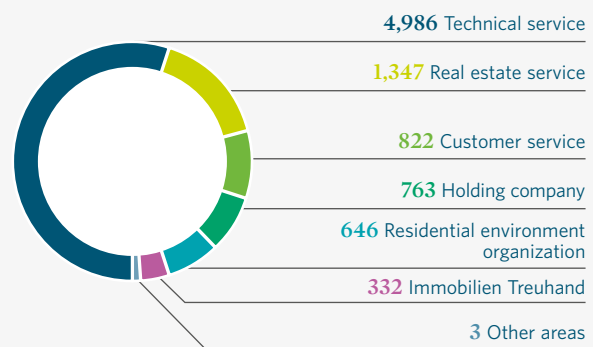
The number of employees we employ rose by 451 in 2018, from 8,448 (December 31, 2017) to 8,899 employees (December 31, 2018) – an increase of approximately 5.3%. 102-8, 401-1

In 2018, the turnover rate was 14.8%. 401-1

We aim to place each employee in an area suited to their strengths, and to purposefully develop their skills from there. Performance, appreciation, responsibility and team spirit are all important elements of our HR work and our corporate culture. By investing in the digitization of our company, we intend to adapt the processes and structures of our HR management, which is organized as a shared service within Vonovia SE, to the growing number of employees, and to make it more efficient.

We search for applicants both within and outside of the company in order to fill vacant positions with the right employees. We particularly encourage existing employees to fill specialist and management positions and provide specific training for this. The majority of the employees

Employee numbers by area



who joined the Group with the new subsidiaries were successfully integrated into our structure in 2018 and are already benefiting from our HR development program (see chapter Training and Education → p. 76 et seq.).

We are continually expanding our range of offers and provide our customers with numerous services that use our own resources. This “insourcing” helps us to meet our social responsibilities and create secure employment for various qualification levels. In order to fill vacant positions quickly, we endeavor to position ourselves as an attractive employer (in the sense of an employer brand) for new employees on the labor market and to boost this image with our existing employees. Boosting our attractiveness as an employer is an important task in the competition for qualified employees. This is something we began working on in 2018, for example, by concentrating on occupational safety, health management (see chapter Health Management and Occupational Safety → p. 80 et seq.), and balancing career and family (see chapter Balancing Career and Family → p. 84 et seq.).

Diversity is also a key topic at Vonovia; we respect and encourage diversity in the company as it has a positive impact on our business operations in all areas. We employ people of all age groups and genders, from different

nationalities and cultures, and with a whole range of educational backgrounds. We also employ people with disabilities. This diversity is a particular benefit when it comes to contact with our customers, who come from all over the world. We thus ensure equal opportunities for our employees and a working environment that is free of discrimination, where appreciation, tolerance and respect are the underlying principles (see chapter Diversity and Equal Opportunities → p. 86 et seq.). In addition, we have committed ourselves to further increasing the number of women in management positions at Vonovia (see chapter Corporate Governance Report → AR 2018, p. 44 et seq.).

We take our social responsibility seriously at all of our locations. Our growth creates secure and stable employment; we only employ temporary workers in exceptional cases and do not outsource positions abroad. By re-integrating craftsmen activities we ensure that our high HR standards are applied to these Vonovia services. The majority of our employees (89%) is working under permanent employment contracts.

This results in material topics for Vonovia in relation to employees. These have been added to the materiality matrix according to their relevance:

- > Training and Education
- > Health Management and Occupational Safety
- > Balancing Career and Family
- > Diversity and Equal Opportunities

In the following chapters we will deal with these topics in more depth and explain their relevance at Vonovia. We will describe the management approach, challenges, opportunities and risks, targets, measures and indicators for each topic.

Co-determination is also a material topic. Corporate co-determination and employee surveys conducted throughout Vonovia help us to evaluate our internal corporate approach. We ensure that all applicable laws are adhered to at all of our locations; for example, laws relating to individual and collective employment rights. No corresponding breaches were determined at any of our locations in 2018. Works councils, for example, have been established in all of Vonovia's business areas. The exchanges between the works councils and management are constructive and based on mutual trust. In the event of significant changes within the company, we inform our workers within the legally prescribed notice periods. 402-1, 407-1

Employees by contract type¹⁾



¹⁾ Temporary employment contracts excluding interns, trainees, students, temporary staff, marginal employees, employees with pre-retirement part-time work arrangements, those on leave of absence, part-time employees, those on parental leave, bodies and external staff

Challenges, Opportunities and Risks 103-1

In light of current social developments (for instance, the ongoing construction boom) and corporate challenges (such as the integration of our new subsidiaries), Vonovia is constantly facing new challenges with regard to HR management. The high annual recruitment figures that we are aiming for in order to meet our HR needs relate to filling both new positions resulting from our growth and to filling positions left vacant due to turnover. In addition, the requirements we have of our employees are changing – due to increasing digitization, for example. Simultaneously, it is becoming ever more important for Vonovia to position itself as an attractive employer in order to gain qualified employees and retain them in the long term. Gaining personnel as craftsmen or for gardening and landscaping is a particular challenge due to the tense situation in these parts of the labor market. Online application channels, for example, which we have established to increase the efficiency of our application processes, may be an obstacle for some and prevent qualified people from applying.

In terms of HR management, the 2018 fiscal year was dominated by the integration of our acquisitions, particularly BUWOG AG which has its main focus in Germany. The structures and processes of BUWOG AG were integrated by January 1, 2019. We have reported on measures relating to BUWOG and Victoria Park in two separate chapters.

Another significant opportunity for us is the diversity of our employee structure, which is shaped by the many different cultural and social backgrounds of our employees. It not only boosts our brand as an employer, but also supports our customer orientation. In addition, our comparatively high training rate means we can counter the tense situation on the labor markets. Vonovia's train-

ing rate is significantly above average in comparison with other large companies, especially among the DAX 30 companies.

Public debates on Vonovia's business model have as yet only affected single cases of employee recruitment.

Objectives, Measures and Indicators

103-2, 103-3

The aim is to meet the mounting and constantly changing requirements of the working world at Vonovia, exploit synergy potential and find employees, who are a perfect fit for the positions on offer. Thus, gaining and retaining qualified employees is the most important HR management task. We confront this issue through targeted recruiting, training and education, health management and occupational safety measures as well as measures to improve the balance between career and family. These measures are described in detail in the following chapters.

In 2019, we aim to recruit approximately 900 new employees and will be implementing recruitment measures both internally and externally. Targeted training and education offers are an important factor for the success of our company in this regard. We also plan to refine our external image and to strengthen our employer brand. By conducting internal workshops with representatives from various professional target groups, we have determined what Vonovia embodies as an employer and why employees decide to work for our company. An employer promise and employer characteristics were derived from the results, and we have developed an employer branding concept that is gradually implemented through HR marketing measures since the end of 2018. We have decided to particularly highlight our company's innovative ability, the importance of team work and workplace safety. The new career portal on Vonovia's website also went live in 2018. www.karriere.vonovia.de Our online image will be further optimized, both technically and in terms of content, as will our company profiles on ratings portals such as Xing and kununu, in order to make more information available and to better target applicants. The employer branding concept is scheduled to be completely integrated in our work processes by 2019. After successful implementation of the concept, the issue of employer image will continue to accompany us in our day-to-day work and remain in focus, e.g., through the implementation of new recruiting methods.

Outlook for 2019

We intend to continue "insourcing" in 2019 and – along with the further expansion of our workforce – fill vacant positions and new positions internally wherever possible. A customized HR development strategy will be implemented to tackle the associated challenges. This includes expanding our training offers and adapting them to individual areas' needs. Identifying and training talented individuals from among our own workforce will support our structured succession planning. In connection with this, one measure we intend to implement will be the extension of our successful strategy round table – a dialogue approach between the Management Board and our top talent.

As part of co-determination processes, various Group and works agreements will be harmonized further in 2019. We will also conduct a Vonovia-wide employee survey in 2019 in order to evaluate previous measures and identify new spheres of activity. We specifically intend to focus on employee satisfaction and loyalty, and to review the implementation of our targets in relation to our culture of appreciation, responsibility and team spirit. 102-41

Process harmonization and digitization will continue to be key focal points in 2019.

In 2019, managers will receive more occupational safety training and we will raise awareness among managers of their responsibilities toward employees. Risk assessments will also be carried out in order to gain an overview of the risks associated with various activities.

Training and Education

☒ 103-1, 103-2, 103-3, 404-3

Management Approach 103-2

The training and education of our employees is a particularly important topic. It allows us to build up and expand important skills and to guarantee high quality work in the interests of our customers.

Traineeships

Vonovia offers a wide range of traineeships. We believe that this has a positive impact on Vonovia's public image, because it allows us

- > to create secure jobs,
- > to take social responsibility, and
- > to increase our attractiveness as an employer.

Our focus on craftsmen training allows us to expand our technical service and adapt it to meet the requirements of the company. This can help us to minimize the risk of bottlenecks relating to qualifications and to ensure a well-balanced average age in our workforce. Training is an indispensable element of Vonovia's HR policy, because it

- > safeguards our company's competitiveness,
- > ensures the availability of qualified junior employees and the preservation of knowledge,
- > secures need-based and timely HR development (for instance with regards to digitization), and
- > is designed to make us less dependent on the external labor market (particularly for the craftsmen/technical service areas).

We offer our trainees good prospects once they have completed their training. This is reflected in the high number of people taken on after their training, which stood at 81.1% in 2018.

Establishment in the Organization 103-2

HR management's training and HR development department is responsible for training. It cooperates closely with other business areas and external partners to ensure the highest quality of training.

Further Training

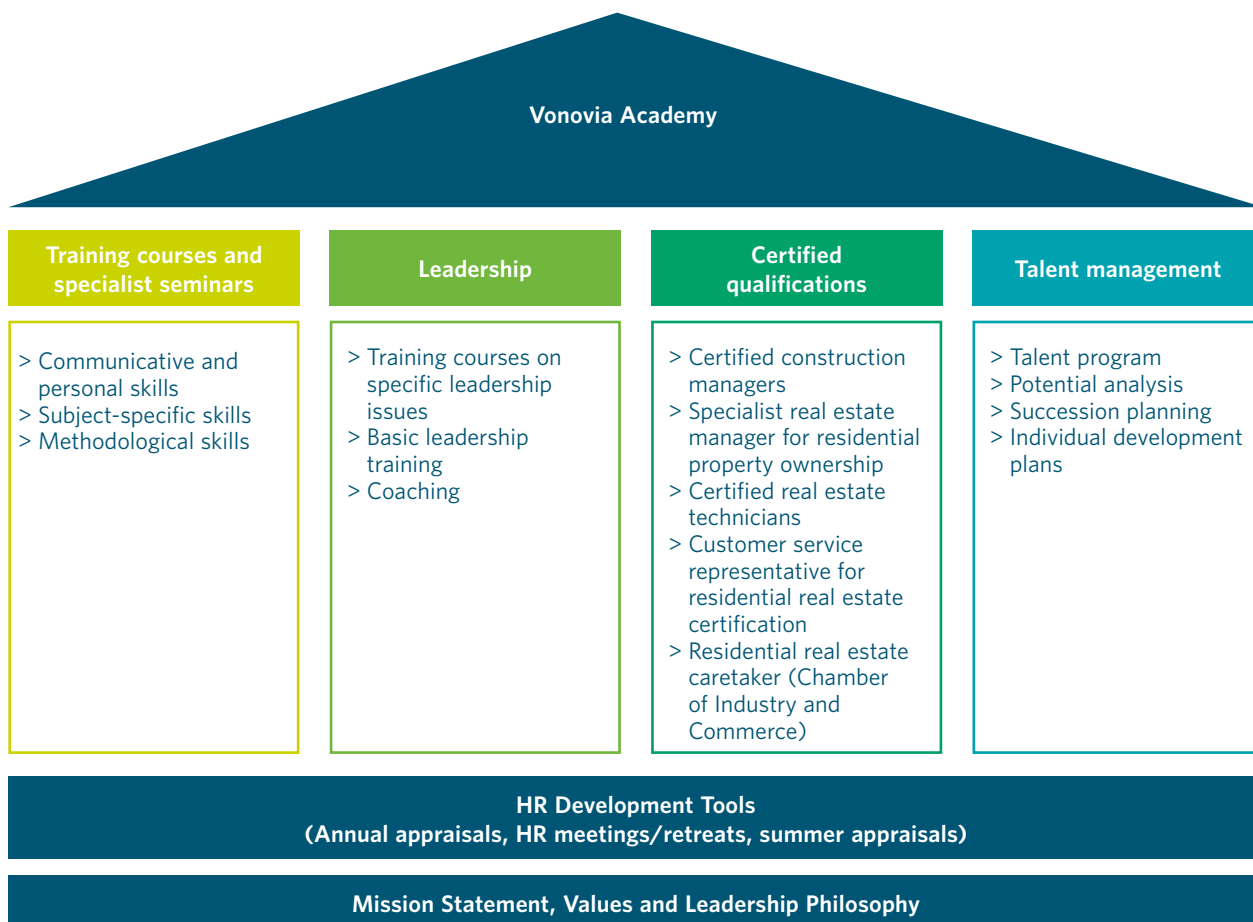
Further training of Vonovia employees is a core element of HR activities. We aim to ensure that our employees are optimally qualified, provide them with support in their current work and prepare them for future tasks. This allows us to help every employee find the position that is right for them. Our Vonovia Academy offers training courses, specialist seminars, manager training, talent management and certified qualifications that are tailored to our needs and targets. The academy provides our employees with numerous opportunities to develop their skills and methods and to develop personally, and it helps us to fill positions with internal candidates where possible. As a result, we attach a great deal of importance to talent management, to ensuring that our top performers stay with Vonovia and to systematic succession planning. And it helps improve the motivation and satisfaction of our employees.

Important aspects of our HR development work are:

- > Leadership
- > Succession planning
- > Talent management
- > Further training
- > Assessment and feedback.

We are systematically developing and expanding our work in these areas. This will allow us to secure our existing workforce of employees and managers, as required by our operations, identify junior managers and prepare them for future management responsibilities.

The Pillars of the Vonovia Academy



Structured HR development also helps to improve the company's efficiency and profitability and prepare for future tasks and challenges.

The Vonovia Academy

All HR development tools at Vonovia are based on our mission statement, our values and our leadership philosophy. This is also true for the Vonovia Academy. The academy is an important part of our HR development work, and continuously offers a range of training and coaching opportunities, specialist and management seminars and certified qualifications – such as dual study courses or master craftsman training – adapted to meet the specific needs of our departments. Special in-house training courses include “the starter pack for successful entry into management” and the training series “basic leadership training.”

Establishment in the Organization 103-2

The training and HR development department is responsible for HR development. The department works closely with other business areas and our external education suppliers.

Challenges, Opportunities and Risks 103-1

Traineeships

In light of our constant need for new employees, declining applications and increasing restrictions to training are a risk to our company. More and more high school graduates decide for an academic career. Lacking educational qualifications are becoming an ever bigger obstacle, especially in the skilled manual crafts. Traineeships being ended before completion – due to some young people's lack of career orientation – mean an unnecessary waste of resources. In order to counter these risks, we are strengthening our commitment to training marketing, looking for innovative recruitment methods and taking measures to retain junior employees. This gives us the opportunity to address additional target groups, such as those who have left a course of study before completing it, and to recruit them to our company. Trainees at Vonovia benefit from good career prospects. This in turn gives us at Vonovia the opportunity to expand our personnel structure in the long term, retain valuable knowledge in the company and, most importantly, safeguard our competitiveness.

We have expanded our commitment to integrate refugees in our traineeships. During the reporting period, 31 refugees were training with Vonovia. And the number of trainees with a migration background is high across the company in general. This diversity offers our company numerous opportunities, but it also requires us to develop individual solutions for training the individuals, e.g., through qualification measures to prepare trainees for a career, or training and tutoring offers for dual study courses.

Further Training

The diversity of our business model and the continual growth of our company result in a constant stream of new tasks and challenges for our employees. We include these in our training offers, and this, together with the size of our company, allows us to offer our employees numerous opportunities. However, we also have to consider the various groups of employees who work in locations throughout Germany. For this reason, and because of the rising employee numbers, we are increasingly conducting more in-house events in partnership with various education providers. The number of e-learning seminars featured in our range of training offers is also growing. In order to ensure that the right training course can be selected from this wide range, we offer individual support for employees with regards to their development. This also helps us to achieve our goal of filling as many vacancies as possible internally.

Objectives, Measures and Indicators

103-2, 103-3

Traineeships

Vocational training is a key pillar of Vonovia's recruitment strategy. We offer a wide range of vocational training programs. We adapt our training schemes to current developments in the world of work and systematically prepare junior employees for these changes, for instance with regard to digital technologies. This also includes developing the personal skills necessary for shaping and transforming work structures, such as applying more initiative when dealing with tasks.

We are currently offering training in 22 locations for 14 different occupations, as well as offering dual study programs. In addition, we offer part-time traineeships for young mothers and fathers, athletes and home carers.

Vonovia employed a total of 470 trainees as of December 31, 2018 (Dec. 31, 2017: 462), of whom 137 were commercial trainees and 333 were technical trade trainees. This means that trainees account for 5.3% of the total



5.3%

Training rate in Germany (excl. BUWOG Germany)

(Group: 4.9%)

workforce. Since our employee numbers are currently growing faster than our trainee numbers, the training rate declined by 0.1 percentage points against the previous year. Nevertheless, we remain one of the few companies in the DAX 30 increasing their training rate further.

We intend to focus on:

- > Training offers for skills and qualifications oriented toward our actual needs at Vonovia
- > Training schemes adapted to the changing needs of the future working world
- > Keeping our high training rate constant by creating training roles and filling vacant positions
- > Offering our trainees good prospects for the future and keeping the number of trainees we keep on high as part of our succession planning
- > Filling 10 percent of the training roles with the sons and daughters of our tenants (Aktion Mieterkind)

We are implementing various measures to help us achieve our targets, such as the expansion and strengthening of our employer brand (see chapter Challenges, Opportunities and Risks → p. 77 et seq.), as well as new innovative recruiting measures such as 'trainee speed dating'. We are also actively encouraging women and girls to take an interest in the trade professions, for instance with our annual Girls' Day.

Sustainability Issues in Traineeships

During their training, trainees at Vonovia complete a number of stations in various departments. This gives our trainees an insight into current issues, including sustainability issues, such as demographic change, energy efficiency and renewable energies.

Further Training

Our HR development tools are a main aspect of HR development. These tools include:

- > **Annual employee appraisal with a manager:** Discussing performance and assessing potential for further development; agreeing on specific development measures and targets 404-3
- > **HR routines/meetings between managers and their supervisors/the Management Board:** Discussing annual results and identifying sources of potential; agreeing individual development plans and planning succession guidelines
- > **Summer employee appraisal with a manager:** Confidential feedback sessions and discussing cooperation; deriving measures to improve cooperation where necessary 404-3

We organized special training sessions in 2018 in order to support our managers in conducting these appraisals with a view to raising awareness of their management responsibilities. Developing our managers' skills is an important topic for Vonovia in general because our managers bear special responsibilities and serve as role models for our employees. We use current situation assessments to identify their strengths and the areas in need of development, and derive the necessary measures to be taken. We expanded our further training offers for managers in 2017 to reflect the area-specific needs.

In order to identify individuals with talent and potential, and expand our succession planning, we included more training courses in our further training program in 2018, focusing particularly on the needs of the technical service. In HR meetings and routine work we identified employees who would benefit from these training courses.

The fundamental aim of our HR development work is to offer employees target group-specific development opportunities. This includes communication training for our installers and gardeners, for example.

Our portfolio also contains training courses on cultural diversity amongst our tenants, communication, dealing with difficult situations and reducing stress.

Internal customer service training:

- > Internal trainers regularly conduct training and coaching sessions in the customer service department
- > The aim of the sessions is to help employees deal with issues in a more customer friendly and service oriented manner
- > The sessions include onboarding and basic training, department-specific specialist and communication training and training for specific systems
- > The aim of these measures is to provide our employees with the best support for their everyday work and to provide personal development on-the-job

Sustainability Issues in Further Training

Many sustainability issues are part of our employees' daily work. We therefore offer further training to raise awareness of these issues among our employees and to offer them relevant certification.

Our certified real estate technician course, for example, covers building technology topics and aspects such as the causes of, preventing and eliminating mold and damp, heat insulation and the German Energy Saving Ordinance (EnEV).

2,176

employees

took part in further training
in 2018.

€ 3.8

million

was invested in further training
in 2018.

108

new trainees

started work at Vonovia in the
technical trade area in 2018.

14

traineeships and study courses

are available at Vonovia.

Health Management and Occupational Safety

☒ 103-1, 103-2, 103-3, 403-2, 403-3

Management Approach 103-1

Vonovia employees work in a variety of fields – ranging from office work to installation and gardening. They face physical and mental stressors that can influence their performance. We ensure that potential threats to our employees are minimized through comprehensive health management and professional occupational safety structures so that they can work in a healthy environment.

Health Management

Our employees' health is important to us. We aim to promote the wellbeing of our employees, maintain their performance and motivation in the long term and keep them with our company through comprehensive health management, by systematically designing work processes and structures in such a way that they promote health.

Establishment in the Organization 103-2

The team "Health and Social Affairs" is responsible for developing and implementing health management measures.

Occupational Safety

A working environment in which our employees are protected to the best degree possible against risks, hazards and work accidents – regardless of the time, place or type of work – is important to us. We minimize potential risks through targeted measures and adhere to applicable laws and guidelines to the fullest extent possible. Each individual employee and each manager bears responsibility for their own safety and that of their colleagues. This also applies to the employees of companies that we integrate into our company.

The risks that our employees in the headquarters face are relatively low compared with employees in craftsmen and gardening positions. In this area, occupational safety takes the form of assistance as primarily preventative measures are implemented, such as regular safety instructions or

the constant updating of instructional documents and operating manuals.

Due to the nature of their work, the potential threats faced by our employees in the technical service and residential environment organization are more severe than those faced by administrative employees. We conduct regular risk assessments in order to identify possible hazards and to derive preventative or corrective measures. 403-2

Establishment in the Organization 103-2

Facility Management and Internal Coordinators

The facility management department is responsible for coordinating occupational safety in the company and initiates and supports measures throughout the company. Occupational safety issues are managed by our internal coordinators for occupational safety. Internal coordinators have been appointed in each of Vonovia's Group companies. A company representative appointed by the Management Board is the central contact for all employees. The representative communicates regularly with the internal coordinators. Together they work on central occupational safety issues.

Group-wide Occupational Safety Standards

We also provide specialist support for the Group companies through our Group-wide occupational safety standards. We safeguard the transfer of knowledge through regular specialist exchanges between the Group companies. We gradually transfer the existing occupational safety structures of companies that we integrate into our organization. We expand our processes, for instance reviews and instructions, to new employees and locations and document the process. 403-2

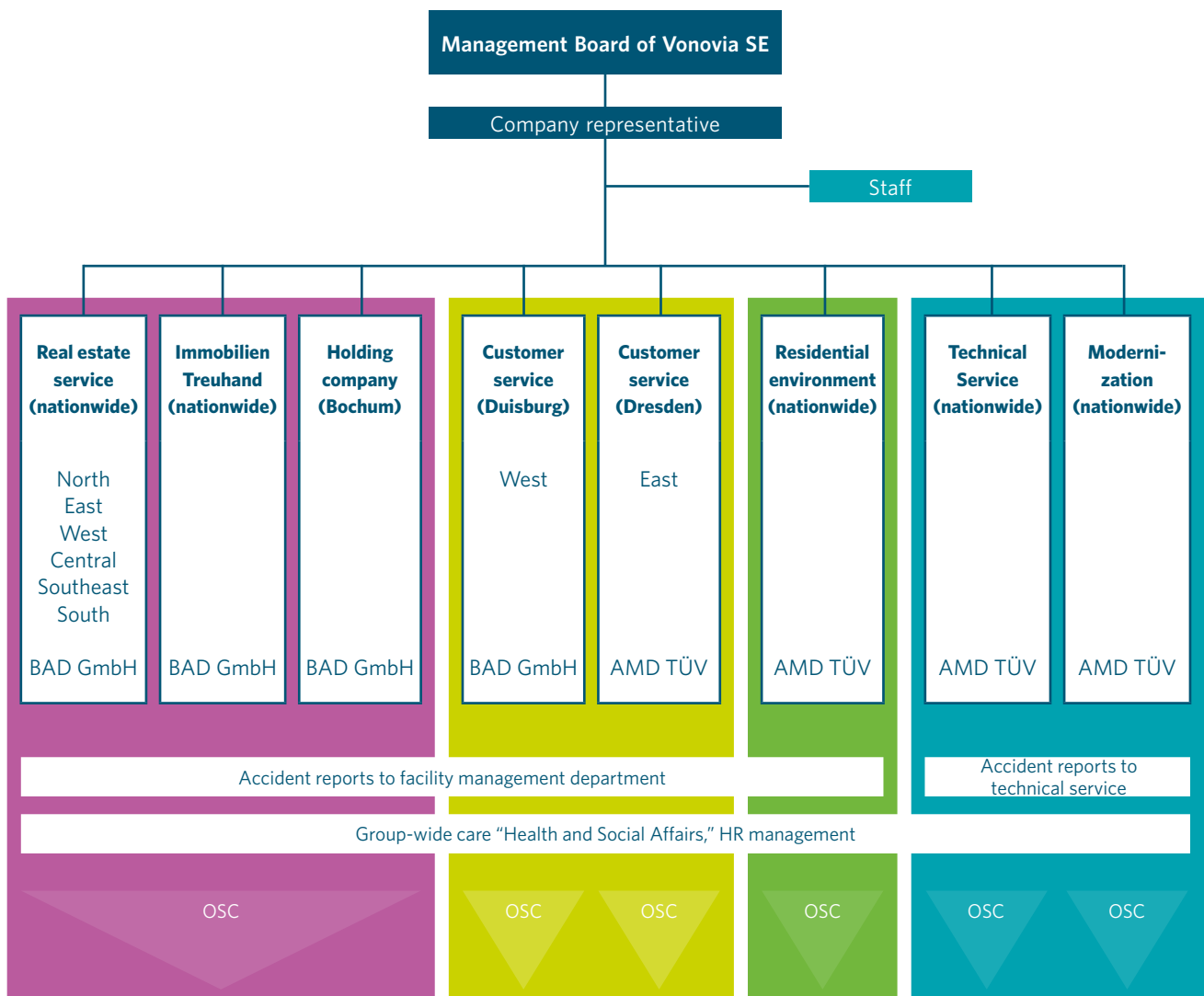
Occupational Safety Committees

Occupational safety committees (OSC) meet regularly at the Group companies and investigate occupational safety optimization opportunities. The committees work closely with external occupational safety and occupational health experts and adapt occupational safety measures to current developments, such as workplace requirements, applicable laws, (accident prevention) guidelines, technical requirements and legal acts. Once a quarter the company representatives discuss new developments and the implementation of measures with occupational safety experts, occupational health specialists, safety officers and the works councils at the OSC meetings. 403-4

Technical Service and Residential Environment Service

Due to the number of trade unions at Vonovia and their specific occupational safety demands, the technical service and the residential environment service have their own occupational safety organization.

Organizing Occupational Safety at Vonovia



Challenges, Opportunities and Risks 103-1

Health Management

As it is our aim to be seen as an attractive employer on the labor market, our comprehensive health management and numerous benefits, for example, those concerning work-life balance, are important elements that allow us to stand out from the competition.

In the skilled manual crafts, the physical strains of the work can be very high. This leads to the following risks:

- > Qualified employees have to leave the company prematurely due to these strains and are not able to pass on their knowledge
- > Valuable skills have to be relearned at considerable expense and taking considerable time
- > Filling these positions is more difficult due to the lack of suitable candidates

Vonovia has a number of locations in Germany as well as neighboring European countries such as Austria and Sweden, which means we cannot always provide our services across the board – such as massages or membership of fitness center chains. The digitization of the working world, however, does allow us to expand our offering regardless of the location, for example, with online fitness exercises, our health portal and information via email.

Occupational Safety

Occupational safety requirements are continually developing at Vonovia as a result of the changes to work flows and activities as well work/operating equipment and materials. We therefore constantly analyze safety instructions and operating manuals on dealing with and how to behave in dangerous situations, and update these when necessary. This is necessary to raise awareness among our employees about safety at the workplace and to protect them.

We take workplace hazards very seriously and investigate these issues in depth. The authority that this generates and the associated expertise mark our company out and boost our image both internally and externally.

Objectives, Measures and Indicators

103-2, 103-3, 403-5, 403-6

Preserving the well-being and boosting satisfaction among our employees in the long term is something that is important to us. As a result, Vonovia attaches considerable importance to offering employees a work environment in which they are protected against risks and threats to their health to the greatest extent possible while carrying out their work. This applies, in particular, to those departments and trades that are involved in the construction process, as there are considerable potential hazards in their working environments.

Health Management

Our health management objectives are:

- > Promoting the work-life balance of our employees,
- > maintaining their health and ability to perform in the long term,
- > assisting them in establishing healthy lifestyles,
- > boosting their motivation and loyalty to the company.

We offer a range of services to achieve these objectives. The Health and Social Affairs team offers services such as:

- > Colorectal cancer prevention
- > Flu shots
- > Massages
- > Cooperation with fitness centers (e.g., McFit) and company sports
- > Service hotline providing advice for employees and managers and coaching (psychosocial counseling)

The colorectal cancer prevention and fitness center membership services are very popular.

Dealing With Stress

At the Vonovia Academy we offer seminars on dealing with stress and preventing burnout. There are also courses on dealing with complaints, arguments and difficult situations involving customers. One seminar on improving health is specifically tailored to our managers in order to raise their awareness of the responsibility they have toward employees.

Health Portal

Nutritional advice, BMI calculator, fitness exercises for the office and advice for the next medical checkup: The "Time for Health" portal offers our employees a wealth of health-related information. In addition, employees can participate in internally organized running events or soccer competitions.

Corporate Integration Management

Following longer absences from work due to illness, we support the affected employee's return to work through corporate integration management. This allows the employee to slowly acclimatize to their work again.

Ergonomic Seating and Nutrition

We moved into our new company headquarters mid-2018. Due to the move, we procured office equipment for up to 1,000 employees, including electric standing desks, for instance. The new company headquarters also offers additional benefits like the all-in-one water system, which provides employees with free fresh, cooled and filtered still or sparkling water and a much bigger range of options in the canteen to promote a balanced diet.

Occupational Safety

Every new employee at Vonovia receives initial safety training followed by annual safety training. Mandatory safety inspections, for example, on portable electrical operating equipment or ladders, are performed regularly. To avoid incorrect internal assessments, we also commission repeat risk assessments from external service providers on locations and activities as required. We are currently focusing on repeat DGUV (Deutsche Gesetzliche Unfallversicherung – German Statutory Accident Insurance) V3 inspections throughout Germany on portable electrical operating equipment.

Monitoring and management is performed automatically and electronically using feedback sent via email.

We continually adapt our occupational safety processes and measures to new requirements resulting from amendments to law and our findings following analyses of work accidents. The increase in the number of employees at Vonovia, resulting from growth, and the fluctuation rate mean that initial training is gaining in importance.

For example, in 2018 we:

- > Conducted 31 evacuation drills throughout Germany
- > Thoroughly examined and updated all VTS risk assessments related to trade
- > Updated the fire protection organization at numerous locations

- > Organized training for newly appointed and existing safety officers with VBG (Verwaltungsberufsgenossenschaft)
- > Organized seven nationwide internal training sessions for another 64 "ladder officers" (person authorized to inspect ladders and steps)
- > Organized six nationwide internal training sessions on "Occupational Safety for Managers – corporate duties and liability risks" for around 60 managers

Planned Measures

At the beginning of 2019 we intend to plan more internal management training sessions on "Occupational Safety for Managers – corporate duties and liability risks" and hold them over the course of the year.

We also plan to conduct risk assessments on the following issues in the following locations:

- > **VTS:** mental strain
- > **Residential environment:** mental strain, biological substances ordinance, interior and glass cleaning
- > **Real estate service and Immobilien Treuhand:** managers, landlords, technicians, caretakers, sales personnel and WEG (Condo owners' association) administrators at new locations across Germany

In the residential environment we also intend to restructure various instructional documents, for instance, for concierge services, and expand the fire protection organization at new locations. The VTS will review the contents of the risk assessments updated in 2018 as part of the nationwide efficiency checks of the locations and with the trades on site.

Balancing Career and Family

☒ 102-8, 103-1, 103-2, 103-3, 401-3

Management Approach 103-1

Developments in recent years show that employees and applicants are increasingly interested in a good work-life balance. As a responsible employer, Vonovia takes this issue very seriously. We are thus developing company-wide as well as location-specific measures. We are underscoring our commitment in this area with the membership in "Erfolgsfaktor Familie [Success Factor Family]," a corporate program organized by the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth.

Establishment in the Organization 103-2

The Health and Social Affairs team is responsible for coordinating measures for balancing career and family.

Challenges, Opportunities and Risks 103-1

Our employees' requirements are becoming ever greater, and the benefits that Vonovia offers as an employer are keeping pace. Balancing career and family in particular is becoming increasingly important. Vonovia must face the challenge to meet these demands in order to be an attractive employer for all employees.

If, for instance, we do not enable employees to take advantage of alternative working time models, there is a risk that satisfaction levels will drop or they will decide not to join Vonovia to begin with. Firstly, this would mean that Vonovia loses valuable knowledge, and secondly, that we cannot gain the employees that we urgently need.

However, this affords us an opportunity to become an attractive employer to employees with families, to boost the motivation and health of our employees and to contribute toward their decision to stay with the company in the long term.

Objectives, Measures and Indicators 103-2, 103-3

We have been committed to promoting family life for years now, and allow our employees to strike a balance between work and family commitments by offering a range of tools designed to meet their specific needs. We have implemented measures at numerous locations throughout Germany. For instance, we work with a family services provider that supports our employees in the search for daycare for children or caregivers for family members.

Working time models and individual part-time agreements are important elements in our work to support an improved work-life balance. These also benefit our trainees, with options, for example, for part-time training or individual time plans for athletes and single parents.

Full-time and part-time employees 102-8, 401-3

Full-time employees
8,090



Part-time employees
809

Employees on parental leave
171 in total
of which around 66% were male

Child Care

Vonovia works with the family services provider pme Familienservice. Their portfolio of services includes:

- > Childcare offers, such as support in finding a daycare facility, plus help at short notice when daycare is unavailable and on public holidays,
- > Day-long or week-long programs for children, and longer holiday trips.

Our employees in Bochum and Duisburg have access to parent-child offices. We are also expanding our cooperation with daycare centers – we have, for instance, begun working with a daycare center in Bochum.

We are certain that these measures to help employees balance their work and family commitments have a positive impact and that our employees actively enjoy them. An indication for this is the large amount of male employees who took parental leave in 2018 (66% of a total of 171 employees). 401-3

Caring for Family members

Some of our employees are caregivers for family members. We provide support for this difficult task and cooperate with pme:

- > To arrange home-based and hospital care assistants and services
- > To provide advice regarding financing care and senior-friendly living
- > To arrange assisted living

We also provide information regarding legal issues such as living wills, powers of attorney and care directives. Our “Family and Work” program also offers psychosocial counseling in dealing with illness and providing care for family members.

Diversity and Equal Opportunities

☒ 102-8, 102-12, 103-1, 103-2, 103-3, 405-1, 405-2, 406-1

Management Approach 103-1

Our corporate culture is based on the understanding that all people should be treated equally and their individuality respected to the greatest extent possible. Within our company and when interacting with our customers, we benefit from a wealth of perspectives, backgrounds, ways of thinking and approaches every day that are the result of the social, cultural and linguistic backgrounds of our employees. We believe this gives us an important competitive advantage.

In 2013, we signed the Diversity Charter and underscored our company's commitment to diversity. We support our employees equally regardless of their gender, age, sexual orientation and identity, race, nationality, ethnic origin, religion or world views. Appreciation, tolerance and respect are the values that we live by at Vonovia and they make our working environment a positive one.

Challenges, Opportunities and Risks 103-1

Our employees, who come from more than 78 countries, know about different cultures and speak a range of languages. This enables communication with our customers and allows our employees to deal with customers' problems quickly. In addition, varied experiences and points of view encourage mutual learning and contribute toward the continual development of the company.

Objectives, Measures and Indicators 103-2, 103-3

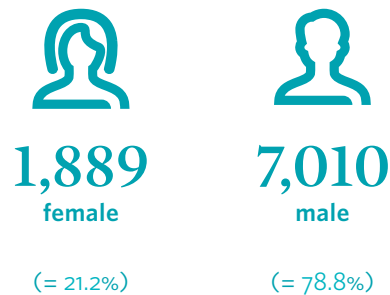
103-2, 103-3

Men often dominate the trade professions. We work hard to get women and girls interested in the trade professions at Vonovia. We visit schools purposefully to inform female pupils about technical trade traineeships at Vonovia, for example. We also participate in the national Girls' Day every year. Our female trainees go into schools and talk about their working day as part of the "Ausbildungs-

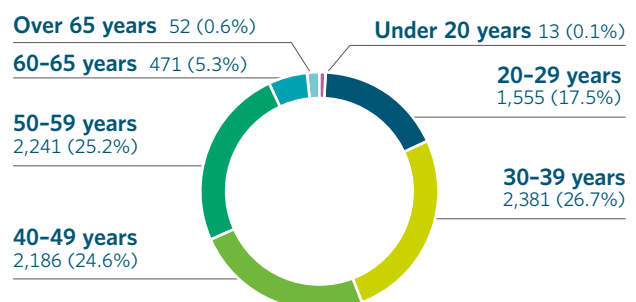
Employees by gender and by age (2018)

102-8, 405-1

Employees by gender



Employees by age



botschafter" (training ambassador) program organized by the Chamber of Commerce (IHK).

When looking for new employees – particularly for the Vonovia technical service and residential environment trade professions, but also for the commercial professions – we include refugees in our recruitment processes and support them in settling into their new lives in Germany.

We cooperate with the German Federal Employment Agency, for instance, to integrate refugees into the working world. In 2018, we conducted application days in a joint pilot project and were able to find suitable candidates for traineeships with potential permanent contracts. We will continue this project in 2019.

In order to promote equal opportunities at all levels, Vonovia is aiming to further increase the proportion of women in management. At present, approx. 37% of managers at Vonovia are women. At the top level of management, the diversity concept for the composition of the management and control bodies is set out in detail in the Declaration on Corporate Governance.

www.investoren.vonovia.de Remuneration at Vonovia is based on performance-related and market-related factors and does not take the gender of the employee into account. The chapter Employee Key Figures includes the ratio of men's to women's salaries at Vonovia. [405-2](#)

There were no incidents of discrimination at Vonovia in 2018. [406-1](#)



2013

Diversity Charter
signed



78

countries (Group)

Our Employees come from
various nations.



170

nations

Our customers come from all over
the world.