

DEUTSCHE
WOHNEN



**People.
Approach.
Values.**



ABOUT THIS REPORT

This is Deutsche Wohnen SE's seventh 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 – where possible – 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.

GRI 102-52

Reporting period and boundaries

This Report contains information about the Deutsche Wohnen Group. KATHARINENHOF Seniorenwohn- und Pflegeanlage Betriebs-GmbH – in which Deutsche Wohnen SE holds an indirect minority interest – does not form part of this Sustainability Report.

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The data included relates to the 2018 financial year (1 January 2018 to 31 December 2018). Wherever relevant, developments and information up to the editorial deadline of 20 May 2019 are also covered. The Report's focal areas are derived from a materiality analysis conducted in accordance with the GRI Standards in 2018.

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GRI 102-51

Reporting standards

Since as early as 2013, we have complied with the globally recognised GRI guidelines 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 therefore complies with the GRI Standards *Core* option.

GRI 102-54

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.

Non-financial statement

As part of our Annual Report 2018, on 26 March 2019 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 voluntary limited assurance review by the auditing firm KPMG AG. You can find our non-financial statement on page 95 of the Annual Report 2018.

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WITH SIZE COMES RESPONSIBILITY

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GRI 102-15

Dear readers,

You have before you the Deutsche Wohnen Sustainability Report for 2018: a year which was important for us because we achieved good progress in making our thought processes, planning, construction and business practices more sustainable. Or, in other words, taking greater responsibility for tomorrow.

This ethos is not an end in itself: it is crucial that our company is aligned in this way because rented units account for approximately 40% of final energy consumption in Germany and are responsible for roughly a third of the country's carbon emissions. In the light of climate change, this is no small matter. With our portfolio of 167,000 residential and commercial units, we have a major responsibility in this regard. Accordingly, we are making targeted investments in our districts. These allow us to improve energy efficiency by an average of 30%, putting us ahead of the field. The energy footprint of around 60% of our residential units is already better than the comparable average consumption of residential buildings in Germany. We are focusing primarily on thermal insulation, more efficient power generation units and switching to more environmentally friendly sources of energy. All in all, with these measures we achieved a reduction in carbon emissions of approximately 26,000 tonnes last year.

It's about future generations ...

We are driven by our own mission to ensure that our apartments and districts also meet the needs of future generations. As properties have a long life cycle, we have to take changing living expectations into account today. In connection with this, we expect to see a tax on carbon emissions in the future. This would be good and right, provided the levies are socially ethical and distributed fairly. Our tenants will benefit from the refurbishment measures we are completing today because the energy performance of our apartments far exceeds that of other residential units.

... and that means it's about money too

Without question, this approach costs money. That is because our holdings are an average of 70 years old and we are refurbishing them thoughtfully and sensitively. For instance, we are fitting sustainable thermal insulation made from mineral wool or cellulose, instead of plastics. This means that future generations will not have to deal with mountains of hazardous waste further down the line. Are we doing this at our tenants' expense? No: our refurbishment work is being carried out in a confirmed socially ethical fashion. We apply a hardship rule which ensures that the total rent does not exceed 30% of a household's net income.

It is also worth mentioning that we take on the lion's share of the refurbishment expenses ourselves. Just under a third of the refurbishment costs forms the basis for our so-called modernisation charge, which in recent years averaged far less than the statutory limit of 11% that was applicable at the time. Furthermore, we have reached agreements with a number of Berlin boroughs concerning the responsible completion of refurbishment measures.

Refurbishment work goes hand in hand with noise, dirt and expense. It can often be a nuisance for residents. For this reason, we involve them in the process early on and seek direct dialogue via tenant events and consultations or more than 800 face-to-face discussions with our clients at the properties. This is a tried and tested approach which we intend to expand further. We can count on dedicated employees who explore issues raised by residents and seek individual, acceptable solutions.

We value our clients' satisfaction highly and are keen to maintain it. This objective is therefore an important part of our strategic sustainability programme. A stakeholder survey conducted in autumn of the reporting year also confirms that this is a sound approach. It showed that customer satisfaction, customer health and safety, and dialogue with customers are among the key issues.

Addressing legacy contamination

Saving energy and reducing carbon emissions play a major role in managing our holdings sustainably, but there is more to it than that. Decontamination has become another important issue in our company's day-to-day operations. We remove contamination left behind by other generations and ensure there is no longer any cause for concern. This includes everything from disposing of asbestos responsibly during refurbishment measures to cleansing the soil and groundwater by removing arsenic. Work is currently under way to do just this at a site in the Berlin borough of Spandau which was home to an munitions factory well over a hundred years ago. We are taking on the costs for this ourselves.



Preserving historic buildings is immensely important to Deutsche Wohnen. In protecting historic buildings and listed architecture, we are living up to our responsibility to play our part in preserving cultural identity. To ensure that these buildings are preserved as part of our heritage for generations to come, we invested approximately EUR 29 million in their future viability, intrinsic value and energy efficiency improvement in 2018.

Digitisation: a tool for sustainable business

Another aspect was added to our sustainability activities in 2018 as well: digitisation. Here too, the focus is on doing business more sustainably. For example, the digital management of our gardens and green spaces enables us to enhance environmental protection and biodiversity. Digital control systems for lifts, thermostats in the apartments, or outside lights save electricity and energy. Last but not least, we plan to record and present every single residential unit in our portfolio digitally, which will reduce travel distances – for instance in connection with client visits.

Demographic change is still happening

Demographic change no longer features so prominently in public discourse. We believe this is wrong. It remains a growing challenge which we are addressing with a view to future viability. For us, that also means taking the needs of older residents into account in our modernisation and new construction projects. Such considerations include floor area, layout and step-free access – along with the right mix within each neighbourhood. Nursing is also a part of later life: 37 new facilities were added to our portfolio in 2018. This makes Deutsche Wohnen one of the largest owners of nursing properties in Germany with a total of 12,200 beds and apartments for assisted living.

To achieve our goals, we need staff with excellent qualifications. In 2018 alone, our employees and managers completed approximately 21,000 hours of training. We also ensure that we offer market-aligned remuneration and make regular adjustments accordingly. On top of all this, we ensure our employees share in the company's success, to which they make a crucial contribution. Staff loyalty in particular is rewarded. This approach is positively received: the 2018 employee survey showed that 79% of staff are satisfied with Deutsche Wohnen as an employer.

Read on to find out more about these and other issues. I hope you will be inspired by our steps towards more sustainable business practices.

Berlin, June 2019



Michael Zahn
CEO of Deutsche Wohnen SE



ABOUT DEUTSCHE WOHNEN: BUSINESS MODEL AND GROUP STRUCTURE

Deutsche Wohnen SE and its subsidiaries (hereinafter referred to as "Deutsche Wohnen" or "Group") is currently the second largest publicly listed real estate company in Germany and third in Europe, based on its market capitalisation of EUR 14.3 billion. The company is listed on the MDAX stock index of the Deutsche Börse and is headquartered in Berlin.

Deutsche Wohnen's property portfolio includes some 164,300 residential units and approximately 2,700 commercial units with a fair value of around EUR 22.2 billion. There are approximately 1.9 million apartments in Berlin. With some 110,000 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 12,200 beds and apartments for assisted living with a total value of roughly EUR 1.3 billion.

Deutsche Wohnen only operates in Germany. Our core regions are primarily Greater Berlin, the Rhine-Main region, the Rhineland, Dresden and Leipzig, along with other growing metropolitan areas and conurbations. Due to their economic growth, positive net immigration and insufficient new construction, these regions offer a good basis for our investment focus on residential properties. In the light of demographic trends, we also see nursing properties as a growing segment.

With its Management Board and Supervisory Board, Deutsche Wohnen has a dual management and supervisory structure. 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.

Deutsche Wohnen has a three-tier Group structure. The uppermost level consists of Deutsche Wohnen SE, which acts as a traditional holding company and comprises divisions such as Project and Process Management, Corporate Development and Strategy, Asset Management, Corporate Finance, Finance, IT, Human Resources, Investor Relations, Corporate Communication and Legal/Compliance.

The operating companies make up the middle level and are the value creation tier. These include Deutsche Wohnen Beschaffung und Beteiligung GmbH (DWB), Deutsche Wohnen Management GmbH (DWM), Deutsche Wohnen Immobilien Management GmbH (DWI), Deutsche Wohnen Corporate Real Estate GmbH (DWC), Deutsche Wohnen Construction and Facilities GmbH (DWCF), Deutsche Wohnen Kundenservice GmbH (DWKS), FACILITA Berlin GmbH and, since 1 January 2018, Helvetica Services GmbH. Our holdings are managed by our wholly owned subsidiaries. Details of operational responsibilities can be found in the relevant chapters.

The Group's foundations are made up of asset companies which hold our properties. This structure allows rapid organisational adjustments to be made as the Group grows.

Management approach
GRI 201

GRI 102-1
GRI 102-3

GRI 102-6
GRI 102-7

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GRI 102-2

GRI 102-10

Annual Report 2018

→ [berichterstattung.
deutsche-wohnen.com/en](https://www.deutsche-wohnen.com/en/berichterstattung)

In addition to our core business areas, we operate through strategic shareholdings and offer property-related services via subsidiaries. Doing this strengthens our customer contact and safeguards service quality. Retirement and nursing facilities are managed via participation models under the brand names KATHARINENHOF and PFLEGEN & WOHNEN HAMBURG.¹ In addition to full in-patient care, these facilities offer a wide range of services tailored to the elderly as part of assisted living packages.

Expanded nursing property and assisted living offering

Responsibility for our customers and properties

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As well as being listed on the MDAX stock index of the Deutsche Börse, Deutsche Wohnen is included in additional major indices such as EPRA/NAREIT, GPR 250 and STOXX® Europe 600. Currently (20 May 2019), BlackRock, MFS and Norges hold approximately 30% of the shares in Deutsche Wohnen. The remaining shares belong to institutional investors and private shareholders in Germany and abroad whose shareholdings do not exceed the statutory reporting threshold of 3%.

GRI 102-5

¹ Since 1 October 2018, Deutsche Wohnen has held a 45% stake in PFLEGEN & WOHNEN HAMBURG; the shareholding is carried at equity as an associated company. PFLEGEN & WOHNEN HAMBURG has been a wholly owned subsidiary of Deutsche Wohnen since January 2019 and is now fully consolidated.



Responsible corporate management

Our targets

Strategically manage sustainability activities

- Make long-term targets a component of the remuneration system for the Management Board and executives
-

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

- Initiate a code of conduct for business partners and suppliers
 - Work predominantly with regional suppliers and business partners
 - Pay greater attention to ecological aspects in conjunction with procurement (maintenance, refurbishment, new construction)
-

Expand stakeholder dialogue

- Expand sustainability issues in stakeholder communications
 - Conduct regular stakeholder surveys in relation to sustainability activities and requirements (every three years)
 - Develop new dialogue formats with political office-holders at national, state and local level and maintain continuous dialogue with local community initiatives and players
 - Reach agreements with political office-holders for the whole portfolio
-

A photograph of three men in dark blue suits and white shirts sitting in modern, light-colored armchairs in a bright, minimalist office lounge. The man on the left is wearing glasses and has his legs crossed. The man in the middle has his hands clasped. The man on the right also has his hands clasped. The background shows a clean, modern interior with large windows and a doorway.

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

MANAGING THE COMPANY SUSTAINABLY

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GRI 102-15
GRI 102-16

With its core line of business – providing housing – the real estate industry has a direct influence on how people live together and the way in which cities are designed. As one of Germany's leading real estate companies, Deutsche Wohnen therefore believes it has an obligation to act responsibly that goes beyond its economic objectives.

The company faces a number of major challenges. Key among these are climate protection, demographic change, urbanisation and digitisation. In addition to this, our operating environment is hallmarked by a range of different expectations and requirements, some of which are contradictory. As our company is oriented towards the capital market, we strive for profitability and are obliged to safeguard our shareholders' interests. On the other hand, the real estate industry has a crucial role to play in meeting climate policy targets because refurbishing buildings and technical systems in a targeted fashion can reduce climate emissions considerably. However, this can only be achieved by making substantial investments in decades-old residential holdings. Sizeable investments are also entailed in meeting the needs of an ageing society for senior housing. Meanwhile, our customers demand affordable places to live – and this is being voiced more and more urgently due to the housing shortage in metropolitan areas and conurbations. Although we cannot fully reconcile these conflicts of aims, 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. At the same time, we see the challenges we face as an opportunity to strategically embed responsible corporate management even more strongly and to integrate it even more strongly into our day-to-day activities.

Four cornerstones of corporate management

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GRI 102-44

To achieve this, we have identified four key issues in the corporate management area of action on which our sustainability strategy is built. **Long-term economic stability** forms the basis. To strengthen this, we focus firstly on the quality of our portfolio and services. Secondly, we consistently act in line with the needs of our clients.

To ensure we do not lose sight of relevant issues and can monitor the positive impact of our actions, we need a **clear corporate vision and strategy with regard to sustainability**. We are thus guided by our mission statement and our strategic sustainability programme, which is evaluated and further developed on a regular basis.

We understand the importance of a constructive dialogue with all relevant and interested parties as it enables us to recognise challenges and opportunities and actively address them. Ensuring **transparency and intensive dialogue with our stakeholders** allows us to pick up on directional impulses in the company's environment as well as set our own.

Throughout, we view it as a matter of course to act lawfully and fairly at every level of our business operations. **Compliance** is therefore a high priority within our corporate management.

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 society in Deutsche Wohnen's environment.

Focus on customer satisfaction

Responsibility for our customers and properties

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Positive economic environment and underlying conditions

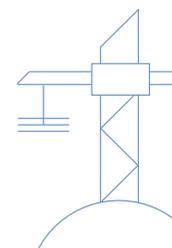
Deutsche Wohnen takes a long-term approach in its business activities. Our company's economic stability is a significant factor in this regard. This is safeguarded by the size and quality of our property portfolio and its concentration on attractive German metropolitan areas and conurbations, where the majority of our holdings are located. We are reducing climate emissions and simultaneously improving the quality of our holdings by making targeted investments in the refurbishment of our property portfolio.

Demographic change represents another major challenge for the real estate markets. Demand for nursing home beds will continue to rise in the future. We are meeting this by specifically expanding our offering in the field of nursing and assisted living. In the 2018 financial year, Deutsche Wohnen succeeded in further consolidating its position as one of the largest owners of nursing properties in Germany. It now offers a total of 12,200 beds and apartments for assisted living.

Digitisation is also playing an increasingly important role in the real estate industry. Deutsche Wohnen would like to utilise the associated possibilities and among other things took over the Synvia media Group in October 2018. The company specialises in cutting-edge telecommunication services and also designs product solutions for smart building networks. This gives us the opportunity to play a defining role in shaping infrastructural and technological transformation processes. Furthermore, we are making targeted investments in digital innovations whenever they offer added value for our clients. This ultimately also paves the way for more sustainable business practices.

Alongside quality, location is a prime consideration for our new construction activities. We plan apartments where they are needed most – in tight residential property markets. Over the next few years, we will build a total of approximately 2,500 residential units, focusing on these areas in particular. We firmly believe that new construction is the only way to relieve pressure on these markets. With our new builds, we aim to develop future-proof properties which are tailored to residents' needs.

GRI 102-10



2,500
new residential units

Our sustainability strategy

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 throughout the company 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 strategic approach is to combine cost-effectiveness with housing quality for our customers and energy-efficient properties. With this in mind, we are investing heavily in energy efficiency improvements to our building stock and technical systems. In doing so, we always pay attention to energy considerations and the use of environmentally friendly and long-lasting materials. Whenever we complete refurbishment work, we are aware of our social responsibility and place a particular emphasis on a socially ethical approach.

Our actions are guided by our corporate culture, which is founded on the cornerstones of respect, diversity, openness and high quality. As part of our Group strategy, sustainability is also embedded in our day-to-day workflows.

Sustainability programme with targets and measures

We want to take our sustainable development to the next level and measure our achievements against our own benchmarks. For this purpose, we have adopted an extensive sustainability programme that provides us with clear guidance for the future. It consists of strategic and operationalised targets along with associated measures in our five areas of action. We document our progress and degree of goal achievement in the relevant fields. The programme paves the way for steering our sustainability-related objectives, which also contribute towards achieving our corporate goals.

Within the Management Board, the CEO is responsible for the topic of sustainability. Operational responsibility is held by Sustainability Management/CSR within the Corporate Development & Strategy division. In 2018, we established an interdisciplinary sustainability committee, and its first meeting took place in December 2018. Going forward, the sustainability committee will convene twice a year. Its remit comprises the strategic management and further development of both sustainability within the company and the sustainability programme. The committee is chaired by the CEO and consists of the whole Management Board, the Sustainability Management/CSR team and the unit managers.

Deutsche Wohnen receives EPRA Sustainability Gold Award 2018

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 2018, Deutsche Wohnen was commended with the *EPRA Sustainability Gold Award* at the annual EPRA conference in Berlin. 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 addition to the environmental impact of the portfolio and the company's administrative locations, Deutsche Wohnen's EPRA Sustainability Reporting 2018 includes key performance indicators relating to social and corporate management issues for the first time.



"All companies need to be aware of the growing importance of sustainability ratings for investors. In the long term, no company can afford not to participate here."

Nicolas Scherf

Senior Portfolio Manager, Janus Henderson Investors

Deutsche Wohnen has also been awarded *Prime* status in connection with the ISS-oekom Corporate Rating. To qualify for this status, companies must meet the demanding requirements of ISS-oekom for sustainability activities in their sector. Only around 10% of the approximately 300 real estate companies assessed from around the world were awarded *Prime* status.



DEUTSCHE WOHNEN – OUR SUSTAINABILITY MISSION STATEMENT

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.

Above all, they are interested in our far-reaching investments in modern residential holdings and high standards of ecological technology. At the same time, we are also facing demands for stable rents and affordable new buildings. We want to reconcile these expectations and challenges – without losing sight of quality, financial viability, and our social and ecological responsibility.

However, our stakeholders are not the only ones who place expectations on us – we do that ourselves as well. There are fundamental questions to which we hope to find answers: how can we make responsible use of the finite space in German conurbations? How will we tackle demographic change? How can we use energy intelligently? In short, we are driven today by housing concepts for the cities of tomorrow.

GRI 102-16

“Housing is not a conventional commodity. Rather, it is a fundamental human need on the one hand and a place to live on the other. Landlords must therefore assume social responsibility per se and not merely maximise their profits.”

Michael Fabricius
Editor-in-Chief,
Immobilien WELT



Of responsible corporate management

To succeed long-term, businesses must accept their corporate responsibility. Of this we are convinced. At the same time, we also want to take central societal challenges into account. These include advancing urbanisation, the severe shortage of housing, climate change, the digitisation of our personal and professional lives, and demographic change with the associated shift in residential requirements. These complex challenges require new concepts regarding both the way in which people live together and mobility.

Our commitment to sustainability goes beyond our company's direct actions and decisions as well. We make the same demands of our suppliers as we do of ourselves. Important parameters in this regard are our sustainability criteria and regionality. Furthermore, we ensure that natural resources are conserved and drawn from renewable sources whenever possible. This disposition is supplemented by maxims which go without saying but we would nevertheless like to mention. Firstly, we are a fair, reliable partner for our stakeholders. Secondly, we are uncompromising in our compliance with legislation and regulations and use ethical benchmarks to measure our actions.



Of customer satisfaction and sustainable construction

Customer satisfaction safeguards our economic success. With this in mind, we constantly work to make sure that our clients are happy and view us as a partner who provides cross-generational housing which enables a good, attractive standard of living. We offer more than just converted living space: our aim is to provide quality of life with our extremely comfortable properties and our range of services. To achieve this, we invest in both energy-efficient fittings featuring modern technology and innovative housing concepts of tomorrow. Our proprietary smart home solutions play a key role in this.

Living accommodation is of vital importance – there is no doubt about that. However, the shortage of affordable housing in metropolitan areas and conurbations is making it much harder to meet this fundamental need. That is why we are doing what needs to be done: building new, modern apartments which provide attractive living conditions. Our new construction projects are oriented on widely recognised sustainability certification schemes which apply to the entire life cycle of a property.



Of responsibility for the environment and the climate

For us, climate change is a fact which is beyond debate. We use our knowledge, experience and energy to develop and realise solutions that help to achieve the targets set by policymakers. The building sector accounts for approximately 40% of energy consumption and around 30% of national carbon dioxide emissions. It is to be decarbonised by 2050. With around 20 million rented units, the housing industry plays a key role in Germany's climate policy.

So what are we doing to achieve this goal? We are actively reducing the environmental impact of our existing buildings by making lasting investments in energy-efficient refurbishment. Furthermore, we are refurbishing our technical systems with a view to making energy management at our properties more and more efficient. And this is proving to be a success – the energy footprint of almost 60% of our residential units is already better than the average consumption of residential buildings in Germany. In short, we are on the right track when it comes to reducing CO₂ and protecting the climate.



Of responsibility for our employees

Digitisation is not just revolutionising products and fields of business: it is also revolutionising the labour market and individual workstations. Here, too, we are working today on ideas and solutions for tomorrow. This is not a merely selfless undertaking: we want and need to be viewed as an attractive, modern employer by our staff in order to counteract demographic change and the shortage of skilled employees. That is why we want to offer our staff flexible working hours, modern workplaces, attractive benefits and forward-looking development. We focus on tailored, digitally assisted learning and on intergenerational, knowledge-preserving cooperation and leadership. We trust in our corporate culture, which is founded on appreciation, diversity, openness and a high quality approach.



Of responsibility towards society

Our mission extends far beyond the provision of apartments. We see our role as creating homes and vibrant districts which offer people attractive living conditions, whether they are young, old, single or part of a family. The preservation of historic buildings and construction culture are also important social issues for us. Our portfolio includes a number of historic buildings listed as UNESCO World Heritage sites. This enables us to link our social and societal commitment closely with our core line of business. Furthermore, we support social causes by means of our wide-ranging involvement in cultural, artistic and sporting projects and initiatives.

Strategic sustainability programme – update for 2019

Responsible corporate management

Strategic target	Operationalised targets	Deadline
Strategically manage sustainability activities	– Make long-term targets a component of the remuneration system for the Management Board and executives	2019
Embed Deutsche Wohnen's sustainability philosophy more strongly in the minds of business partners and suppliers	– Initiate a code of conduct for business partners and suppliers	2019
	– Work predominantly with regional suppliers and business partners	Continuous ...
	– Pay greater attention to ecological aspects in conjunction with procurement (ongoing maintenance, refurbishment, new construction)	Continuous ...
Expand stakeholder dialogue	– Expand sustainability issues in stakeholder communications	Continuous ...
	– Conduct regular stakeholder surveys in relation to sustainability activities and requirements (every three years)	2021
	– Develop new dialogue formats with political office-holders at national, state and local level and maintain continuous dialogue with local community initiatives and players	Continuous ...
	 – Reach agreements with political office-holders for the whole portfolio	2020

Responsibility for our customers and properties

Strategic target	Operationalised targets	Deadline
High level of customer satisfaction	 – Switch to a systematic, annual format for the tenant survey	2019
	– Further develop tenant dialogue formats on an ongoing basis (launch central customer service centre on 1 January 2020)	2019
	 – Implement the pilot project <i>Your Caretaker on the Estate</i> at all holdings in Berlin	2019
	 – Implement <i>smart home solutions</i> to enhance safety, security and service	Continuous ...
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	2022
Create new, certified districts in conurbations	– Investment programme to create new districts for up to 5,000 customers in compliance with recognised sustainability certification systems (NaWoh and DGNB)	2022

Responsibility for our employees

Strategic target	Operationalised targets	Deadline
new Enhance the attractiveness of the employer brand	<ul style="list-style-type: none"> new - Further develop internal and external personnel marketing - Keep employee retention levels high via an attractive remuneration structure, employee co-determination and eliminating redundancies - Adjust staff development to the requirements of the new working world new - Promote work-life balance and family-friendly working conditions 	Continuous ...
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 	Continuous ...

Responsibility for the environment and the climate

Strategic target	Operationalised targets	Deadline
new Maintain commitment to saving 20,000 t of CO ₂ emissions a year	<ul style="list-style-type: none"> new - Combination of measures to permanently avoid CO₂ emissions (sourcing green power, operating PV systems/CHP plants) new - Add energy efficiency criteria to portfolio management system 	Continuous ... 2020
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 to modern systems to save a total of 5,000 t of CO₂ (annually) 	2022 2021

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 - Draft a concept for taking issues of construction culture into account more strongly when completing new construction and refurbishment projects - Commit to supporting youth sport 	2021 2020 By 2022
Promote a vibrant neighbourhood structure	<ul style="list-style-type: none"> - Make 4–5% of new lettings available to people in difficult social circumstances - Promote small business use within the portfolio new - Establish links to social agencies within the districts 	Continuous ...

Strategic sustainability programme – status in 2018

Responsible corporate management

GRI 204-1

Strategic target	Operationalised targets	Status
Strategically manage sustainability activities	- Initiate a strategic sustainability programme	
	- Establish a sustainability committee	
	- Make long-term targets a component of the remuneration system for the Management Board and executives	- Long-term incentive (LTI) programme for executives implemented
Embed Deutsche Wohnen's sustainability philosophy more strongly in the minds of business partners and suppliers	- Initiate a code of conduct for business partners and suppliers	- Will take effect as of 1 May 2019
	- Work predominantly with regional suppliers and business partners	- 80% of contracts associated with maintenance/refurbishment and new construction work awarded to regional suppliers and business partners
	- Pay greater attention to ecological aspects in conjunction with procurement (maintenance, refurbishment, new construction)	- Maintenance/refurbishment via checks and documentation; new construction: 100% of planning and construction services selected in line with sustainability criteria
Expand stakeholder dialogue	- Actively include sustainability issues in stakeholder communication	- Sustainability issues have been incorporated into company presentations and increasingly form part of discussions with investors
	- Conduct regular stakeholder surveys in relation to sustainability activities and requirements (every three years)	- 2018 survey conducted
	- Develop new dialogue formats with political office-holders at national, state and local level	- Five agreements with boroughs; 43 meetings and four dialogue formats

Responsibility for our customers and properties

Strategic target	Operationalised targets	Status
High level of customer satisfaction	- Derive measures after conducting regular tenant surveys every two years	- Work in progress: pilot project <i>Your Caretaker on the Estate</i> , <i>Honeymoon</i> series of projects, change in survey format
	- Constantly further develop tenant dialogue formats (especially by expanding digital formats)	- Plans to introduce a central customer service centre have been completed, the project will be implemented in 2019
Portfolio meets good, up-to-date, future-proof quality criteria, thereby exceeding the industry standard	- Investment programme in excess of EUR 1.2 billion to refurbish and modernise 30,000 residential units	- In 2018, EUR 313.5 million was spent on refurbishing and preserving holdings as part of portfolio investments and approximately 5,500 residential units were completed
Create new housing in conurbations	- Investment programme to create 2,500 residential units in line with widely accepted sustainability criteria	- Building work has commenced on four new construction projects comprising approximately 340 residential units, of which 80% will be DGNB-certified and 20% will be uncertified

Responsibility for our employees

Strategic target	Operationalised targets	Status	
Targeted recruitment and integration of new employees	- Implement a staff recommendation programme	- Programme implemented, 30 recommendations received	☑
	- Set up various talent pools	- 36 positions filled (specialist trainees, student jobs, talent management programme)	☑
	- Expand active sourcing	- 93 candidates approached	✎
Keep employee retention levels high	- Conduct regular employee surveys every two years	- 2018 survey conducted	✎
	- Digitise and optimise processes to boost job attractiveness	- Digital personnel file introduced; new Project and Process Management unit established	☑
	- Introduce a needs-based digital health management system	- Health management established, approximately 33% of employees use the <i>machtfit</i> platform	☑
	- Expand long-term financial incentive systems	- Mid-term incentive (MIT) programme implemented (more than EUR 3 million spent on staff loyalty in 2018); 4.7% salary adjustments in 2018; annual, employee-initiated staff fluctuation below 7%	✎
Adjust staff development to the requirements of the new working world	- Strengthen executives in their changing role	- 29 participants in executive training courses/individual coaching sessions	⌚
	- Expand digital learning and communication formats	- Three new formats	✎
	- Broaden the range of traineeships and dual courses of study	- Two traineeships and three dual courses of study	⌚
	- Offer at least 90% of trainees a permanent contract following successful completion of their training	- 100% (92% stayed at the company)	✎
	- Support junior staff at the company via a talent programme		⌚
Ensure there is no discrimination	- Comply with code of conduct	- No violations reported to the whistle-blower system	✎
	- Appoint women to at least 40% of executive positions within the Deutsche Wohnen Group	- 46% of executives are women	✎

Responsibility for the environment and the climate

Strategic target	Operationalised targets	Status
Save 20,000 t of CO ₂ emissions annually from 2022 onwards	- Carry out the refurbishment and modernisation of 30,000 residential units with a view to energy conservation	- 3,750 residential units refurbished and 3,000 t of CO ₂ saved per year (annual reduction of 0.8 t per apartment) 
	- Replace outdated heat generation plants with modern systems	- 107 t of CO ₂ emissions saved p.a. 
	- Initiate a mass pilot project for the smart home solution actuator/sensor technology to enable intelligent building management for 3,000 residential units in Berlin	- Technology installed in approximately 20% of the planned residential units in 2018 
	- Gradually reduce the portfolio of oil-fuelled properties to a maximum of 1%, switching to eco-friendly energy sources	- 860 t of CO ₂ emissions saved p.a. 

Responsibility towards society

Strategic target	Operationalised targets	Status
Expand, continue and structure corporate social responsibility activities	- Implement a guideline for social and cultural activities	
	- Draft a concept for taking issues of construction culture into account more strongly when completing new construction and refurbishment projects	
	- Commit to supporting youth sport	- EUR 41,500 donated 
Promote a vibrant neighbourhood structure	- Make 4-5% of new letting space available for social and charitable purposes	- 4.5% of new lettings were made available to people in difficult social circumstances 
	- Actively shape (small) commercial sites within the portfolio	- Small businesses account for 60% of the total commercial portfolio while social agencies make up 10% 

Target achieved  Target not met  On target  Work in progress 

IDENTIFYING MATERIAL TOPICS, UTILISING DIALOGUE

GRI 102-49

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. We backed this up further with a comprehensive materiality analysis conducted in 2018. Furthermore, we engage in close dialogue with our stakeholders. Their different – and at times contradictory – demands and views on our sustainability activities continue to pose a challenge for us. We believe this makes it all the more important for us to maintain targeted, transparent communication and trust-based dialogue with all our stakeholders. Systematic, regular surveys of our various stakeholder groups are among the most important instruments here.

Systematic materiality analysis with stakeholder involvement

GRI 102-42
GRI 102-43
GRI 102-46

Deutsche Wohnen conducted its latest comprehensive stakeholder survey in autumn 2018. Approximately 670 representatives of the company's various stakeholder groups were requested to rate the importance of a broad spectrum of sustainability topics and to assess the performance of Deutsche Wohnen with respect to these topics. The survey was carried out both online and in qualitative interviews.

When selecting stakeholders for the online survey, we were careful to ensure that the key stakeholder groups – customers, employees, the capital market, business partners, media, and representatives from politics, associations and society – were equally represented. The survey population was defined on the basis of a list of relevant stakeholders drawn up by the operating divisions (DWCF, DWI/DWKS, DWC and DWB) and the specialist units (Human Resources, Corporate Communications, Investor Relations, Legal/Compliance, Brand Communication, and Corporate Development and Strategy) at Deutsche Wohnen. A number of individuals with a specific focus on sustainability were also selected by Sustainability Management/CSR, e.g. representatives of NGOs or associations. In selecting the survey respondents, it was important for us to ensure that they had a personal link to Deutsche Wohnen and were in a position to assess our performance on sustainability-related issues. Throughout the process, we bore in mind that stakeholders make an assessment based on their personal viewpoint and focus on their own requirements. Approximately 28% of the stakeholders who were contacted took part in the survey.



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. The interviews aimed to gather more in-depth, qualitative statements on the importance of sustainability issues for Deutsche Wohnen and assessments of our performance and future developments for internal evaluation. Interviewees were selected in coordination with the respective unit managers.



Three years after the company's last stakeholder survey, 77% of participants rate Deutsche Wohnen's development as positive. The contributions to climate protection the company has made via its extensive maintenance and refurbishment measures were highlighted in particular.

In the stakeholders' view, the most relevant topics are customer satisfaction, customer health and safety, and dialogue with tenants. In addition, the answers show that conducting business with a long-term view and fairly is considered very important. The participants rated the company's performance the highest in the areas of long-term economic stability and compliance. Its commitment to preserving historic buildings and building culture were also viewed positively. The areas of customer satisfaction and dialogue with policymakers, local authorities and civil society are viewed as having scope for optimisation. The results of the stakeholder survey confirm that we have chosen our priorities appropriately: expanding customer orientation and the broad-ranging investment programme for forward-looking refurbishment of our holdings, along with greater stakeholder dialogue rank among the key sustainability issues.

We used the outcome of the stakeholder survey to update our materiality matrix. The results also provide important input for the strategic further development of the sustainability programme and priority-setting in reporting.

Alongside stakeholders' views, the issues were assessed by senior executives with regard to the economic, ecological and social impact of the company's actions. The Management Board was asked about their long-term business relevance.

As the concept of materiality is interpreted differently in GRI and CSR-RUG, we have continued to use the GRI guidance to determine material topics in this Sustainability Report.

List of material topics

GRI 102-47

Areas of action	Topics	GRI Standards
Responsible corporate management	<ul style="list-style-type: none"> - Long-term economic stability - Contribution to the local economy - Corporate vision and strategy with regard to sustainability - Compliance - Doing business fairly 	<ul style="list-style-type: none"> GRI 201 Economic Performance GRI 203 Indirect Economic Impacts GRI 205 Anti-corruption GRI 206 Anti-competitive Behaviour GRI 307 Environmental Compliance GRI 415 Public Policy GRI 419 Socioeconomic Compliance
Responsibility for our customers and our properties	<ul style="list-style-type: none"> - Dialogue with tenants - Customer satisfaction - Customer health and safety - Creation of housing in conurbations - Maintenance and refurbishment - Residential and nursing facilities which cater for demographic change - Selection of sustainable suppliers and materials for maintenance, refurbishment and new construction work 	<ul style="list-style-type: none"> 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"> - Modern corporate structure and culture - Recruitment - Training and education - Work-life balance and family-friendly working conditions - Diversity and equal opportunity 	<ul style="list-style-type: none"> 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/converted buildings and existing holdings - Emissions by new/converted buildings and existing holdings 	<ul style="list-style-type: none"> GRI 302 Energy GRI 305 Emissions
Responsibility towards society	<ul style="list-style-type: none"> - Development of residential districts - Dialogue with policymakers, local authorities, associations, citizens and other local communities 	<ul style="list-style-type: none"> GRI 203 Indirect Economic Impacts GRI 413 Local Communities

Deutsche Wohnen's materiality matrix



Assessment of the relevance to Deutsche Wohnen on a scale of 1 (not relevant) to 4 (highly relevant)

Responsible corporate management

- A1 Long-term economic stability
- A2 Contribution to the local economy
- A3 Corporate vision and strategy with regard to sustainability
- A4 Transparency and dialogue with stakeholders/ sustainability reporting
- A5 Compliance
- A6 Doing business fairly
- A7 Data protection

Responsibility for our customers and properties

- B1 Dialogue with tenants
- B2 Customer satisfaction
- B3 Customer health and safety
- B4 Creation of housing in conurbations
- B5 Maintenance and refurbishment
- B6 Equipping residences with smart home solutions
- B7 Residential and nursing facilities which cater for demographic change
- B8 Selection of sustainable suppliers and materials for maintenance, refurbishment and new construction work
- B9 Human rights in the supply chain

Responsibility for our employees

- C1 Modern corporate structure and culture
- C2 Recruiting
- C3 Training and education
- C4 Work-life balance and family-friendly working conditions
- C5 Diversity and equal opportunity
- C6 Health management and services

Responsibility for the environment and the climate

- D1 Sustainability certification for buildings
- D2 Energy in new/converted buildings and existing holdings
- D3 Emissions by new/converted buildings and existing holdings
- D4 Corporate resource conservation and climate protection
- D5 Biodiversity

Responsibility towards society

- E1 Development of residential districts
- E2 Social inclusion and integration
- E3 Dialogue with policymakers, local authorities, associations, citizens and other local communities
- E4 Safeguarding historic building structures, preserving historic buildings and construction culture
- E5 Social engagement

Our contribution to 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. All countries along with companies and organisations are called upon to report on their efforts and progress.

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. As an initial step, 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), Sustainable Cities and Communities (SDG 11), Climate Action (SDG 13) and Partnerships for the Goals (SDG 17).

We primarily contribute towards the goal of Good Health and Well-being by placing the health and safety of our customers at the heart of our business activities. For instance, we always take ecological and health-related aspects into account during procurement and take a sustainable approach in connection with refurbishment projects. We also use mineral wool for facade insulation and avoid polystyrene, for example. Furthermore, we try to repair old windows with wooden frames whenever possible. During refurbishment measures, we ensure that hazardous substances such as asbestos or contaminated soil are removed safely and in an environmentally friendly fashion. We also take a sustainable planning approach when we redesign outdoor spaces and take issues such as the lifespan of shrubs and trees or the handling of rainwater into account.

With regard to the goal of Affordable and Clean Energy, we strive to procure most of our energy from renewable sources. The communal electricity used for entrance and hallway lighting and technical equipment at 90% of our holdings is already certified green power. This avoids around 18,660 t of CO₂ equivalents a year. We also produce our own electrical power via our 59 photovoltaic systems and six CHP plants. This enabled us to feed approximately 12,000 MWh of electricity into the grid in 2018. These measures allow us to avoid about a further 3,900 t of CO₂ equivalents per annum. This goes hand in hand with our efforts to actively promote climate protection and thereby help to achieve the national climate protection targets. We constantly work on improving the energy efficiency of our properties and reducing the associated climate emissions. This enabled us to improve the energy footprint of our holdings from 139.1 kWh/sqm per annum (2015) to 132.3 kWh/sqm per annum (2018). We construct our new builds in line with recognised sustainability certification schemes, such as the standards of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) or Nachhaltiger Wohnungsbau (NaWoh).



Furthermore, Deutsche Wohnen is committed to making cities better places to live and strengthening social structures as an urban development partner. We do this by engaging in continuous dialogue and working together with residents, policymakers and social agencies. Our social engagement focuses on our core areas of expertise in our districts. These activities include letting commercial units to social organisations at an affordable rate, aiding the hiring of social workers and allocating a percentage of our apartments to people in difficult social circumstances. Since 2015, we have also been working with communities and social initiatives for the integration of refugees. We execute refurbishment measures in a socially ethical fashion and find individual solutions in cases of hardship. This helps to limit the consequences of gentrification and maintain a diverse social mix at our holdings. In this way, we promote the goal of Sustainable Cities and Communities. As per SDG 17, we deliberately enter into partnerships to achieve the goals by means of these collaborations and by working with innovative business partners such as the start-up KIWI or VRnow.



Close dialogue with partners and stakeholder groups

GRI 102-40
GRI 102-42
GRI 102-43
GRI 102-44

To enable us to operate and act more sustainably, we want to pay even closer attention to our stakeholders' needs because their interests largely shape the underlying conditions for the real estate industry. With this in mind, we use various formats to engage in varied dialogue with both our external and internal stakeholder groups. The 2018 reporting year was no exception.

Stakeholder group	Key issues	Specific dialogue formats and frequency
(Prospective) clients (tenants/purchasers)	Tenants: affordable housing, dialogue with tenants Purchasers: development of residential districts, building fabric, tenant sensitisation	Website, Service Points, letting offices, Service Centre, customer portal, customer magazine <i>m²</i> , brochures, neighbourhood parties, exhibitions, tenant information events and tenants' offices for refurbishment measures, tenant consultations, dialogue platform, personal meetings/visits, tenant survey, discussions between tenants and policymakers, <i>ideal apartment</i> hotline, social media
(Prospective) employees	Long-term economic stability, attractiveness as an employer, staff matters	Website, intranet, brochures (for example about training), biennial employee surveys, annual performance review, focus group (quarterly), addresses by the Management Board on specific issues (usually twice-yearly), company summer party, exhibitions, quarterly employee newsletter <i>bruno</i> , welcome package and <i>Welcome Days</i> for new employees, conventions, social media
Investors and analysts (including rating agencies)	Transparency and dialogue, sustainability strategy, long-term economic focus, quality of property portfolio	Annual Report, quarterly reports, Sustainability Report, website, 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, social media
Business partners	Long-term economic focus, sustainability strategy, staff training	Website, Annual Report, quarterly reports, Sustainability Report, attendance at trade fairs, invitations to tender, social media
Policymakers and trade associations	Portfolio, affordable housing, dialogue with tenants, staff matters	Annual Report, Sustainability Report, corporate brochure, website, 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, social media
Media	Portfolio, affordable housing, dialogue with tenants, staff matters	Annual Report, Sustainability Report, corporate brochure, website, press releases and meetings, conferences, one-to-one meetings, teleconferences when annual and quarterly reports are published, social media

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. We have staff on hand to deal with questions and concerns at our Service Points and letting offices. 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 district. We provide comprehensive information, listen to concerns and reservations, and take customers' individual social circumstances into account. At the same time, interested individuals can contact us via tenant information events and tenant consultations or in person. Regular tenant surveys provide us with valuable feedback. The most recent survey was conducted in 2017. We identified numerous improvements as a result, which have now been implemented. We will complete another survey of our clients in autumn 2019 to find out whether our measures are bearing fruit and where there is additional need for optimisation. Our aim is to further enhance customer satisfaction. This is one of the key objectives of our strategic sustainability programme.

... 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 give us important insights into the needs and satisfaction of our workforce. This also forms the basis of our strategic staff and organisational development activities. The last employee survey in 2018 showed that both staff satisfaction and employees' identification with the company are high: approximately 79% of respondents are satisfied with us as an employer. We run an ideas competition, *Chancendenker*, to motivate staff to help shape the future of the company creatively with their innovations. In addition, the focus group established in 2007 represents the interests of our employees by addressing current issues affecting the company.

... financial market players

As usual, we maintained regular dialogue with shareholders, analysts and (prospective) investors in the 2018 financial year. The Investor Relations team met approximately 400 investors, especially on property tours and at conferences and roadshows in Europe, the USA, South Africa and Asia. This allowed us to offer them an open, transparent insight into our business model and strategy as well as present our future development prospects. In addition, sustainability-related issues are increasingly being raised during discussions with investors. As a result, we are paying greater attention to these topics in our investor communications as well.

... 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.

GRI 102-44

"Dialogue with tenants and other market players is incredibly important in a torrid market with high rental increases."

Nicolas Scherf
Senior Portfolio
Manager, Janus
Henderson Investors

**Responsibility for our
customers and properties**
→ Page 32

**Responsibility for
our employees**
→ Page 56

**Supply chain and
materials**
Responsibility
for our customers
and properties
→ Page 53

... media representatives

We maintain regular contact with various media representatives by means of press conferences, up-to-date press releases and numerous one-to-one meetings with journalists. This helps us to contribute towards an objective debate about affordable housing – a subject which is sometimes emotionally charged.

Communicating with policymakers and authorities

Policymakers at national, state and local level are all interested in Deutsche Wohnen's expertise as a leading residential property company. With around 117,500 residential and commercial units in Greater 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. In this regard, we communicate with all elected representatives in the Bundestag and the state parliament of Berlin, regardless of which political party they belong to. We held a greater number of talks with local decision makers in 2018, marking an increase in our dialogue with policymakers and authorities at municipal and borough level.

"Housing companies have a duty to explain their actions to policymakers."

Axel Gedaschko

President and CEO of GdW

Management approach
GRI 415

Dialogue and social ethics in connection with refurbishment projects

Responsibility for our customers and properties

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Transparency regarding donations, membership fees and state support

Deutsche Wohnen does not make any donations to political parties. Since 2014, our company has been a regular member of the Economic Council of the CDU (Wirtschaftsrat der CDU e.V.); we pay an annual membership fee of EUR 10,000 in this connection. In the reporting year, we spent a total of approximately EUR 660,000 on public affairs and material memberships, including of the Association of Residential Property Enterprises 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) and the European Public Real Estate Association (EPRA).

GRI 415-1

EFFECTIVE RULES TO PREVENT CORRUPTION

—
GRI 102-16

Bribery and corruption risks are an important issue for the real estate industry. Like its peers, Deutsche Wohnen sees itself as facing these risks as we primarily operate in regions with a shortage of housing and high demand pressure. This leads to an increased risk of attempts to bribe staff, such as those responsible for allocating apartments. Furthermore, third parties – including public officials – can also be affected, for instance when it comes to speeding up refurbishment and new construction measures or gaining anti-competitive and unfair advantages.

We believe that the above-mentioned scenarios pose a material risk of the company suffering reputational harm and a loss of credibility. That is why we have implemented clear, binding anti-corruption rules which are a central component of our compliance management system. The code of conduct and anti-corruption guidelines are therefore binding for all of the company's employees. Both of these documents prescribe and define dealings which are in compliance with the law. In particular, our employees are not allowed to accept gifts or other benefits in return for giving assurances as to the possible conclusion of a business transaction. The guidelines also prohibit employees from attempting to unlawfully influence business partners by giving them gifts or granting them other benefits.

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. In the 2018 reporting year, there were no confirmed cases of corruption and no confirmed incidents which resulted in employees being dismissed or given formal warning due to corruption.

All transactions which have implications under competition law, such as acquisitions, undergo careful and thorough checks. The approval of the relevant competition authority is then sought if applicable. There were no violations of anti-trust or competition law in the reporting period.

RISK PREVENTION VIA COMPLIANCE AND DATA PROTECTION

Deutsche Wohnen places great value on compliance with legal provisions, the standards of the German Corporate Governance Code and binding internal guidelines. The fair treatment of business partners is also an important principle. These issues are primarily the responsibility of executives, Internal Audit and the Group's Compliance Officer. The Compliance Officer informs the management, staff and business partners about relevant legal requirements, capital market regulations and the consequences of violations, and also answers any questions that may arise. Suspected violations can be reported using a whistle-blower system set up by Deutsche Wohnen in 2017.

The system 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. There were no confirmed cases of corruption in the year under review.

Our code of conduct, which prescribes and defines dealings which are in compliance with the law, applies to and is binding on all of the company's employees. Every new employee receives and commits to following the guidelines upon commencing his/her employment with the company. They are also available throughout the company via the intranet. Whenever the code of conduct is updated, employees must explicitly confirm that they have been advised of the change. In addition, the managerial staff ensure that their employees are made aware of material compliance-related risks. Employees receive online training in the fundamentals of compliance. This training includes a final test and is mandatory; staff who successfully complete the course receive a certificate.

Risk management ensures early identification and rapid response

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. We raise all employees' risk awareness and urge them to report potential risks. They are also required to act in a risk-aware manner. This includes clarifying the risk situation within their area of responsibility and dealing with any identified risks in a responsible manner.

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

Management approaches

GRI 102-11
GRI 102-16
GRI 102-17
GRI 205
GRI 205-2
GRI 206
GRI 307
GRI 419

GRI 205-3

GRI 205-2

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:

1. General corporate risks	6. Acquisition and sales risks
2. Legal risks	7. Risks in the segment of nursing
3. IT risks	8. Performance risks – property
4. Letting risks	9. Financial risks
5. Performance risks – personnel	10. Investment risks

The ten risk categories in turn comprise 50 individual risks which are managed by the specialist units. These also include non-financial risks. Risks involving damage 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 changes to environmental or energy legislation or modified building regulations, are allocated to risk category 2 (legal risks). Risks arising from legal requirements pertaining to data protection belong to risk category 1 (general corporate risks). Risks from the condition of technical equipment or the incidence of hazardous substances are allocated to risk category 8 (performance risks – property). Risks associated with staff corruption fall within the scope of risk category 5 (performance risks – personnel).

GRI 102-11
GRI 102-15

Compliance with statutory data protection

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.

An internal Data Protection Coordinator serves as an interface between the internal data protection leads – who deal with each specialist unit's respective topics – and the Data Protection Officer. This is done in close collaboration with an in-house legal counsel from the Legal/Compliance department who primarily deals with data protection issues.

As per the legal provisions, individuals whose data is processed may make a complaint if they have grounds to suspect that their data has not been processed lawfully. In this case, the Data Protection Officer is informed and involved in responding to the complaints. There were no incidents in the year under review. Neither were any justified, relevant complaints filed by individuals in relation to the loss of client data.



GDPR

GRI 418-1

EU General Data Protection Regulation: requirements implemented on time

The General Data Protection Regulation (GDPR) and Germany's Federal Data Protection Act (Bundesdatenschutzgesetz – BDSG) are the key pieces of legislation which set out the universally applicable rules regarding data protection. The GDPR came into force on 25 May 2018 and imposes increased data protection requirements on companies such as ours. We have brought our business processes and data protection formalities into line with the new data protection legislation and will make any necessary adjustments on an ongoing basis in the future.

The necessary technical and organisational measures to protect data have been implemented and are optimised constantly. Data protection and data security guidelines have been issued. Our employees sign a confidentiality agreement when they join the company and receive regular training on data protection and data security. No violations of this legislation came to light in the year under review.

Supply chain and materials
Responsibility
for our customers
and properties
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Protecting human rights

Deutsche Wohnen only operates in Germany, as do its direct suppliers. German legislation, which we naturally comply with fully, is comprehensively designed to prevent human rights violations. The statutory regulations include, for example, the ban on child labour and forced labour, anti-discrimination legislation, the right to freedom of association and the right to collective bargaining.

Safeguarding human rights is a matter of course for us: this is an integral part of our corporate culture. We encourage diversity and prohibit all discrimination against our employees on grounds such as gender, age, ethnic origin, disability or sexual orientation. We have underlined this principle by including the goal *Ensure there is no discrimination* in our strategic sustainability programme, where it forms part of the area of action *Responsibility for employees*. The Management Board of Deutsche Wohnen is involved in planning and implementing measures of fundamental importance.

Our employees are also obliged to comply with our code of conduct, which prescribes and defines dealings which are in accordance with the law. Deutsche Wohnen is also committed to non-discriminatory letting. Its activities here include professional consultations and cooperating with the competence and advice centre *Fair renting – fair living* initiated by the Berlin senate. Our house rules further include a section on treating one another in a non-discriminatory way.

In May 2019, we also implemented a code of conduct for our business partners. Among other things, this addresses the above-mentioned issues to ensure compliance with our human rights duty of care and the applicable labour legislation in our supply chain.

Cooperation partner





Responsibility for our customers and properties

Our targets

High level of customer satisfaction

- Switch to a systematic, annual format for the tenant survey
 - Further develop tenant dialogue formats on an ongoing basis (launch central customer service centre on 1 January 2020)
 - Implement the pilot project *Your Caretaker on the Estate* at all holdings in Berlin
 - Implement *smart home solutions* to enhance safety, security and service
-

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
-

Create new, certified districts in conurbations

- Investment programme to create new districts for up to 5,000 customers in compliance with recognised sustainability certification systems (NaWoh and DGNB)
-



As part of a pilot project in Berlin we have put in place additional caretakers: this has resulted in improved security, cleanliness and personal satisfaction among the tenants in the district, and we will be continuing the programme.

Turn to page 42 for more details

52% future **CO₂**
emissions reduction in
Gallwitzallee

Turn to page 46 for more details

MAKING OUR PROPERTY PORTFOLIO AND NEW CONSTRUCTION SUSTAINABLE

Deutsche Wohnen's core line of business is heavily affected by changing underlying conditions and social challenges.

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. 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. 70% of the 37.4 million households are single- or two-person households; in the largest cities, this figure is even higher at 80%.

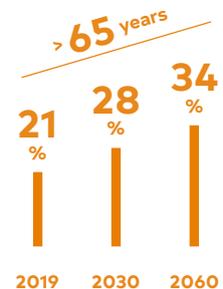
The population will increase significantly in Germany's cities in particular. Studies suggest that Berlin will be home to approximately 300,000 more people in 25 years than it is today, representing population growth of 8%. Similar developments will be seen in other major cities. The influx will primarily be attributable to young adults in the 18 to 25 age group. Meanwhile, Germany has a shortage of around one million apartments in its conurbations and metropolitan areas as new construction there continues to fall well short of the housing needs, in spite of rising completion rates. Furthermore, prices for residential units have risen by approximately a third in recent years, while rents have gone up by 15%. Affordable housing is therefore in especially short supply in the urban centres.

A revolution is under way in how we live. The market for *smart home solutions* will increase to around EUR 4.3 billion by 2022. There is growth potential in this area here in Germany in particular as currently only 5% of Germans use these technologies – significantly fewer than in other countries. Digitisation will be a leading area of action for the real estate industry in particular, and therefore also for Deutsche Wohnen. At the same time, our society is ageing – just under 21% of the German population is already 65 years of age or older. By 2030, it will be 28% of the population and by 2060, already 34%. This calls for solutions in the area of age-appropriate housing and the expansion of nursing facilities.

Taking account of impacts on people, neighbourhoods and the environment

Deutsche Wohnen wishes to increase people's well-being and the quality of life together within local communities with its housing and its service solutions. To this end, we focus not only on the residential situation, but also on the design of outdoor spaces and the development of districts. Our aim is to foster and develop neighbourhoods and serve as a reliable partner for urban development by combining our economic and social responsibility. We wish to play our part regarding affordable housing by paying specific attention to social ethics during refurbishments and by expanding our new construction in order to take the strain off the rental housing market. High housing quality and quality of life for the elderly are also important to us. We therefore provide apartments which are accessible for and tailored to the elderly and invest in the construction of nursing homes in conurbations in particular.

—
Management approaches
GRI 203
GRI 204
GRI 301
GRI 307
GRI 308
GRI 413
GRI 414
GRI 416
GRI 417
Dialogue with tenants
Customer satisfaction
Residential/nursing offering in light of demographic change



"The residential sector isn't just about providing housing. Real estate companies should play a part in people being able to feel at home and settled."

—
Prof. Dr Jörg Haspel
Former head of state conservation and director of the Berlin Monument Authority

The health and safety of our customers is of great importance to us. Here, we are especially stringent about avoiding risks when removing, replacing and disposing of contamination during refurbishment projects as well as with regard to plots' land areas. In addition, we comply with building biology regulations and guarantee the use of non-hazardous and sustainable construction materials.

We use the implementation of our quality standards as a lever for our vision of a sustainable property portfolio that also lives up to the expectations of the generations to come – we focus on long-term and sustainable solutions, act reliably and orient ourselves on our customers' needs. Furthermore, we also bring our properties into line with new digital requirements and possibilities. We will continue to make comprehensive investments in our properties in order to maintain and further improve the quality of our portfolio. During new construction projects, we observe the requirements of widely accepted sustainability certificates at the development, planning and building stages. This paves the way for positive impacts throughout the life cycle of a building. The local economy benefits directly too as we primarily source the necessary services directly from local or national tradespeople, planners and construction companies. The high legal standards here allow us to limit environmental and social risks. However, as part of the purchasing process we have to deal with a shortage of available tradespeople.

Management structures for efficient target attainment

Deutsche Wohnen has derived three strategic objectives on the basis of current underlying conditions and requirements:

1. We aim to ensure **high levels of customer satisfaction** in everything we do.
2. 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. We also wish to further expand our property-related services in order to cater to our customers' needs for contemporary living standards and comprehensive service.
3. Given the growing demand for apartments and rising costs of living in conurbations, Deutsche Wohnen intends to keep pursuing its strategy of **tapping the new construction potential of its own 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.

The operational property management team oversees these activities. Our portfolio is managed by our wholly owned subsidiaries DWI/DWKS, DWM and DWCF. Their responsibilities include managing rental contracts, customer support, technical property maintenance and portfolio development, including new construction. FACILITA handles infrastructural facility management – including quality management – for our Berlin holdings.

FOCUS ON CUSTOMER SATISFACTION

We want to strengthen tenant communities to safeguard stable district development. DWI and DWKS are responsible for managing our nationwide network of Service Points and letting offices with the aim of ensuring high customer satisfaction. These centres offer the customers the opportunity to contact the local administrative or technical service team with matters directly. Prospective tenants can also find the right person to talk to there. DWM oversees administration, rent management, receivables management and operations at Deutsche Wohnen Service Center GmbH (DWSC), the central Service Centre.

We are keen to continuously learn more about the satisfaction of our approximately 300,000 customers. We therefore already conduct and will continue to conduct regular, targeted surveys of our tenants regarding specific issues. From the tenant survey conducted in autumn 2017, we derived and then implemented a large number of measures. The focal points here included improving the safety and cleanliness of the residential environment by means of the increased use of caretakers as direct points of contact within a district and the expansion of modern communication channels such as the customer portal and the customer magazine *m*².

Offering digital and analogue customer service

Personal contact is important to our customers irrespective of their chosen means of communication, be it the phone, email or the customer portal. They want their enquiries not only to be taken seriously, but also to be answered straightforwardly. We seek to meet this expectation based on communication between equals.

76% of our employees work in the areas of residential unit management, rental contract management and tenant management. Our customers can reach us locally at 23 Service Points and 18 letting offices within the districts as well as via our central Service Centre and the customer portal.

There are a total of 40 staff members on hand to help our customers with commercial matters over the phone at our Service Centre, dealing with everything from questions about rental agreements or apartments to issuing certificates or permits. In 2018, our central Service Centre handled more than 400,000 calls and 32,000 tenant letters, 90% of which related to our existing customers. Over the same period, the service centre of our system provider B&O fielded more than 300,000 calls concerning technical defects or repair needs. In total, we received 216,000 tenant enquiries either by email, letter or a message sent via the customer portal.

Our *ideal apartment* hotline for prospective tenants likewise seeks to increase our customer friendliness. The team of 14 employees offers expert and reliable advice, prepares offers and property particulars, and gives information on the rental prerequisites. This hotline handles 150,000 phone calls a year. Our service is rounded off by a comprehensive tenant folder containing information on contact persons and tips for a healthy home environment, which is presented to all new customers upon conclusion of a rental contract.

12 years
is the average lease
duration

One in three customers
is a tenant for

15 years

**Your Caretaker on
the Estate**
Swift, straightforward
and above all nearby

→ **Page 42**

95%
is the average availabil-
ity rate of the Service
Center's customer
service phone lines



150,000
calls received via the
ideal apartment hotline

To improve our customer service, we also rolled out the Deutsche Wohnen customer portal in August 2018, making our services available around the clock. This allows customers to, for example, report damage, download forms or find answers to various questions regarding their lease as well as useful tips regarding life in their four walls. Repair reports and other matters can be submitted simply and digitally. This has the additional advantage that the customers then receive even more personalised assistance. We intend to continuously further develop the customer portal, introducing new functions and options. By spring 2019, 8,500 customers had already registered on the online platform.

"A major challenge for the sector is improving tenant services. In particular, approachability must be optimised."

Dr jur. Reinhard Schuster

CEO, Babelsberger Mieterverein Berlin

An additional information medium is the new customer magazine *m²*, which is sent to all existing and new customers, starting in November 2018. Also available online, it offers information regarding Deutsche Wohnen topics and projects, residential trends and lifestyles, tips for more environmentally minded living and do-it-yourself projects.

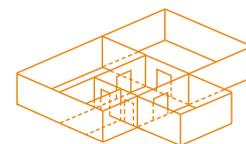
We wish to afford our customers better access to the advantages offered by digitisation and artificial intelligence. Before viewing a property, they can examine the floor plan and other details of their future apartment using virtual reality, either on their own digital devices or with VR glasses at the future Deutsche Wohnen showroom. By the end of 2019, we will have digitised the floor plans of approximately 164,000 of our apartments. We work in this area with the Berlin-based company VRnow, which specialises among other things in 360°, 3D and VR property viewings.

At the new showroom in the Berlin borough of Prenzlauer Berg, apartments can not only be viewed virtually – they can also be virtually furnished according to a customers' individual wishes, with everything from parquet flooring to bathroom tiles. This service is also designed with our existing customers in mind who are due to get new kitchen flooring or bathrooms in the course of refurbishment work. In addition to smart apartment viewings, the showroom features Deutsche Wohnen's own smart home solution known as *My intelligent Assistant* (MiA) and the keyless access system *KIWI*. All rental agreement matters can, of course, also be clarified there.

We strive in particular to make our products and services transparent and understandable, for example when we produce an annual statement of operating costs and provide energy information as per the German Energy Saving Ordinance (Energieeinsparverordnung – EnEV). The annual statement of operating costs, for instance, contains a precise breakdown of the different cost types and charges incurred. In addition to this, we enclose explanatory notes with the statement to make it easier to understand.

164,000

digitised apartment floor plans



Heading towards 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. We intend to improve our service quality in these areas and further strengthen our position as an innovative company. *My intelligent Assistant (MiA)* takes us a decisive step in the direction of the digital home of the future.

As a pilot project, Deutsche Wohnen has equipped approximately 3,000 households with the smart home system MiA since autumn 2018. Berlin tenants living in the Krankenhausviertel district in Pankow and on the two Estates of Berlin Modernism (*Siedlungen der Berliner Moderne*), which are UNESCO World Heritage sites – Carl Legien Housing Estate and White City (Weiße Stadt) – will be able to control their heating using a tablet or on an app when out and about in the future. MiA can also be expanded to include smart applications such as lighting control, air quality measuring or standard voice control devices. The project is complemented by information events at the Service Points in order to make our customers more aware of MiA and allay any concerns they may have.

Deutsche Wohnen is additionally putting the smart living of the future to the test with the younger generation. We are a partner in the project *B-COLAB*, which stands for Berlin, Co-working and Laboratory. Here, we are already in the second generation of trialling the use of digital technologies for smart homes together with the Institute of Electronic Business and the building automation specialists iHaus. Students taking a Master's degree in online communication at the Anhalt University of Applied Sciences spend their practical experience semester living in one of our apartments and use a smart home app to control all the home appliances, be it the light bulbs, coffee makers, consumer electronics, smart smoke detectors, Wi-Fi sockets or energy-efficient heating. How the household chores are shared among those living in the *smart shared apartment* is likewise managed digitally by an app that assigns chores to the residents and awards them points once they have completed their chores. The students living in the *smart home* give interesting insights into life there in their blog at diesmartwg.com. The *smart shared apartment* was named project of the month by the initiative Berlin spart Energie (*Berlin Saves Energy*) in early 2019 for serving as an energy transition role model.

Managing security intelligently

Since 2016, we have gradually been implementing security and concierge concepts that serve to make our residential complexes 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 districts we should focus on. Our activities to ensure public safety are also a component of the concept, such as tree management and the removal of deadwood. Furthermore, all play areas in our residential districts 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.

At the same time, we intend to successively install the electronic key and access system *KIWI* 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. Following a trial period at Falkenhagener Feld in Berlin-Spandau, 1,686 entrance doors were fitted with *KIWI* up to the end of 2018. Over the next twelve months, this figure will rise to

“Parallelism will have to be maintained for a number of years to come with regard to the smart home, as there will be tenants who will not seize this opportunity for a long time, while there will be others who are requesting it.”

Maren Kern
Managing Director, BBU

approximately 3,500. We were also involved in founding the *Initiative for Digital Door Entry Systems* (IDiT) together with nine other real estate companies. We plan to jointly provide information about digital door entry systems, develop business models and work towards the establishment of uniform technical and legal standards.

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. In line with its strategy grün360, the green space management system uses digital portfolio logging which covers lawns and green areas along with play areas, bin areas, roads and paths.

This green space information system was used for the tender process for infra-structural services for the first time in 2018. By providing digital portfolio data, we make it possible for our contractual partners to calculate their services such as gardening quickly and reliably.

The green space information system additionally promotes efficient processes and interconnectivity within the company. It allows for digital tree management as part of green space management, the incorporation of FACILITA in service controlling and faster planning and implementation of refurbishment and new construction projects. This happens in close consultation with the Service Points and DWCF.

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. Deutsche Wohnen is exploring new avenues when it comes to sustainable green space management with its *Honeymoon* project series and seeks to promote flora and fauna biodiversity in urban settings. One example of a measure here is the conversion of outdoor spaces into meadows or gardens with blooming mixed shrubs and fruit trees. A number of projects that promote greater biodiversity have been initiated recently, for example at Kanzlerfeld in Brunswick and Gensinger Straße in Berlin-Lichtenberg. 80 outdoor areas are potentially suited to being converted in this way. The next *Honeymoon* project will start in summer 2019 with the involvement of tenants on the Thermometer Estate in Berlin-Steglitz.

We are realising a noteworthy project for a greater quality of stay in Berlin-Hellersdorf with the conversion of the Kastanienallee boulevard there. This is being overseen by the green space management team, district management, our Service Point in Hellersdorf and the association bwgt e.V., and has gone through intensive civic participation stages since its inception in 2016. The existing shortcomings were remedied and the residents' wishes were collated using various lively formats such as district walks, ideas workshops and surveys. Topics of particular interest to the residents include playgrounds and fitness areas for the elderly. Building work for the play and activity areas is due to start in spring 2019. The costs of the construction project are being covered equally by public funds and Deutsche Wohnen. A transparent tender procedure and a jury comprising district management, the urban planning office and local stakeholders ensure that the common desire for greater quality of life at the local level continues to be met.

Over the past two years, we have invested over EUR 2 million in repairing and creating new playgrounds. In 2019, Deutsche Wohnen will also refurbish five playgrounds on public estates together with playground companies as part of the newly initiated project *Pop-Up Playgrounds*. The aim here is to maintain user-friendliness for the families and residents living in a district, in particular of playgrounds that see heavy use. Since spring 2019, the green space management

"With its involvement in a start-up like KIWI, Deutsche Wohnen addressed the issue of digitisation early on and is creating a new service for its tenants, bringing together sustainability and innovation."

Maren Kern
Managing Director, BBU



EUR **18** million

were invested in the maintenance and upkeep of our outdoor areas

team has also been developing construction standards for covered bicycle storage spaces in the outdoor spaces of Deutsche Wohnen's Berlin portfolio. This helps to promote property comfort levels and environmentally friendly and healthy mobility.

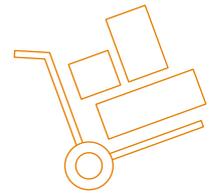
Dialogue and social ethics in connection with refurbishment projects

We aim to strike a proper and fair balance between social considerations, the interests of our company and those of the residents in our districts. We intend to live up to this aspiration in particular in our planning and implementation of maintenance and refurbishment measures, because this work is often considered an inconvenience as it involves noise, dirt and costs. We therefore seek direct dialogue with our customers, be it over the phone, in writing or in the form of small information events, larger tenant meetings or personal visits. In this way, we are able to answer any questions that arise, allay people's fears and concerns, and ask about our customers' needs. 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 processed more than 12,500 customer enquiries and held 18 tenant information events in relation to the refurbishment projects announced in 2018. In addition, we held more than 800 face-to-face discussions with our tenants at the properties.

Deutsche Wohnen invested a total of approximately EUR 416 million (EUR 41 per sqm) in its portfolio in 2018. Of its total investments in maintenance and refurbishment in the year under review, maintenance accounted for approximately 25%, around 28% went towards measures implemented during tenant turnover, some 33% related to non-allocable maintenance as part of complex refurbishment projects and approximately 14% was allocable modernisation expenses². In the year under review, we invested an average of around EUR 9,700 (2017: EUR 8,333) in each residential unit in cases of new lettings. This year-on-year increase is due to the fact that approximately 500 more apartments were refurbished using the complex methodology in the 2018 reporting year.

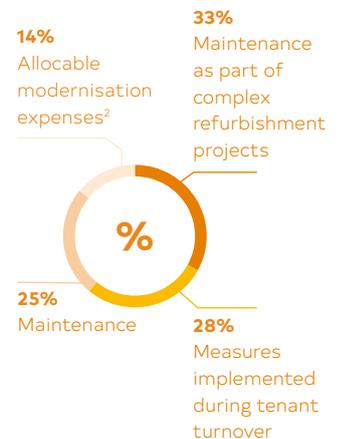
Throughout these measures, it is important to us that we proceed in a socially ethical manner. For example, since 2017, we have concluded joint arrangements with half of the Berlin boroughs in relation to complex refurbishment projects that govern the responsible and socially acceptable execution of refurbishment measures in residential complexes and which also stipulate caps on modernisation cost allocation. With the cooperation agreement concluded with the Lichtenberg borough council in March 2019, we intend to steer the positive development of the borough. Enshrined in this agreement are issues such as how we treat our customers in the case of extensive modernisation work as well as climate protection and energy efficiency. What's new in the cooperation with Lichtenberg borough council is that it does not relate to a specific building project and is instead applicable to the borough of Lichtenberg in general. We intend to conclude more joint arrangements with Berlin boroughs in the future in order to strengthen the districts.

GRI 413-1



EUR 3.2 million

for alternative accommodation, moves and other assistance provided as part of tenant management



² The allocable modernisation expenses are a calculated proportion or are based on empirical data, as the ongoing refurbishment projects have yet to be invoiced.

To us, social responsibility is also about not straining our customers' financial situations. For example, they have the option of lodging a financial hardship claim in the event that they are unable to absorb the modernisation allocation costs caused by refurbishment work. We actively state this when we write to them to notify them of scheduled refurbishment work. Deutsche Wohnen uses gross warm rent for its hardship arrangements. This ensures that our customers do not have to spend more than 30% of their household net income on their total rent as a result of modernisation cost allocation. This is subject to the timely notification of financial hardship and corresponding proof of the tenant's income situation at the time of the modernisation cost allocation. If financial hardship is confirmed by the documents submitted, the modernisation cost allocation is reduced accordingly and may even be waived entirely.

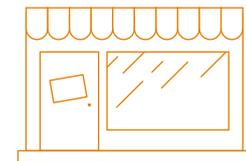


When rent arrears arise, it is extremely important to us to develop solutions together with our customers at an early stage. To this end, we incorporated residential advisory services into our receivables management some time ago and our employees there all have a background in social education. If necessary, they approach the tenants, analyse the reasons for their payment difficulties and point them in the direction of help and assistance in consultations. Our residential advisors handle an average of 400 to 500 such cases each every year in which a customer has found themselves in dire payment straits. This has prevented actions for eviction and the resultant forced evictions and has ensured that our customers could keep their apartments. Our customer services also include the option of outstanding rental sums being paid in instalments. We arranged instalment payments in approximately 4,900 cases in 2018 and we do not charge any costs or interest on these payments.



Diverse mix of commercial property uses

There are approximately 2,700 commercial units in our portfolio. Our approach to lettings and management ensures an optimum mixture of use types in each district and a high level of attractiveness for residents. Here, we build on our collaboration with social institutions and agencies and on a network of reliable partners. This enables us to achieve a sound balance between commercial units and social-use properties. A large number of small business enterprises can be found in our districts, such as cafes, pharmacies, flower shops, hairdressers, restaurants and beauty salons. The average unit size is approximately 110 sqm. Currently, around 10% of our commercial space is let to social institutions.

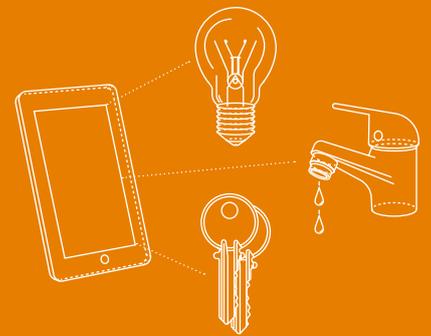




Residential life is something very personal. It is therefore understandable that tenants might wish to have a personal point of contact nearby who is familiar with their district and can attend to things quickly.

This desire was highlighted not only by the tenant survey conducted in 2017. It has also been confirmed by the experience of caretaker Sebastian Maaß in the Falkenhagener Feld district: "Many of the residents are glad that they can talk to me or call me briefly and that I will then attend to whatever their issue is." He is a key figure in our *Your Caretaker on the Estate* pilot project, which originated from the 2017 tenant survey. This project is first and foremost about increasing the number of caretakers in order to make more contact people available while additionally boosting security and cleanliness. In addition to the pilot project in Falkenhagener Feld, there are now around 250 employees who check the work of the service providers in the districts using digital checklists soon after it is completed and who can document

any shortcomings immediately on a tablet. Examples include the lawn not having been mowed or a stairwell not having been thoroughly cleaned. The caretakers also pay extra attention to the cleanliness of the bin areas and outdoor areas. Plus, the *Your Caretaker on the Estate* pilot project with Sebastian Maaß and his co-workers has been a success. Consequently, there are plans for there to be more caretakers at all of Deutsche Wohnen's Berlin districts, based on the local needs in each case.



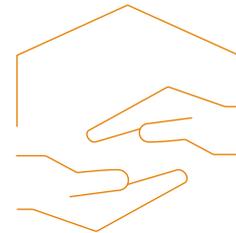
**Swift,
straightforward
and above all:
nearby**

EXPANDED NURSING PROPERTY AND ASSISTED LIVING OFFERING

According to a forecast of the German Federal Statistical Office, the number of those in need of nursing care in Germany could rise to 3.4 million by 2030. There are already approximately 780,000 elderly people living in in-patient nursing facilities, and this number continues to rise. We create 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 89 nursing properties with a total of approximately 12,200 beds and apartments for assisted living.

Approximately 44% of our nursing facilities are managed by KATHARINENHOF and PFLEGEN & WOHNEN HAMBURG. The remaining facilities are under long-term management by renowned external operators. For some time now, Deutsche Wohnen has been successfully pursuing the strategy of focusing in particular on growing cities and conurbations. More than 80% of the beds offered are now in attractive metropolitan areas.

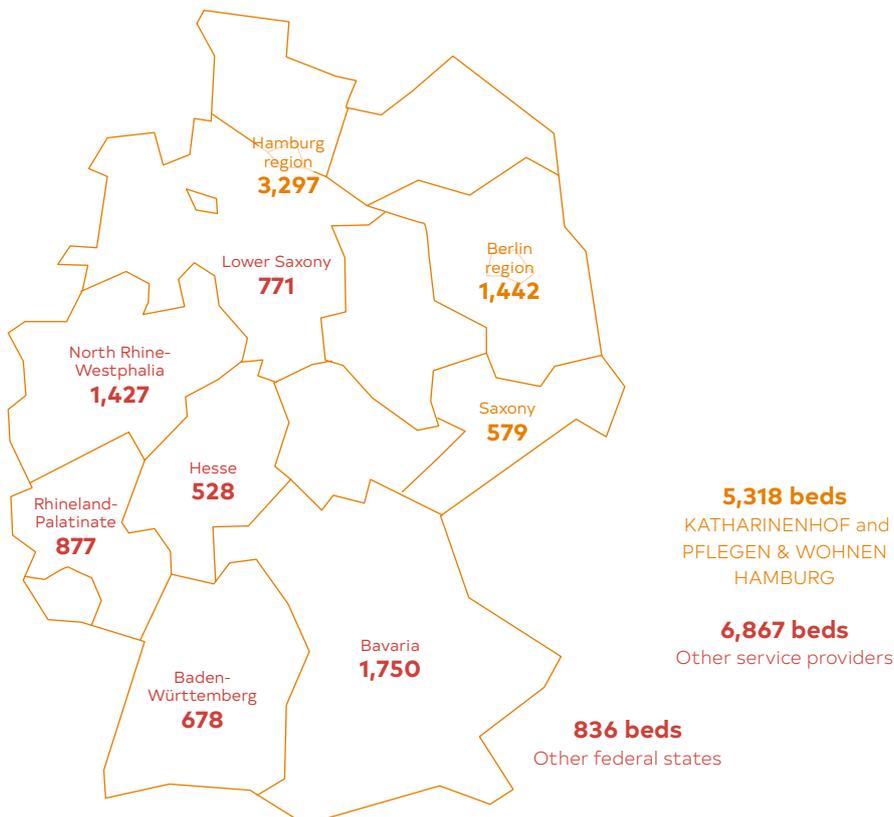
Our properties offer both high-quality, full in-patient care and assisted living with an extensive range of services tailored to the elderly. With an average occupancy rate of around 96% as of 31 December 2018, the KATHARINENHOF and PFLEGEN & WOHNEN HAMBURG facilities far exceed Germany's nationwide average of approximately 90%.



12,200

beds and apartments
for assisted living

Nursing properties in Germany



SAFEGUARDING AND BUILDING ON THE HIGH QUALITY OF OUR HOLDINGS

Our property portfolio comprises around 164,300 residential and 2,700 commercial units. With them, we want to offer our clients a well-maintained, secure environment that meets their needs. High property and service quality is therefore a strategic goal of ours. We also wish to better meet the needs that accompany demographic trends and make greater use of the potential offered by digitisation.

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 building energy efficiency improvements and systems refurbishment.

Systematically managing maintenance and refurbishment

Managing complex refurbishment projects centring on maintenance and refurbishment is the responsibility of DWCF, which acts as the company's internal construction department. It also manages Deutsche Wohnen's new construction projects and develops land and properties with a view to active, value-oriented and integrated asset management. DWI and DWKS oversee ongoing maintenance and refurbishment work, for example in the case of tenant turnover. Planners and/or site managers take care of quality assurance for structural measures. If our customers have questions concerning the procedures, they can contact the external tenant advisors of the planning offices during tenant consultations held locally. In addition, DWM has a 15-strong team that addresses commercial matters and our customers' individual concerns. The aim is to identify workable solutions for our tenants, for example in the areas of alternative accommodation, reductions in rent or compensation.

"Portfolio maintenance is crucial to how a property company is perceived.

Residential holdings require management and are not disposable architecture."

Prof. Dr Jörg Haspel
Former head of state conservation and director of the Berlin Monument Authority

Process of a complex refurbishment measure



These are approximate time frames that depend on the scope of a project.

Healthcare and dealing with dangerous waste safely

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 approximately 70-year-old buildings which were technically modern at the time of building, but which are now considered harmful if released. 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 (Technischen Regeln für Gefahrstoffe – TRGS) and the Asbestos Removal Directive (Asbestsanierungsrichtlinie – AsbestSanRI). 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 removed and replaced with suitable materials in the course of maintenance work, new lettings or refurbishment projects. Waste which is subject to disposal verification is disposed of in line with regulations to ensure it does not pose a risk to 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-Bodenschutzgesetz – 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 occurs firstly at the tenant turnover point, when apartments are refurbished for new customers. Secondly, we set great store by systematically reducing the asbestos in our portfolio properties during refurbishment projects. And last, but not least, we naturally also take action whenever the need arises.

A concrete example here is the refurbishment of Schöneberger Terrassen, a listed Berlin residential estate. Starting in May 2017, a total of 564 apartments are being completely gutted one after the other for the asbestos to be removed. In April 2018, the Greens building policy spokesperson within the Berlin House of Representatives, Andreas Otto, participated in a tour of apartments which had already been or were in the process of being refurbished together with representatives of Deutsche Wohnen. The logistical and building challenges here are huge because the terraced shape of the residential estate means the pipework can only be refurbished once all of the apartments within each building column are empty. The estate tenants are afforded reductions in rent for the duration of the measures and are relocated to alternative accommodation for this period, ideally in the direct vicinity. The costs incurred are borne by Deutsche Wohnen as the owner of the buildings. The refurbishment has no impact on the tenants' rents when they move back in. In the year under review, we invested approximately EUR 10.7 million in the removal of contamination in the course of maintenance, refurbishments and building preparation. This relates primarily to the removal of asbestos and door and window paint containing lead as well as the refurbishment of plots of land.

GRI 416-1

Taking on responsibility – for the people, for the city
Spandau Daumstraße

→ Page 52

"In March 2018, the House of Representatives resolved to significantly expedite asbestos removal in Berlin. This can only be achieved together with the private housing industry. I am therefore delighted that Deutsche Wohnen is thoroughly refurbishing and decontaminating its properties here in Schöneberg."

Andreas Otto
Building and housing policy spokesperson for the Bündnis 90/Die Grünen parliamentary group within the Berlin House of Representatives

EUR 10.7 million

investments in contamination removal



Protecting both the climate and historic buildings

Deutsche Wohnen's districts are witnesses of the past set in stone and many also represent milestones in architectural history. This applies in particular – but in our opinion, not exclusively – to the residential estates which feature in the list of World Heritage sites. All buildings deserve protection, including those which are not listed historic buildings, such as the Eisenbahner estate on Gallwitzallee in Berlin-Lankwitz.

Reconciling the preservation of architectural memory with increasing the tenants' well-being and protecting the climate is not always straightforward. But it is feasible, as demonstrated by the maintenance and refurbishment project on Gallwitzallee, where modern bathrooms, new facades and more appealing outdoor areas are in the tenants' interests. Changing over from a decentralised to a central heating supply with condensing gas boilers and achieving targeted thermal insulation with mineral wool lead to a reduction in primary and final energy and an approximately 650-tonne reduction in the related climate emissions per annum. The preservation of historic buildings we have prescribed ourselves is demonstrated in particular in the details – the entrance doors are being restored in keeping with their original character and the wooden casement double windows looking out onto Gallwitzallee are being carefully treated and reinstalled in line with

the look of the facade at the time it was built. Away from the street-facing facade, we are replacing the double windows with modern insulated windows with a wooden frame. Approximately 70% of the total investment sum is being used for maintenance and is therefore borne solely by us. The remaining 30% are the basis for the legally permissible cost allocation, naturally taking into account any of the tenants' personal financial hardship cases.

As far as climate protection is concerned, we think far beyond just the district on Gallwitzallee, because the building sector in Germany is responsible for approximately a third of all climate emissions and therefore has a key part to play in climate policy goals being achieved. To date, there have been few holistic approaches that consider the restructuring of existing districts. We therefore presented an overarching concept for the sustainable carbon-oriented refurbishment of existing districts together with our partners innogy and Transsolar as part of the joint project of Foundation 2° and the WWF entitled *The Road to a <2° Economy*. At the heart of the concept is a *blueprint* with a mix of refurbishment measures such as facade insulation, window replacement, adding new storeys to a building, the installation of photovoltaic systems on the roof, the use of combined heat and power systems, the use of rainwater and new mobility concepts. Our partner Transsolar put this concept to the test in practical terms with our current building project on Gallwitzallee. It found that carbon neutrality for the district was only possible with a great deal of technical and financial input.

The study confirmed to us that we have adopted the correct approach and are on the right track. Our extensive measures have enabled us to achieve an approximately 50% reduction in primary and final energy and therefore also in the related climate emissions. At the same time, the necessary infrastructure was put in place for us to be able to respond flexibly to future technological developments and further optimise the heating supply system, for example by means of storage solutions.

NEW CONSTRUCTION CREATES HOUSING IN CONURBATIONS

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 help solve this problem and has been pursuing the aim of redensifying its own inner-city sites and stepping up new construction for several years. 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 serve as an obstacle to investment.

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. As well as being more mixed, the districts will also be denser as a rule in order to fulfil the prime objective of cost-effectiveness. We are therefore taking new approaches to development, planning and building, such as serial and modular methods of construction.

"In the long run, it will not be possible to make 40 sqm of space available to every tenant. This is not environmentally sound anyway. But in view of the shortage of housing in particular, portfolio properties should be converted wisely. This would be a sensible approach to densification."

Dieter Blümmel
Managing Partner,
Grundeigentum-Verlag

New construction can be broken down into five main stages



Proactively planning and realising new construction projects

We began with the building work for two new construction projects in the year under review. In the case of six other projects, we are at the development, planning and building preparation stage. The management team at DWCF holds operational responsibility for new construction projects, including development, planning and building work. We evaluate the various measures 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 between the project leads, managers, strategic management and the Management Board on a monthly, quarterly and annual basis. Furthermore, social, energy-related and environmental aspects are taken into account at the various stages of the project. Responsibility for specific schemes is transferred to the project leads.

Prioritising sustainable building

—
GRI 416-1

We believe that sustainable building makes good sense both ecologically and economically. All of our new construction projects are realised on the basis of recognised certification systems such as that of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) or the *Sustainable Housing* (Nachhaltiger Wohnungsbau – NaWoh) certification mark. The DGNB makes evaluations according to various criteria in the areas of the environment, economics, technology, sociostructural and functional quality as well as site and process quality. The NaWoh evaluation system, a certification mark recognised by Germany's Federal Ministry of Building (Bundesbauministerium – BMI), likewise evaluates a variety of criteria in the areas of the environment, economics and society. We consider the whole life cycle of a building, spanning everything from its conceptualisation, planning and realisation to the time when occupation commences. This includes placing a special focus on the use of high-quality, eco-friendly materials and sustainable energy, water and transport concepts.

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. This ensures that all the products used comply with recognised sustainability certification rules with regard to their production, transportation, processing, use or disposal. Compliance and quality assurance are monitored by the commissioned architects.

Wide-ranging new construction projects

Since 2014 and up to spring 2019, including roof structures, we have built approximately 160 new apartments. Certification as per the DGNB is under way for our completed new construction project comprising 104 units in Potsdam-Babelsberg. We will be awarded a *Silver* certificate for the terraced housing in spring 2019.

The following new construction projects are good examples of our new build strategy:

Berlin-Charlottenburg/Wilmersdorf: Westend city district

Some 580 new apartments are to be created in Berlin's *Westend city district* to replace around 200 existing ones. Furthermore, we will provide additional services, such as building a day-care facility and developing the new district's infrastructure. The urban development agreement between Deutsche Wohnen and the borough council was signed in March 2018. One of the top priorities here was supporting existing tenants. For example, a concrete, reliable framework was put in place to guarantee that they could remain at the estate. The construction work for the project, which will be realised in accordance with recognised sustainability certificates, is planned to commence in 2020. A further delay can regrettably not be ruled out as there are unresolved and somewhat contradictory demands from the borough and from the federal state. This is resulting in uncertain economic parameters and is at odds with the agreements previously reached. If the construction phases can be realised as planned, the existing tenants will ideally be able to move straight back into their new apartments. Another focus is active tenant communication, with an office having been set up at the site for the existing tenants, with regular consultation hours and a fixed contact. Additionally, the tenants were able to present their ideas and wishes regarding the floor plans of their new apartments in a workshop.

Berlin-Pankow: Grellstraße project

We plan to redensify our holdings in Grellstraße and Prenzlauer Allee, Berlin, by means of attic conversion that will create 48 residential units on six existing properties dating from the 1930s. Furthermore, we are designing two new, six-storey multi-family houses with a total of 63 residential units, 20 of which will have disabled access. At least two easily accessible bicycle parking facilities are planned for each new apartment in the basements and, in some cases, on the ground floor of the new builds. The 250 or so existing apartments at the site will undergo extensive refurbishment at the same time. As part of this, the outdoor space will be revamped with features such as bicycle parking, bin areas, play equipment, etc. A new central district heating transfer station with a downstream supply network will also be built. In total, some 360 apartments with between one and five rooms will be available following completion of the work at the approximately 15,500 sqm existing site.

Berlin-Köpenick: Kabelwerk

In 2017, Deutsche Wohnen acquired an industrial site in south-east Berlin which is home to the former Köpenick cable plant. We have started preparatory work for the development planning process there. We plan to build more than 1,000 apartments on the 70,000-sqm plot of land in an attractive location by the Müggelspree section of the River Spree. We will reconstruct, convert and refurbish the more than 100-year old historic industrial building which merits preservation together with the Historic Preservation Office, drawing on our extensive experience in the preservation of historic buildings. There are also plans for the creation of an inviting riverside path for residents and visitors alike. If the preparations and approval process go according to plan, construction work is likely to commence in April 2022.

Berlin-Köpenick: Marienhain

Following the granting of the first two planning permissions, construction of approximately 1,200 apartments spread across 63 different buildings on the more than 150,000-sqm plot of land is scheduled to start in spring 2020. In addition to apartments, a day-care facility will be built in the Marienhain district. The location is exceptional as the plot of land is right on the banks of the River Dahme. It also

**Taking a holistic view –
from building shell
to energy sources**
→ Page 81

Potsdam-Krampnitz



boasts the old Villa Bolle built for Carl Bolle, the founder and owner of the long-standing dairy farm of the same name. The former summer residence is currently a ruin following a fire and will be rebuilt by Deutsche Wohnen. We are consciously focusing on sustainability with the new builds. For example, wooden windows will be used and polystyrene will not be used as insulation. We are seeking sustainability certification in line with the NaWoh evaluation system for the project.

Potsdam-Kramnitz

Starting in autumn 2019, we will construct some 1,400 apartments in new builds and listed properties in an emerging part of Brandenburg's capital city. We concluded the urban development competition in spring 2018 in conjunction with Pro Potsdam GmbH as the City of Potsdam's representative and applied for permission for the first construction phase for the listed buildings in November. Here, we will create a metropolitan and carbon-neutral district of high urban development quality, taking into account environmental, economic and social sustainability issues. The new builds will be realised in accordance with the NaWoh evaluation system.

Taking a holistic view –
from building shell
to energy sources

→ Page 81

Elstal Eisenbahner estate

In late summer 2018, Deutsche Wohnen and its partners celebrated the topping-out ceremony for the construction of four new builds comprising 24 residential units in Elstal near Berlin. This project involves the construction of three-storey modular apartment buildings using solid wood and no adhesives and with a high degree of prefabrication. These constitute an entirely new apartment prototype

**Elstal Eisenbahner
estate**



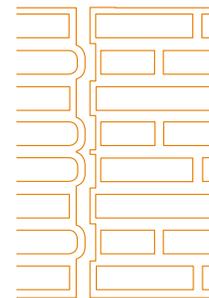


Leipzig: Lindenauer Hafen

that revolves around wood as a natural building material. This has environmental benefits, reduces the building time and keeps the maintenance work needed down over the long term. Heat and power are sourced from a local combined heat and power (CHP) plant. The building work will be completed in May 2019, creating living space totalling more than 2,000 sqm. The new builds in Elstal will be exemplary in terms of their sustainability. We are therefore seeking DGNB certification in the top category of *Platinum*. This project complements the listed Eisenbahner estate from the 1920s, which won us the Deutscher Bauherrenpreis developers' award in 2015 for our refurbishment of the estate.

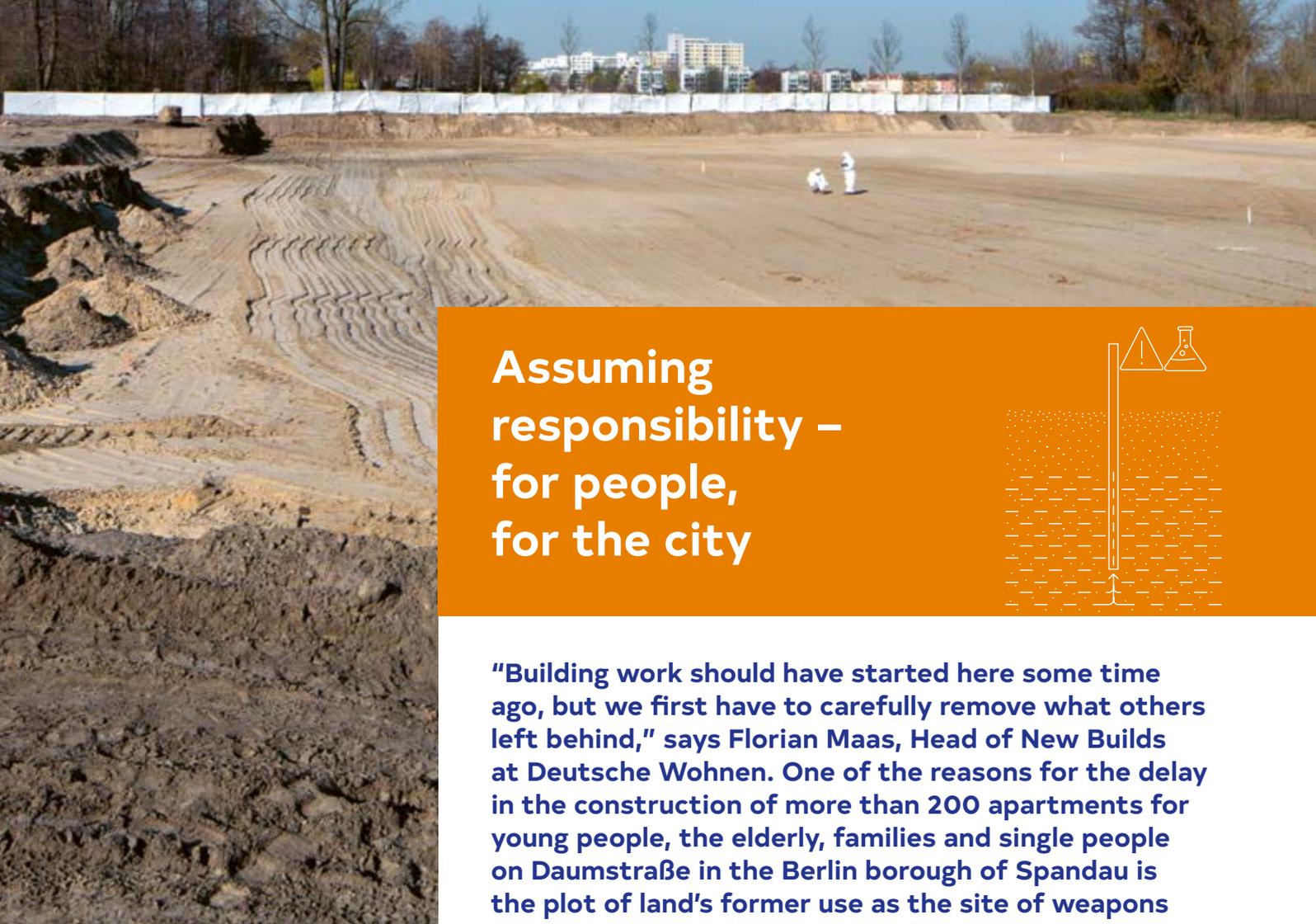
Leipzig: Lindenauer Hafen

In autumn 2018, we celebrated the groundbreaking ceremony for the new construction project at Lindenauer Hafen in Leipzig. There, we are building 44 waterside rental apartments of between 50 and 120 sqm in two five-storey buildings and a commercial unit. The first apartments in the high-quality and eco-friendly buildings will be ready for occupancy in spring 2020. All the apartments feature disabled access and are wheelchair-accessible. The tenants will be able to use the keyless locking system KIWI throughout the buildings. For this new construction project, Deutsche Wohnen is working on the basis of the NaWoh evaluation system. We are meeting the requirements here for example by insulating the facades using porous bricks. These are perforated building bricks which are filled with insulation material and which boast excellent insulation properties. This also allows a brick look to be created which ties in with the history of the former industrial harbour and the nearby Plagwitz working class neighbourhood with its brick buildings.

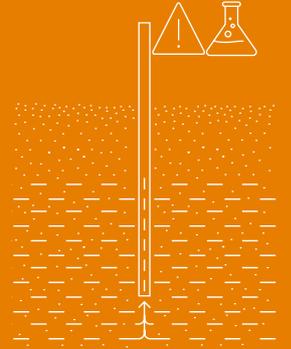


Central Dresden: Schützengarten project

In 2017, Deutsche Wohnen purchased a centrally located plot of land spanning approximately 18,000 sqm with existing structures – two eight-storey office buildings dating from the 1980s which belonged to the former VEB Energiebau Dresden. The legally binding development plan involves the building of a residential district near to the former Schützengarten garden to replace the large commercial buildings. Work to build about 520 apartments, approximately 1,700 sqm of commercial space and three underground car parks is due to start in mid-2020 following the extensive demolition of the existing buildings. There are also plans for 75 single- and two-room assisted living apartments within the district located close to the River Elbe. Here, too, the building work will be performed in accordance with the NaWoh evaluation system. Completion of the work will add a vibrant and sustainable inner-city district to the Deutsche Wohnen portfolio.



Assuming responsibility – for people, for the city



“Building work should have started here some time ago, but we first have to carefully remove what others left behind,” says Florian Maas, Head of New Builds at Deutsche Wohnen. One of the reasons for the delay in the construction of more than 200 apartments for young people, the elderly, families and single people on Daumstraße in the Berlin borough of Spandau is the plot of land’s former use as the site of weapons manufacture going all the way to the Prussian era.

At first glance, the plot of land on Daumstraße looks a lot like other building sites in Berlin – a great deal of the regional light sand which has been pressed flat, ready for building to commence. But the fact that something is not quite right here is given away instantly by the men in white hazmat suits. They are working on little white tubes which are immersed in the sand and which go all the way down to the groundwater. “Unfortunately, it’s not just the soil that’s contaminated here – the groundwater is as well,” explains Florian Maas, “which means we will have to clean that up too. This makes the scope of the work larger than anticipated.” The work involved in washing the soil already removed is huge in itself, estimate Deutsche Wohnen employees Marco Winkler and Stefan Kornow, who are responsible for coordinating the decontamination work. Berlin’s State Office of Criminal Investigations likewise considers the level of contamination to be exceptionally high. It is therefore unsurprising that large areas of the plot of land may still only be entered in protective clothing.

The reason for this very costly work is the royal gunpowder factory which operated here between 1867 and 1919. In the subsequent 20 years, the site was then used by Lonal GmbH, which was founded by Germany’s former ordnance office for the production of so-called Blue Cross chemical warfare agents. Work on the development and execution of a comprehensive exploration concept began in 2018 in order to calculate the volume of soil which needs to be removed for cleaning. Only then will it be possible to estimate the cleaning costs, which Deutsche Wohnen is currently bearing alone. It was in fact known in various quarters that there was once a weapons factory on the site. The plot of land itself became a municipal holding of GSW following a transfer from the State of Berlin. Deutsche Wohnen is the first of a long line of owners to systematically tackle the contamination issue. The company is in close and constructive consultation with many public authorities such as Berlin’s Senate Department for the Environment, Transport and Climate Protection, the environmental authority and the above-mentioned State Office of Criminal Investigations. The aim is to produce a workable and sustainable soil cleaning concept in 2019. At present, there is no way of knowing when the building work for the new apartments will actually begin.

STRUCTURING THE SUPPLY CHAIN RESPONSIBLY

GRI 102-9
GRI 308-2
GRI 414-2

Deutsche Wohnen's supply chain centres on our core line of business: residential property management. We purchase energy, procure services from both tradespeople and technical firms, and award contracts for supply and disposal activities. Building materials are procured by the construction and planning companies we hire. We primarily source services from Germany or the respective region. The uppermost level of our supply chain (tier 1) is located solely in Germany.

Overall, our supply chain can be broken down into ten sections:



Ecological and social criteria for supplier management

GRI 203-2

We use supplier scorecard software to assess our partner's environmental and social performance. Scorecards are produced by DWB as part of its procurement and investment management processes. We have approximately 1,800 agreements with service providers, which are recorded and managed centrally in a web-based contract management system. As well as enhancing transparency and efficiency, this digitised process improves our partner management through its flexible reminder mechanisms and escalation levels.

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 risk-oriented general agreements. We also have a whistle-blower system in place for the employees, customers and suppliers. No human rights violations were reported via this system in the reporting period.

To guarantee the occupational safety of the suppliers and subcontractors at the building sites, we above all use contracts based on Germany's Regulations on Contract Awards for Public Works (Vergabe- und Vertragsordnung für Bauleistungen – VOB). 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 – LAGetSi) of our building activities in accordance with the building site regulations and put a health and safety plan (SiGe-Plan) in place. Compliance is guaranteed with the assistance of a health and safety coordinator.

We expect our business partners to act with integrity. These companies therefore either have to be listed in Berlin's Register of Contractors and Suppliers for Public Contracts (Unternehmer- und Lieferantenverzeichnis für öffentliche Aufträge – ULV) or have to have already qualified nationwide. If not, they are required to complete a self-declaration of eligibility pursuant to section 6a VOB/A. In addition, we introduced a code of conduct for business partners and suppliers in May 2019 as part of our strategic sustainability programme. This governs our requirements of our business partners regarding compliance with legal provisions, 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 and
- 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.

Quality benchmarks for systems suppliers

We work with our systems suppliers on the basis of a standard price list which covers 80–90% of the standardised services needed during tenant turnover. This defines quality standard products – including basins, tiles and taps – which may be chosen and fitted by the systems suppliers. An additional standard price list with corresponding quality criteria for frequent maintenance jobs worth in excess of EUR 1,000 was developed in 2017. The purpose of this is to simplify and standardise processes.

In the area of technical facility management, Deutsche Wohnen coordinates purchasing management for materials, products and services via the systems service provider B&O Deutsche Services GmbH. The lists of construction regulations issued by the civil engineering organisation Deutsches Institut für Bau-technik (DIBt) serve as the quality guidelines. Inspection and formal acceptance of the services as part of quality assurance ensures that the specifications are complied with.

Eco-friendly use of materials

Deutsche Wohnen uses materials in three ways: for major projects such as the refurbishment and maintenance of apartments, for smaller projects involving ongoing maintenance and tenancy turnover, and for new construction work. In all of these areas, we pay particular attention to adopting an integrated and sustainable planning approach which involves the use of natural and environmentally friendly construction materials. The majority of building materials we use are industrially manufactured materials, all of which have been tested.

We are fully aware that all the materials we use have effects on the environment – be it when raw materials are sourced, during the manufacturing process or when they are disposed of. To avoid negative impacts to the greatest possible extent, we take ecological and health-related criteria into account when we make purchasing decisions. The products' durability is especially important to us. We tailor the products' use to the requirements of the property in question.

As the projects tend to be completed by subcontractors, we first and foremost influence the choice of materials by means of concrete stipulations in the invitations to tender and in contracts. We demand compliance with Germany's comprehensive legislation and regulations for health and environmental protection.

We also ensure that building biology criteria are observed. This includes, for instance, 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. We also invest in the ecological sustainability of our portfolio buildings and new builds. Due to environmental considerations, we avoid 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.

"In the medium term, there will be an increasing focus on the question as to how we build and what materials and resources we use."

Axel Gedaschko
President and CEO
of GdW



Responsibility for our employees

Our targets

Enhance the attractiveness of the employer brand

- Further develop internal and external personnel marketing
- Keep employee retention levels high via an attractive remuneration structure, employee co-determination and eliminating redundancies
- Adjust staff development to the requirements of the new working world
- Promotion of work-life balance and family-friendly working conditions

Ensure there is no discrimination

- Comply with code of conduct
 - Appoint women to at least 40% of executive positions within the Deutsche Wohnen Group
-



118 ideas that make us even better – this was the outstanding result of our internal *Chancendenker* (*opportunity thinker*) competition. The ideas were submitted by our creative employees. Which ideas won?

Turn to page 65 to find out

79%
of our
employees
are satisfied
with us

A MODERN, RESPONSIBLE EMPLOYER

As the population of Germany grows older, the average age of workers rises too. Many of them will reach retirement over the next few years and will no longer be available to the labour market as a result. Forecasts for 2020 show that there will be a shortage of 1.8 million workers by then – 1.2 million with a vocational qualification and a good 500,000 graduates. Studies claim that by 2040, this deficit will have increased to 3.9 million.

There is an urgent need to act, including in our industry. The latest surveys show that approximately 55% of companies in the real estate sector are already registering a marked shortage of skilled staff. For the purpose of comparison, this figure stood at around 45% in 2016. At the same time, the number of applicants is falling. In 2015, we received 33 applications for each vacancy. By 2018, this had fallen to 14.

Attractive conditions for well-qualified staff

Deutsche Wohnen has grown substantially in recent years and evolved into one of the largest private real estate companies in Germany and Europe. Last year alone, its workforce expanded by approximately 15%. This was largely due to the growth of FACILITA, which provides maintenance services at our holdings. 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 offer our employees and junior members of staff interesting development and career opportunities to maintain our positioning as an attractive employer and retain staff long-term. We offer fair remuneration in line with the market, enable employees to maintain a work-life balance and have made a commitment not to lay off any staff. This commitment initially applies for three years. Furthermore, we ensure our employees share in the company's success and reward long-term staff loyalty in particular.

As of 31 December 2018, we employed a total of 1,280 people (31 December 2017: 1,111); 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. 76% of the total headcount are involved in property management and administration, managing rental contracts and supporting clients.

Approximately 53% of our staff members are female, while the proportion of women in managerial positions is about 46%. At seven years, the average length of service remained virtually the same as in previous years.

Management approaches
GRI 401
GRI 403
GRI 404
GRI 405
GRI 406
Modern corporate
structure and culture



84%
of our employees are
employed in Berlin

GRI 102-8



46%
proportion of women in
management positions

Strategic management of key personnel issues

When we identify our most important strategic issues, we consider major social trends such as demographic change, the shortage of skilled employees and digitisation in the world of work. At the same time, we intend to expand our core activities by adding new business areas and related services. We need the right professionals and qualifications for this broader offering. Furthermore, we are keen to avoid fluctuation-related risks.

Key areas of action include staff development, continuing professional development, promoting a work-life balance and family-friendly working conditions, offering equal opportunities, and establishing transparent structures and co-determination rights. We are seeking to boost our attractiveness as an employer while ensuring that staff at our company do not experience any discrimination. This is one of the strategic targets in our sustainability programme.

Close dialogue with our employees gives us important insights into their capabilities and needs. This knowledge paves the way for structured, forward-looking staff development with tailored plans and training geared towards both specific target groups and employees' needs. We develop junior staff via our demanding apprenticeship, trainee and talent programmes as well as via dual courses of study. This approach enables us to fill key positions with skilled employees trained in-house, retain top performers over the long term and thereby further develop diversity as a company strength.

Overall responsibility for personnel issues forms part of the CEO's remit. The relevant Human Resources department is responsible for staff management, recruitment, personnel controlling, and staff and organisational development comprising the internal continuing professional development programme and occupational health management. This team is also in charge of systematically managing change processes at the organisation. The department was therefore actively involved in formulating the employer values, conducting the survey into their implementation to date, and running associated brand workshops.



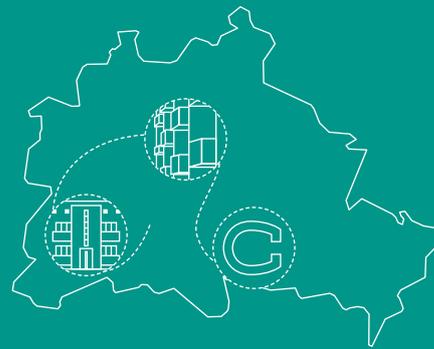
Deutsche Wohnen is growing, which means the need for excellent employees is also growing. Any company hoping to attract new staff should first find out how those who are already *on board* are faring.

We want to know exactly how satisfied our employees are with us as an employer and find out more about their wishes and needs at the same time. That is why we conduct a staff survey every two years. In 2018, we once again asked employees to evaluate a number of issues: cooperation within the firm, job content, leadership, development opportunities, corporate culture and questions relating to work-life balance.

More than 71% of employees took part in the survey – that alone is a good result. What is more, approximately 79% of respondents are satisfied with Deutsche Wohnen as an employer. Additionally, more than two thirds would recommend the company to friends and family as a place to work. The respondents saw the welcome culture which new staff members experience as a clear plus. That is no surprise because four or five times a year, all new employees from throughout Germany are invited to so-called *Welcome Days* at the Deutsche Wohnen head office in Mecklenburgische Straße and introduced to the Group and its individual

“I thought the Welcome Day was really interesting – from the warm welcome and the motivated, informative presentations through to the well-planned tour of the holdings.” *Staff member from letting*

Staff satisfaction check and welcome culture



companies. Following an introduction of the various units, a presentation about the company, and a welcome speech by a representative of the focus group in the morning then lunch at the canteen, the *newbies* board a coach together, already feeling they know one another much better. The group – which usually consists of 16 to 20 co-workers – then goes on a tour of various Deutsche Wohnen districts in the capital, visiting Onkel Tom's Hütte, Otto Suhr Estate and Oranienkiez. The highlight is the Hufeisensiedlung (Horseshoe Estate) designed by Bruno Taut, including a walking tour of the horseshoe and a visit to the Info Station. Lastly, they return to the head office in Berlin-Wilmersdorf before making their way back home with lots of new information and contacts within the company.

VALUE-BASED CORPORATE CULTURE WITH SATISFIED EMPLOYEES

Our aim is to safeguard a high level of satisfaction among our employees. To continue to do this, simply offering attractive conditions of employment with a performance-based remuneration model in line with the market is not enough. We believe it is just as important to actively maintain dialogue with our staff. This goes hand in hand with a strong focus on values and transparent communication.

Employer values lay strong foundations

To act responsibly, we need a strong focus and shared standards. In the reporting year, we concretely defined our employer values and put them down in writing. They serve as the elementary cornerstones of our corporate culture, laying out the direction in which we want our employees and managers to develop and the social skills which potential applicants should have. They primarily include actively contributing good ideas for solutions, team spirit, mutual respect, decisiveness, and a willingness to look for new approaches along with a passion for architecture and a vibrant building culture which is geared towards people's needs.

We conducted a survey at the end of 2018 to find out how the implementation of our employer values is perceived within the company and where there is still a concrete need for action. A total of 514 employees took part in the survey, which is equivalent to a response rate of approximately 48%. The analysis shows that some of the values are already being experienced in day-to-day work, even though the change process has only just begun. This is particularly true of the values *There's no I in team*, *Respect is non-negotiable* and *Striving for more*. The results of the brand workshops and the survey help to identify areas of action and develop new formats which integrate the value system into day-to-day work. For instance, the ideas competition *Chancendenker* (*opportunity thinker*) and the format *Was macht eigentlich ...? (A Day in the Life of ...)* were initiated to meet the desire for greater transparency regarding the various units' work. We are also working with employees and managers to further develop an open feedback culture at the company.

We promote diversity at our company and oppose any form of discrimination on the grounds of gender, age, ethnic origin, world view, disability or sexual orientation. No cases of discrimination were reported to us in the 2018 reporting year.



Employer values:

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

Close dialogue with our employees

Structured annual performance reviews and the systematic staff survey which we have been conducting every two years since 2014 are important components of our employee dialogue. The latest survey completed in spring 2018 provided important insights into our employees' needs and satisfaction levels. It forms the basis for our requirements-based HR work. We also conduct regular staff surveys on specific issues, such as health management or the employer values. In the future, we will keep using this method as a source of fast, targeted feedback.

An innovative format called *Mystery Meeting Week* allows staff from different sections of the company to talk with one another about their work. It randomly pairs up participating employees, who then meet in an informal setting. Participation is voluntary. This provides insights into what people in other units do, promotes networking and improves collaboration at the company. 90 mystery meetings have been held to date in 2018, bringing together members of staff who did not previously know one another. Due to positive feedback from participants, the format will remain in use in 2019.

Approach to staff seeking a new professional challenge

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 a 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. Moreover, we also talk to members of staff who have decided to leave the company. This is the only way to find out more about their motives and ways in which we could improve further.

**Staff satisfaction check
and welcome culture**

→ **Page 60**

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 works council for this purpose. The focus group consists of 20 employees from different sections of the company and various sites; they meet regularly to discuss current issues. The Chief Executive Officer (CEO) of Deutsche Wohnen usually attends these meetings as well. All members of staff can contact the members of the focus group personally and also have the option of drawing attention to important matters anonymously. We inform our workers via the intranet about the topics dealt with by the focus group and the outcome of their discussions. 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. Furthermore, as part of our internal communications, we use our quarterly staff newsletter *bruno* to report on current issues, projects and ongoing initiatives at the company and to portray a typical working day for staff from various units. Two or three times a year, the Management Board also takes the opportunity to communicate with the workforce directly via a staff address and inform them about key developments at the company.

Competitive remuneration

Deutsche Wohnen has a performance-related remuneration structure which is in line with the market. This is a key foundation in employee satisfaction. It 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 make regular adjustments as part of our performance-related, market-aligned remuneration. In 2018, we raised salaries by an average of approximately 5%. Around a quarter of our workforce consists of permanent employees whose remuneration is governed by wage agreements.

We have rolled out a new bonus programme which rewards staff loyalty to allow our dedicated employees to keep sharing in the company's success. More than EUR 3 million was spent on this in 2018.

We also offer special voluntary benefits to provide assistance to employees experiencing particular personal circumstances, such as the birth of a child, a wedding or the death of a family member.

GRI 102-41



GRI 401-2



Conserving resources in our processes

As part of our corporate culture, our staff are involved in all activities which promote sustainability. Together, we strive to conserve resources and reduce waste at our administrative locations in particular. To achieve this, we are increasingly digitising business processes and utilising digital document management to make processes more efficient and drive down paper consumption. In the 2018 reporting year, paper consumption was reduced by 6.5 tonnes compared with the previous year.

Deutsche Wohnen also pays special attention to conserving resources at its administrative locations. This has a positive effect on its environmental footprint as well. As in the previous years, the company was awarded the *ALBA Certificate SAVED* in 2018. 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 1,312 tonnes of greenhouse gas emissions in 2017³ by recycling material flows consisting of 8,674 tonnes of paper, card, board and lightweight packaging.

We are continuing to take steps to improve energy efficiency at our administrative locations. In the year under review, we started renewing all the windows at our head office in Berlin, for example. The work is due to be completed in 2020. At our site in Mainz, the heating boiler was replaced with a new condensing boiler. These measures are expected to result in an annual reduction of around 245 MWh or 68 t of CO₂. We also ensure that water is used sparingly at our administrative locations by installing low-flush toilets and energy-saving dishwashers, for instance. Since 2018, our employees have been involved in a project which combines resource efficiency with social engagement. This involves collecting used office supplies and donating them to non-profit organisations.

On top of this, we are constantly adding electric vehicles, bicycles and e-bikes to our fleet of approximately 200 vehicles. At present, we use 32 electric vehicles. They form part of the FACILITA fleet, which also includes six conventional vehicles and covers a total distance of 167,000 km. We have had to keep using the conventional vehicles for the time being because some of the charging points are not yet in use due to an extended wait for the necessary building permissions. In 2019, we plan to complete work on an additional 18 charging points to complement the existing 18. FACILITA also has 50 bicycles and 17 e-bikes which cover a distance of 53,000 km. As soon as a comprehensive charging infrastructure is available, it will be possible to retire the conventional vehicles and complete the switch to eco-friendly electric vehicles.

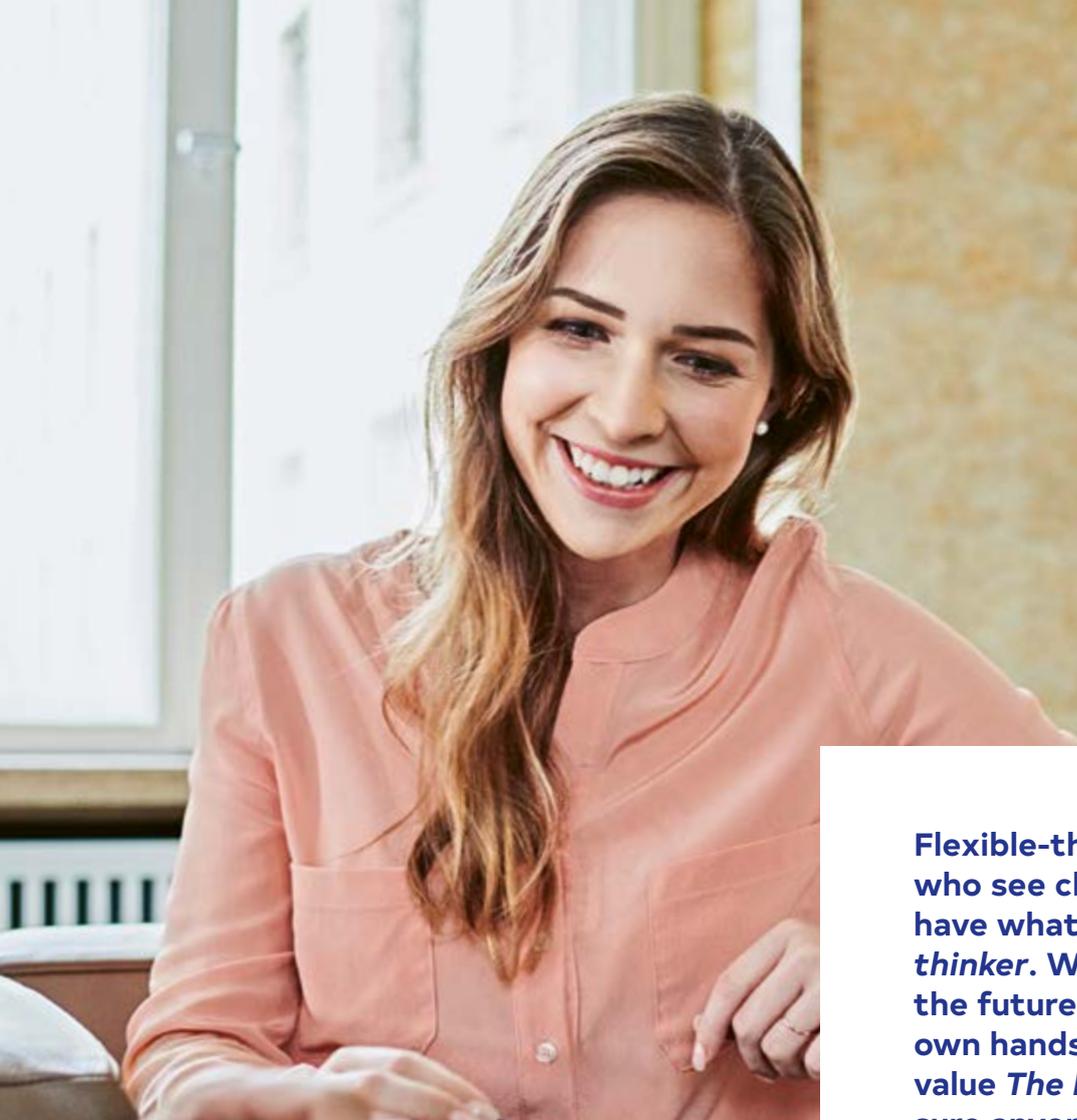


Approximately
1,300 tonnes
fewer greenhouse
gas emissions

**Reduction in the energy
consumption and
climate emissions of the
administrative locations**
→ Page 78

**Key figures, vehicle fleet
and transport**
→ Page 106

³ 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.



Idea 1

Process improvement by adjusting the system of approving emails sent to our customers

Idea 2

Change in the process for archiving customer letters

Idea 3

Ideas competition for our customers

Idea 4

Blood donation drive by Deutsche Wohnen employees

Over a hundred ideas, suggestions and new approaches

Flexible-thinking, open-minded people who see change as an opportunity have what we like to call *opportunity thinker*. We encourage our staff to take the future of their company into their own hands – in line with our employer value *The best idea counts*. To make sure anyone can get involved, Deutsche Wohnen initiated its *Chancendenker (opportunity thinker)* competition in autumn 2018. No sooner had it been announced, than 118 ideas were submitted within the first three months. We are very proud of this response, not least because it is the first time an innovation competition has been held at the company.

"We were absolutely delighted by the high level of participation and the many creative suggestions received as part of our *Chancendenker* competition," says Eric Borowsky, a member of the Staff and Organisational Development unit who also sits on the six-member jury. The 118 ideas submitted to the competition were scrutinised by the jury and evaluated with the aid of set criteria. All sorts of different ideas were submitted. They included everything from practical ways of making day-to-day work easier to proposals for social engagement or suggestions of how to optimise processes or products and even strategic ideas to improve client or staff satisfaction. "Unfortunately, we can't implement and commend all the ideas. There were so many good ideas, it was very hard to choose," comments Eric Borowsky.

The question is: which suggestion won? Borowsky says that the jury picked out no fewer than four ideas. They include concrete ideas for improving processes which are intended to support our employees in their day-to-day work. The jury also selected two other suggestions to receive awards: one relating to an ideas competition for our clients and another proposing a blood donation drive by Deutsche Wohnen staff. That just leaves one more question: will the project be continued? Yes, it will, and work is currently under way on the corresponding plans.

ENHANCING ATTRACTIVENESS FOR NEW TALENT

Deutsche Wohnen offers a wide range of prospects and entry pathways for young professionals. They can choose from a host of traineeships and courses of study. We place special emphasis on training with a practical focus and learning formats which are geared towards the needs of the young generation. Our offering has already won a number of awards, 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*. 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.

We recruited 275 new members of staff in 2018. 30 applications were received as part of our new staff recommendation programme *Freunde fürs Team* (Friends for the Team), which was implemented in May 2018. Careful, structured staff induction is very important to us. This takes the form of an on-boarding 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 on-boarding process. These allow our new employees to familiarise themselves with Deutsche Wohnen as a company and to spend time with other new team members. They are also given an insight into our districts via a short tour of some of our properties in the capital.

Traineeships and dual courses of study: a successful start to 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, management assistant for marketing and communication, and, starting in 2019, office management assistant or dialogue marketing 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 HTW Berlin. In 2018, Deutsche Wohnen employed 48 trainees and ten students on dual courses. Following completion of their course, 93% of trainees and BA students were offered a permanent contract in 2018.

Strong practical focus

Starting in the 2019 academic year, we will offer a two-year training course for the first time 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 will be held to cater for the trainees' individual wishes and capabilities and to support them with further training where appropriate. This will be 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. A structured on-boarding process and a mentor will help to introduce them to the respective department, then they will shadow staff at key interfaces or in their own area to familiarise them with different ways of working.

GRI 401-1
GRI 404-2



Staff satisfaction check
and welcome culture

→ Page 60

93% 
proportion of trainees
and BA students offered
a permanent contract
upon completion of
course

Generation-oriented concepts adopted

Five different generations work together at our company. Almost three quarters of our staff are members of Generations X and Y. Each generation has its own expectations and specific needs with relation to work and the workplace. With that in mind, we completed a generation analysis back in 2017 to explore the wide-ranging demands made of employers in connection with these workforce demographics. The insights gained help us to develop offerings which are even more strongly targeted at specific groups but are, of course, open to all ages and benefit all the generations at our company. As inefficiencies and friction can still arise in communication between the various age groups, we are also taking further steps. For instance, training supervisors were successfully given psychological training in the year under review to promote greater intergenerational understanding.

We are increasingly offering forward-looking, digital learning formats for the young generation of trainees. As part of this, we use a digital quiz in various areas as a fun way of teaching and testing knowledge. This approach enables us to deepen knowledge of the company, sites, properties and districts any time and anywhere. These formats are being trialled as a pilot project aimed at trainees with a view to making universal use of them for all our staff at a later date.

Innovative approaches to junior recruitment

Deutsche Wohnen would like to inspire young people with its offering and attract them to its workforce. To reach out to this target group and raise awareness among schoolchildren and students of the career opportunities at our firm, we hold information events and attend job fairs at schools and universities. Our new website also provides important information about traineeships and dual courses of study. In December 2018, we successfully rolled out the new format *Young Talent Day*. As part of this, 24 young people who had applied to train as real estate agents in the forthcoming academic year were invited to visit the company. The objective was to explore the applicants' skills and suitability for their prospective profession and to introduce Deutsche Wohnen as an attractive employer. During the day, the candidates presented themselves, took part in group exercises on topics related to property management at Deutsche Wohnen and tackled various team challenges. We selected ten suitable applicants from among the participants who will commence their training with us in August 2019.

We are also keen to reach out to students and recruit them to our firm. At present, we need tax experts in particular. With this in mind, we teamed up with tax experts from Zalando, LEAG and the Berliner Unternehmenssteuerforum (Berlin Corporate Tax Forum) to invite students from the Berlin region to the event *Unternehmenssteuerrecht hautnah (A Close Look at Corporate Tax Law)*. The event was held at the Zalando Hub in Berlin-Friedrichshain in May 2018. Workshops offered the participants an insight into the practical work done by tax departments at large companies and the wide-ranging career opportunities available for tax experts.

41 years

is the average age
of our employees



of our employees
are members of
Generations X and Y

**Space for doers.
Trainees**

→ [deutsche-wohnen.
com/en/apprentices](https://www.deutsche-wohnen.com/en/apprentices)

EQUIPPING STAFF FOR FUTURE CHALLENGES

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. Information from the regular staff surveys and annual performance reviews feeds into this process. In the year under review, approximately 92% of staff in the various sections of the company were given feedback on their performance and development potential along with possible development prospects.

"Managers have a special role to play in the digital transformation process as they are multipliers, which means they have significant influence on the changing corporate culture and the conduct of the employees assigned to them."

Jens Koglin

Managing Director, Human Resources, Deutsche Wohnen

Based on the development potential and needs identified, we are implementing a company-wide education programme accessed via a dedicated online portal. The education programme consists of staff development, specialist and interdisciplinary training plus managerial skills. It bundles similar development needs and offers in-house training designed to cater for these requirements. With this approach, we proactively help our employees and managers to progress in their careers, create synergies and promote interdepartmental networks. There is a special focus on strengthening our managers' skills. We specifically prepare them for their changing role in an increasingly digitised working world and enhance their expertise in cross-generational collaboration with increasingly flexible forms of employment. This is done in various ways, including individual coaching for experienced managers as part of a series of seminars on psychology and communication training both in groups and for up-and-coming managers on our *Junior Programme*. The latter consists of eight modules and focuses on the participants' perceptions of their own leadership role and fundamental leadership methods. For instance, participants receive training with a practical focus by means of exercises on forming relationships, staff appraisals, conflict resolution and motivation. Approximately 60% of the company's managers took part in the above-mentioned measures in the reporting year. It is important to us that our staff and managers benefit directly from training in their day-to-day work, so we constantly evaluate our education programme with that in mind.

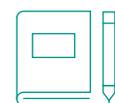
In the year under review, our employees and managers completed around 2,640 days of training as part of our staff development activities. We increased our investments in staff development by around 16% to approximately EUR 860,000 in 2018 to ensure our staff receive the best possible training for their roles. This also had an impact on the quality of our offerings. 95% of development measures were rated as good or very good by our employees. The very good quality scores for seminars and speakers remained unchanged at 1.52 and 1.26 respectively.

GRI 404-3



92% of our employees were given feedback regarding their development potential and prospects

GRI 404-1



21,000

hours of training for our employees

Talent management for the firm's specialists and managers

GRI 404-2

Our talent programme rolled out in 2016 succeeded in developing 11 of the 14 original participants to occupy managerial or expert roles, enabling us to fill key positions with existing members of staff. During the 1.5-year programme, we fostered the professional and leadership skills of the selected young professionals. The participants benefited both from education opportunities such as seminars and coaching and from the knowledge of experienced managers, who worked on specific development areas with their mentees, acted as sparring partners and support them in their personal further development. Furthermore, the participants were split into two groups which worked on corporate strategy and the firm's attractiveness as an employer on an ongoing basis. When the programme finished in February 2018, the young professionals gave a presentation on their project topics to the Management Board and executives. This was followed by an official ceremony at which each of them received a certificate.

"A major advantage of the programme is the creation of networks. Problems can now be solved far more quickly because you can simply reach for the phone and call one of the other programme participants or the management, who in some cases now perceive you completely differently to before."

Talent programme participant

FACILITA: growth and training go hand in hand

GRI 404-2

Developments at FACILITA illustrate how we are approaching today's challenges. The company is driving customer service and quality management in the context of infrastructural property management. In this connection, a large number of employees were hired on a permanent basis in 2017 and quality management was enhanced both technically and procedurally. The headcount grew from 191 to 248 in the 2018 reporting year alone. At the same time, staff turnover is low at 1.25%.

The continuing professional development programme at FACILITA is geared towards sharing the knowledge needed for specific roles. For instance, all caretakers receive training in electrical engineering and communicating with customers in the housing industry. Meanwhile, operating staff and managers are prepared for new challenges via specially designed courses on focal topics. As part of this, for example, FACILITA and the Academy of Real Estate Management (Akademie der Immobilienwirtschaft e. V. – BBA) in Berlin jointly planned and ran a course lasting several weeks entitled *Facility management in brief: focus on residential properties*.

**Your Caretaker
on the Estate**
Responsibility
for our customers
and properties

→ **Page 42**

BALANCING PROFESSIONAL AND PERSONAL LIFE

We promote work-life balance in a family-friendly working environment via a wide range of measures. These include flexible working time models, such as working from home, part-time and flexitime options, each of which are taken up by a different number of staff. This makes it possible to cater for the individual needs of lone parents or employees involved in competitive sport, for instance.

Employees have been able to work from home for up to two days a month since 2017. Generally speaking, all staff members who have been at the firm for a continuous period of more than six months can work from home on request and if necessary. At FACILITA, employees can work from home if this is compatible with their role. In 2018, approximately 22% of our staff members made use of this opportunity and spent a total of 2,167 days working from home. A comparison with the national average take-up rate of 11% (2017) shows that this option is very well received by our employees and supported by managers.

We have also established a corporate integration management scheme for people returning to work after a lengthy illness.

Occupational safety ensured throughout the company

We want to offer our employees a safe, healthful working environment. At Deutsche Wohnen, staff from the Administration team within the Human Resources 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.

Each of our administrative locations is inspected once a year by the company's safety officers, the occupational health and safety specialist and, if applicable, the company physician. The latter two are appointed externally. The issues of occupational health and safety, the equipping of workstations and possible preventive measures are discussed at the on-site meetings, which are also attended by a company representative, and any improvements are initiated.

Deutsche Wohnen and FACILITA have established occupational health and safety committees as required by law. 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.

Temporary 8.9 Permanent 91.1



Part-time 9.7 Full-time 90.3



22%



of employees made use of the opportunity to work from home

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 such as corporate races and indoor cycling. We regularly evaluate what activities our staff would like be offered via studies and surveys. In response to this, we have entered into a gym partnership and rolled out the *machtfit* health platform. As our gym partner has facilities throughout Germany, staff at all of our sites can benefit from this deal. Deutsche Wohnen offers subsidies of up to 80% on fitness and health courses. No less than a third of our workforce made use of the programmes in 2018.

In January 2019, staff were able to start using the new around 2,150 sqm *Open Office World* at our headquarters in Berlin following a year-long renovation project. This innovative, open-plan office concept presents new opportunities for agile working and communication between employees. Fixed workstations for staff boast sound insulation, good climate control and pleasant lighting. The desks are arranged so as to minimise distraction from noise and movement. Responsibly designed workspaces are also important for a healthy working environment. When selecting office equipment and materials, such as carpets or furniture, we therefore make sure we choose environmentally friendly products with the relevant certifications. The *Open Office World* has 103 modern workstations including height-adjustable desks. There are around another 80 height-adjustable desks at the company.

GRI 401-2



1/3

of our employees made
use of our *machtfit*
health platform



Responsibility for the environment and the climate

Our targets

Maintain commitment to saving 20,000 t of CO₂ emissions a year

- Combination of measures to permanently avoid CO₂ emissions (sourcing green power, operating PV systems/CHP plants)
- Add energy efficiency criteria to portfolio management system

Save 20,000 t of CO₂ emissions annually from 2022 onwards

- 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 with modern systems to save a total of 5,000 t of CO₂ (annually)
-

We have been familiar with ecological building for 20 years. The first eco home was built on our Heinrich-Böll Estate in 1999. And we continue on this course to this day, with our integral energy concepts which are tailored to each and every project.

Turn to page 81 for more details



Gold

for our
refurbishment
work in
Argentinische Allee

Turn to page 79 for
more details

PROTECTING THE CLIMATE AND THE ENVIRONMENT EFFECTIVELY

Approximately 40% of global greenhouse gas emissions today are attributable to the energy consumption of buildings. According to a study by the World Green Building Council, the gross internal floor area of buildings will double by 2060. In Germany, buildings and their residents account for 36% of final energy consumption and more than a third of climate emissions, according to the German Energy Agency (Deutsche Energie Agentur – Dena). With approximately 20 million let units, the housing industry in Germany therefore has a key role to play in the intended shift in climate policy. The German government has set a target of reducing greenhouse gas emissions by 80 to 95% compared with 1990 levels by 2050 in order to implement the Paris climate agreement.

To achieve the desired climate neutrality, nothing less than a transformation is needed in the building sector. According to the German government's Energy Efficiency Strategy for Buildings, this is technically viable. Focusing on improving energy efficiency would make it possible to reduce the average energy consumption of residential buildings from 227 kWh/sqm (reference year: 2008) to approximately 40 kWh/sqm by 2050. This would make the criteria for the *Efficiency House 55* subsidised by the KfW standard nationwide. The Cologne Institute for Economic Research 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 a primary energy requirement of approximately 250 kWh/sqm.⁴

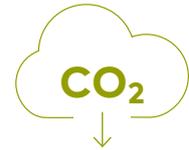
Other computation scenarios indicate that climate neutrality can also be achieved by making greater use of renewable energy. All of the forecasts have one thing in common: additional investments are urgently needed to forge ahead with the energy-efficient refurbishment of building shells, the installation of improved technical systems and the use of renewable energy systems. To achieve the climate targets in Germany, an annual refurbishment rate of 1.4% is considered necessary in the housing sector. However, rates of just 0.8 to approximately 1.0% have been seen in recent years, according to studies by the Alliance for Building Energy Efficiency (Allianz für Gebäude-Energie-Effizienz – geea) and the German Energy Agency.

Deutsche Wohnen reinvests more than 50% of its rental income in refurbishing its property holdings and technical systems and in making its energy supply climate-friendly. By doing so, Deutsche Wohnen is continuing on its path of making greater use of renewables and enhancing the energy efficiency of its holdings. Reconciling the economic, ecological and social aspects of our business activities remains our goal.

We want to do our bit towards achieving the German government's ambitious climate targets and making the energy transition a success. We see this as our corporate responsibility and an elementary part of our sustainability strategy. With our climate protection measures, we are also very well prepared for the possible introduction of a CO₂ tax. This means we are taking action in the interests of both our company and our clients' future living conditions.

We are working to reduce climate emissions by investing in the energy-related refurbishment of our holdings, installing efficient power and heat generation plants and using renewables. When completing new construction projects, we utilise climate-friendly building methods and eco materials and observe major

Management approaches
GRI 302
GRI 305
GRI 201-2



More than $\frac{1}{3}$

of climate emissions are
generated by buildings
and their residents

>50%

reinvestment
of rental income

⁴ Source: https://www.iwkoeln.de/fileadmin/user_upload/Studien/IW-Analysen/PDF/2017/IW-Analyse_119-2017_Geb%C3%A4udesanierung.pdf

sustainability standards. Digitisation also enables us to make progress in climate and environmental protection. For instance, the use of digital technology helps to improve the management of our outdoor areas and green spaces and enhance transparency. Controlling lifts or outside lights digitally also saves energy.

Deutsche Wohnen is also involved in initiatives dedicated to achieving the climate protection targets, further demonstrating how important this issue is to the company. In 2018, we concentrated on the joint project *The Road to a <2° Economy* run by Foundation 2° and WWF Germany. Foundation 2° is an initiative by chief executives, managing directors and family businesses. Its aim is to encourage policymakers to establish effective market-economy conditions for climate protection and support German companies' problem-solving capabilities. Approximately 40 well-known firms have developed concrete climate protection proposals as part of the joint project. In the "Buildings" cluster, we worked with the energy supplier innogy SE and Transsolar Energietechnik GmbH in a project group dedicated to achieving climate neutrality in existing properties. We are expanding our involvement in 2019 by participating in Foundation 2°'s *Corporate Climate Protection* initiative. This project aims to tap corporate expertise to support the development and implementation of climate protection legislation and the German government's package of measures. Experts from the key sectors of industry, transport and buildings will meet in spring 2019. Working in groups, they will draft both cross-industry and sector-specific positions. Two executives from Deutsche Wohnen will also be involved in this meeting, where they will discuss political demands and concrete instruments to achieve the sectoral climate protection targets. The results will subsequently be communicated to political decision makers and opinion shapers at events and briefings.

GRI 102-12

**Protecting both the
climate and historic
buildings**

Gallwitzallee

→ Page 46

"We will only achieve the Paris climate goals with a transformation of the economy, and this means enterprises in all sectors must be virtually carbon-neutral by 2050. More and more companies are recognising the major opportunities related to the task of achieving the Paris climate goals – they are developing clever and smart products and services which improve convenience and quality of life without burdening the environment and are simultaneously working on strategies to improve their own carbon footprints."

Sabine Nallinger

Managing Director, Foundation 2° – German Businesses
for Climate Protection

Energy-efficient refurbishment and modern technical systems

A building's environmental footprint depends on urban development factors, architecture, the materials used, connection to city infrastructure and the manner in which it is used by its residents. Within our company, clients' behaviour as users is responsible for the majority of our environmental impacts. We have little

influence here because we cannot directly influence our clients' consumption. However, we do make a contribution by using eco-friendly materials to ensure that the fabric of our buildings meets the highest possible quality standards. Our new construction projects are completed in line with recognised sustainability certifications, such as the DGNB or NaWoh standards.

At the same time, we constantly refurbish our holdings. This comprises both maintenance and refurbishment work, including the energy efficiency improvement of the buildings' fabric and the technical systems. The average age of our residential holdings is 70 years. At present, 1.5% of the portfolio is refurbished each year.

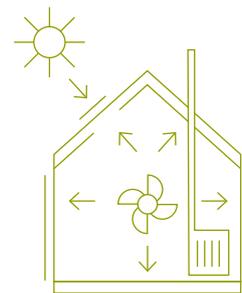
At our holdings, we can only influence water, effluents and waste to a very limited extent, so we concentrate on the aspects of energy and emissions, where we can have a greater impact. We have therefore set ourselves the strategic target of permanently avoiding annual emissions of 20,000 tonnes of CO₂ by sourcing green electricity and operating photovoltaic systems and combined heat and power (CHP) plants. Furthermore, starting in 2022, we intend to achieve additional annual savings of 20,000 tonnes of CO₂ by refurbishing our holdings and heat generation plants with a view to energy efficiency. In doing so, we intend to establish a portfolio of properties which remains more energy-efficient than the current industry standard and simultaneously encourages our clients to make their consumption more environmentally friendly.

As well as renewing heat generation plants, we are making increasing use of combined heat and power units. We already have six CHP plants. We are also switching to more eco-friendly energy sources, such as natural gas instead of oil. To make our heat generation more environmentally efficient, we have launched an investment offensive, earmarking a sum of around EUR 12.5 million to gradually move over to environmentally friendly energy sources and replace outdated heat generation plants with modern technical systems by 2021. These steps alone will enable us to achieve an annual reduction of 5,000 tonnes of CO₂ from 2021 onwards, taking us considerably closer to our strategic savings target in the coming years. In the year under review, we made changes to some 37 units, replacing outdated technology with modern heat generation plants and changing energy sources. This led to annual CO₂ savings of approximately 1,000 tonnes.

Systematic management of environmental matters

Within our Group, we have defined responsibilities for all environmental matters. Energy management, for instance, belongs to DWB and falls within the remit of the CEO of Deutsche Wohnen. He is involved in the strategic planning of energy management and in the conceptualisation of measures as Chairman of the Advisory Board of our joint venture G+D. Moreover, important decisions with environmental relevance are discussed and reached at the regular meetings of Deutsche Wohnen's Management Board. In 2018, the DWB energy management activities focused on integrating acquisitions into G+D, renewing heat generation plants as part of our investment offensive and developing integral energy concepts in connection with our new construction projects.

DWI oversees the disposal of hazardous waste in the case of tenant turnover, ongoing maintenance, health- and safety-related issues, and technical building management.

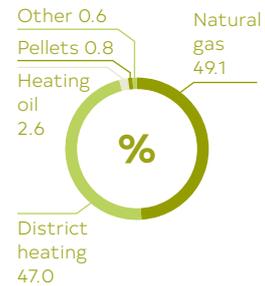


1.5%

annual refurbishment rate of our residential holdings, which are on average 70 years old

ENERGY MANAGEMENT FOR CLIMATE-FRIENDLY SOLUTIONS

Deutsche Wohnen's energy management activities for its portfolio and new construction projects are currently taking a two-pronged approach – with an unerring focus on greenhouse gas emissions. Firstly, we supply our properties with environmentally friendly power. We use renewable energy and supply 76% of our centrally heated portfolio with heat or fuel from our joint venture G+D. Secondly, we are investing heavily in energy efficiency improvements to our holdings and generation facilities.



Refurbishment measures with a view to energy conservation play a key role

We have been paying particular attention to the energy efficiency of our properties for a number of years. Currently almost 60% of our units perform better than the average residential property in Germany (135.5 kWh/sqm per annum⁵). Some 27% of our units perform well with usage of less than 100 kWh/sqm per annum (A+ to C). The average consumption of our holdings stands at 132.3 kWh/sqm per annum, which marks a further positive change on the previous year (2017: 133.4 kWh/sqm per annum).

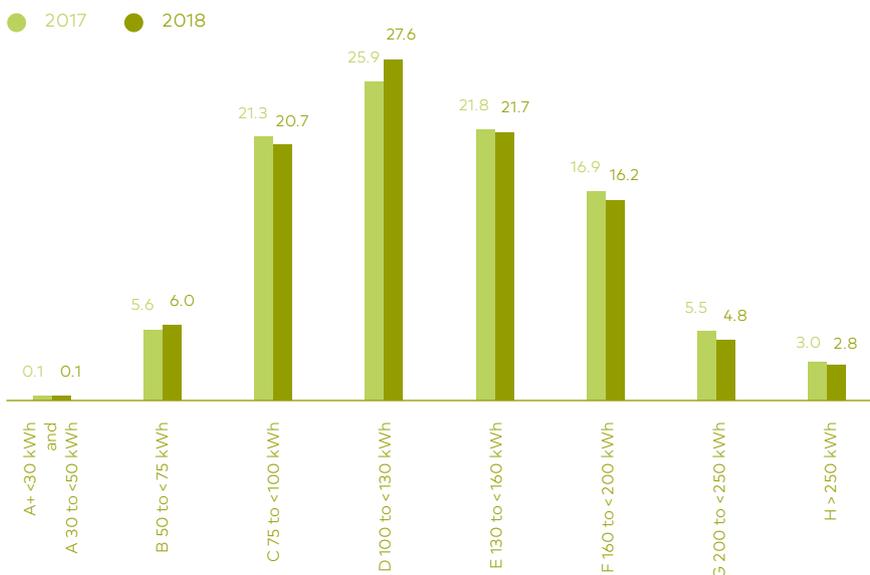
GRI 302-3



60% of our holdings evidence above-average energy efficiency performance for residential buildings in Germany

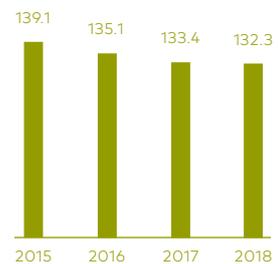
Energy intensity of our residential units

Grouped as energy efficiency classes⁶ based on final energy needs (kWh/sqm per annum) in%



CRE 8

Improvement in energy efficiency (kWh/sqm annually)



⁵ Source: Own calculations based on *Techem Energiekennwerte 2018*

⁶ The weighted average of the final energy consumptions on the basis of the current energy performance certificate of properties. 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). Taking account of approximately 30,000 listed units for which no energy performance certificate is required, the data comprises approximately 100% of our total portfolio.

As part of our portfolio investments, we plan to invest around EUR 300 million in refurbishing our holdings again in 2019. 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 Emission Control Act (Bundes-Immissionsschutzgesetz – BImSchG) and the German Energy Saving Ordinance (Energieeinsparverordnung – EnEV) in the future. Between 2015 and 2018, we refurbished a total of approximately 3,750 residential units to enhance their energy efficiency. As a result, final energy requirements improved by an average of around 32% to 103 kWh/sqm per annum. This corresponds to an annual reduction of some 12.5 million kWh or 3,000 tonnes of CO₂. The refurbishment measures are currently concentrating on our portfolio in Berlin and will be expanded to holdings in conurbations in western Germany over the next few years.

"A good balance must be struck between the conflicting priorities of energy efficiency upgrades and consideration of the existing tenant structures."

Frank Bewig

Spandau district councillor for building (CDU)

In addition, we collect data on the absolute consumption of heating energy and district heating at our holdings and calculate the corresponding climate emissions. We view these in relation to the gross internal floor area and check efficiency.

Energy and climate emissions intensity of the portfolio⁷

	Absolute		Like-for-like	
	2018	2017	2018	2017
Heating energy consumption per sqm of gross internal floor area (in MWh)	0.144	0.141	0.143	0.140
Climate emissions per sqm of gross internal floor area (in t CO ₂ e)	0.039	0.038	0.039	0.038

⁷ The values for heating energy and district heating represent the consumption of the centrally supplied holdings, which, comprising an area of 8,835,160 sqm (143,276 units), account for approximately 85% of the total portfolio. 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 and which only represents actual consumption without any estimates. The like-for-like reference framework for heating supply comprises 7,559,113 sqm and 124,061 units, and for electricity supply 8,708,648 sqm and 143,097 units.

The listed units are also included in these figures. Due to the legal requirements in place, it is impossible to improve the energy efficiency of listed properties to the same extent as that of other buildings by means of refurbishment measures. In addition, the values reflect real consumption and are thus dependent not only on the buildings' energy requirements, but also on the individual consumption behaviour of the tenants.

GRI 302-4

EUR 31 million

for the maintenance and upkeep of heating systems over the past 5 years



0.8 t CO₂

average reduction per residential unit

Conscientious and expert refurbishment that benefits tenants

Responsibility towards society

→ Page 93

GRI 302-3

GRI 305-4

CRE 1

CRE 3



A new lease of life



Since its construction in 1970, the residential and commercial building at Argentinische Allee 221 in Berlin has never been particularly striking, unlike the neighbouring *Waldsiedlung* Forest Estate designed by Bruno Taut. Now, thanks to an investment of approximately EUR 5 million, that has changed.



The typical 1970s building now forms an architectural link to – and demarcation of – the *Waldsiedlung* estate. Thanks to extensive construction work, it has also become a showpiece of sustainable building, complying with standards which are otherwise only used for new construction. To achieve this, the company had the whole process from planning to construction certified by the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB). This involved an assessment of more than 30 criteria relating to ecology, economy, technology, sociostructural and functional quality as well as site and process quality. Energy consumption deserves a special mention: it was reduced by 80%. This corresponds to approximately 100 tonnes less carbon dioxide – each year.

Gold status

Deutsche Wohnen was awarded *Gold* status by the DGNB for its refurbishment of the residential and commercial building in Argentinische Allee. This commendation is awarded following an in-depth examination of the construction measures, which also include the adoption of a comprehensive life-cycle approach, the use of sound, high-quality materials, and the implementation of sustainable energy, water and traffic concepts. In the interview which follows with Prof. Alexander Rudolphi – President and co-founder of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) – the significance of sustainable building is highlighted.



Sustainable building – an interview with Prof. Alexander Rudolphi

What does sustainable building mean to you?

At the DGNB, sustainability is synonymous with quality and future viability. It's about the environment and people as well as the cost-effectiveness of construction work. This means important decisions have to be made at an early stage of planning which take the whole life cycle into account – not just the costs incurred during the construction phase. The criteria addressed in the DGNB certification provide a good overview of the topics in question. These start with resource efficiency and the avoidance of hazardous substances and high-risk materials but also include flexibility and convertibility plus sociocultural aspects such as high-quality accommodation.

What is the importance of this way of building, both now and in the future?

It's of fundamental importance. After all, the construction sector has a central role to play in solving key global challenges like climate change and resource scarcity. If we keep on building like many companies still do today, we are headed for a dead end. We need to consider the whole life cycle of a building in our decisions and learn to focus on the objective in our thought processes and actions. That is why the principle of certification is important because it offers a shared basis for all those involved in construction and makes sustainability applicable. It makes implemented choices measurable and therefore transparent.

And what role do you believe legislators have in this?

A very important role in Germany. In the construction industry here, we have both firms who are determined to maintain business as usual and a large number of companies that wait until something has been accepted by the market or becomes a legal requirement. For that reason, it would considerably speed up the further development of sustainable building if legislators adopted objectives like those we have set out in connection with our certification scheme – via subsidies or inclusion in approvals processes, for example.

The Deutsche Wohnen project in Argentinische Allee has been awarded *Gold* status, which is the second-highest grade. What makes this project so special?

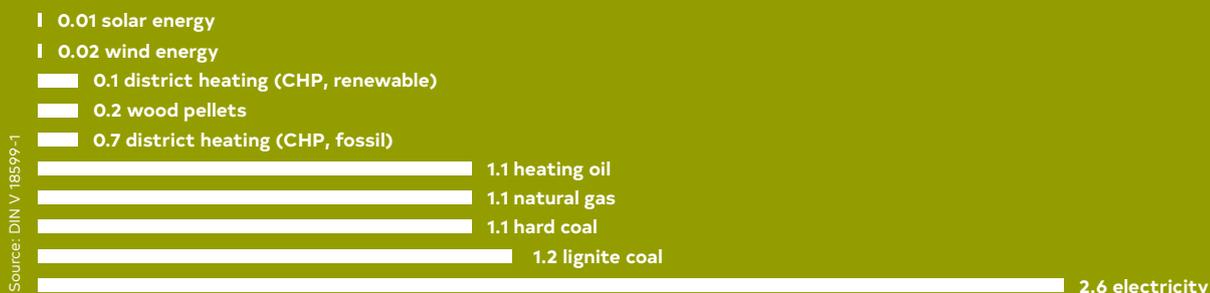
Every DGNB-certified project has taken wide-ranging sustainability criteria into consideration in a conscious, holistic fashion. That also applies to the refurbishment project in Argentinische Allee. It performed particularly well with regard to ecological and economic quality.



From left to right:
Sebastian Höfker,
Deutsche Wohnen
Project Lead New Construction
Prof. Alexander Rudolphi,
President of DGNB
Michael Zahn,
CEO Deutsche Wohnen

Taking a holistic view – from building shell to energy sources

For its new construction projects, Deutsche Wohnen uses tailored, integral energy concepts which rest on a holistic approach to considering and planning the energy supply.



The primary energy factor shows how much primary energy is consumed to generate a unit of energy which can actually be used, e.g. for heating.

"There's a good reason for that," as Christian Pfeuffer says: "It enables a solution to be developed for each site which is the perfect fit in technical, economic and ecological terms." The team leader from the Energy Management unit at Deutsche Wohnen Beschaffung und Beteiligung GmbH adds: "That's essential because the parameters are different in every district – both with respect to technology and, for instance, the tenant structure."

The new construction project in Potsdam-Kramnitz is a good example of one such integral energy concept. In conjunction with the Potsdam authorities, Deutsche Wohnen is building a sustainable neighbourhood with approximately 1,400 apartments on the site of a former barracks. It will form part of a new city district for some 10,000 people. The integral energy concept is based on a CO₂-neutral, fossil-free energy supply. The new energy centre will consist of CHP plants, heat pumps, electrode boilers and conventional boilers for peak loads. In addition to this, there will be low-temperature district heating networks, photovoltaic systems, ground-mounted solar thermal collectors on the outskirts and thermal reservoirs outside the energy centre. There are even plans to utilise the heat from effluents.

The Marienhain district in Berlin-Köpenick is another example. Construction work is due to start there in 2020 to create a whole new residential complex with a total of 63 buildings and approximately 1,200 apartments on a 150,000-sqm site on the banks of the River Dahme. Heat for the property will be produced by a central cogeneration plant. The facility will achieve a primary energy factor of 0.5 thanks to an efficient combination of a CHP plant with an electrical output of 2 × 400 kW supplemented by state-of-the-art condensing natural gas boilers in a cascade system. Generating heat and electrical power at the same time saves some 700 tonnes of CO₂ a year compared to a conventional gas condensing system. From the central cogeneration plant, the heat is distributed via a district heating network to 27 sub-stations, which in turn supply the various building complexes. The systems are monitored by means of a central building control system using LAN cables. In addition, the system parameters of all heat generation plants and supply points are recorded digitally and controlled systematically by a monitoring system. As a result, the property's supply system is optimally tailored to its energy requirements and meets the very latest ecological and economic standards.

ENERGY-EFFICIENT, SUSTAINABLE BUILDING

By 2022, Deutsche Wohnen intends to construct around 2,500 new apartments in detached new builds. When planning new city districts, we orient our work on recognised sustainability certification schemes such as the DGNB assessment system or the NaWoh quality seal. Furthermore, we develop and construct our new builds on the basis of integral energy concepts. These differ from conventional approaches in that they take a holistic approach to conceptualisation and realisation – from the building shell to the energy source chosen for power and heat generation. We pay particular attention to ensuring that the buildings have a good level of energy efficiency. Means of reducing energy requirements and utilising renewables are examined at an early stage and incorporated into the urban development strategy.

Producing our own electricity and heat

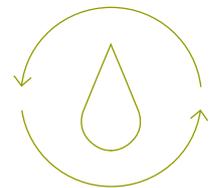
To enable us to act more independently, efficiently and profitably when selecting climate-friendly energy sources, Deutsche Wohnen established the joint venture G+D with the energy supplier GETEC. As of 31 December 2018, G+D supplied energy to approximately 76% of the Deutsche Wohnen portfolio which is heated centrally. As of 1 January 2018, it took over management of another 384 plants with approximately 24,500 units at our Berlin holdings. Our subsidiary EMD Energiemanagement Deutschland GmbH will invest around EUR 10 million in renewing these heat generation plants by 2021.

As part of our procurement strategy, which has proved successful over many years, we purchase certified electricity from renewable sources. The communal electricity at 90% of our let holdings is generated entirely using hydro-electric power. Compared with the conventional electricity mix – where renewables usually account for 30% – we were able to save 18,660 tonnes of CO₂ in the reporting year (2017: 17,365 tonnes of CO₂). Additionally, we produce our own electricity with our 59 photovoltaic systems and six CHP plants, three of which are powered by biogas. We fed approximately 12,000 MWh into the public grid in the year under review. This enables us to save about another 3,900 tonnes of CO₂ each year.

Creating incentives to reduce resource consumption

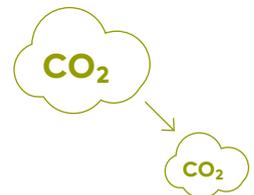
To minimise our environmental impact – and lower costs – we are committed to using natural resources economically and preventing waste. The consumption of energy and water at let units depends largely on our clients' behaviour as users. Our customers enter into their own contracts with suppliers for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

Deutsche Wohnen only has two means of influencing resource usage here. Firstly, we can pave the way for efficient energy and resource consumption by optimising energy generation and distribution systems, procuring green power and implementing other energy conservation measures. Secondly, we try to raise our clients' awareness of ecological issues. Thus, we hope to motivate residents to conserve resources by issuing statements of costs on the basis of their actual consumption of the resources in question (heating and hot/cold water). When completing more complex refurbishment measures, we facilitate this by installing additional heat cost allocators and hot or cold water meters.



18,660 t

CO₂ saved due to energy from hydroelectric power



3,900 t

CO₂ saved annually

In 2018, we recorded like-for-like water consumption of approximately 8.1 million litres for our Berlin holdings, which make up about 70% of our whole portfolio. This marked a slight rise of 2.8% compared with the previous year. Viewed in relation to the floor area of our holdings, consumption figures are also somewhat higher at 1.28 l/sqm (2017: 1.24 l/sqm). One possible explanation for the higher consumption could be the comparatively hot summer in the reporting year.

We cannot directly influence our clients' behaviour with regard to the volume of waste produced. 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. However, we improve our holdings' environmental friendliness by systematically sorting through the waste in rubbish and recycling bins. This allows us to adjust the number of rubbish and recycling bins to actual needs and lower waste-related operating costs for our customers accordingly. We cooperate with waste management service providers who analyse the volume and type of waste and critically examine disposal routes.

Water consumption and water intensity, portfolio

In m ³	Absolute ⁸		Like-for-like ⁹	
	2018	2017	2018	2017
Water consumption	8,497,993	7,929,615	8,118,905	7,893,641
Water per sqm	1.26	1.24	1.28	1.24

⁸ The data here relates to our Berlin portfolio, which accounted for around 70% of our portfolio as a whole in 2018. 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.

⁹ 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 6,352,151 sqm and 105,868 units.

The increase in plastic waste and its insufficient recycling is an environmental concern which has triggered a social debate. Policymakers have responded by passing new packaging legislation which came into effect at the beginning of 2019. It serves the aim of avoiding packaging waste and boosting recycling. For instance, the target is to increase the recycling rate for plastic packaging from its current level of just 36% to 63% by 2022. Significant increases in the recycling of other packaging materials are also intended, taking metal, glass and paper recycling to 90%. Furthermore, there are plans to promote the use of reusable, recyclable and recycled packaging more heavily.

As a large real estate company, we are looking into the extent to which we can make a greater contribution towards reducing problem waste in this context. Enhancing transparency is one option open to us: Deutsche Wohnen records how much tenant waste at its Berlin holdings is recycled on the basis of volume and disposal route. 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. In the future, we intend to increase the recycling rate with the support of waste management service providers. At the same time, we are improving the service we offer our customers and providing a single point of contact for all disposal issues both for clients and for the companies involved. Our caretakers are also paying closer attention to ensuring that high-quality bin areas are provided in the districts.



33%

recycling rate for
the Berlin portfolio
2018



Responsibility towards society

Our targets

Expand, continue and structure corporate social responsibility activities

- Implement a guideline for social and cultural activities
- Draft a concept for taking issues of construction culture into account more strongly when completing new construction and refurbishment projects
- Commit to supporting youth sport

Promote a vibrant neighbourhood structure

- Make 4-5% of new lettings available to people in difficult social circumstances
 - Promote small business use within the portfolio
 - Establish links to social agencies within the districts
-

10 years

anniversary of World Heritage
status celebrated with film
A promise built



We are happy to assume responsibility for things which are worth preserving. This applies not only to our housing estates that have World Heritage status, but also to less well-known milestones in architectural history which are equally worthy of protection. For example, you say? Welcome to Rudi-Arndt-Straße, welcome to Pistoriusplatz ...

Turn to page 93
for more details

HELPING TO CREATE LIVEABLE TOWNS AND CITIES

Management approaches
GRI 203
GRI 413

We want to do more than just provide urgently needed good-quality housing. It is also our responsibility to contribute to creating living spaces in which people feel comfortable and at home. The strategic aims of our sustainability programme are therefore to promote a vibrant district 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 districts, towns and cities in which we operate. We want to help the people living there to be part of a neighbourly community. We thus promote social projects within our districts and nurture art, culture and sport.

Strengthening neighbourhoods and social cohesion

Housing is something of great value which has a direct impact on the quality of life of the people living in it. By focusing the districts on specific target groups, we directly influence local communities and the individual residents. In this way, we strengthen and develop neighbourhoods and maintain the balance between economic and social issues in line with our business policy.

By appropriately maintaining historic buildings that are worthy of protection, we play a significant part in preserving the cultural identity that these buildings represent. We are also involved in the Federal Foundation of Baukultur (Bundesstiftung Baukultur), whose activities include championing high-quality and carefully considered planning and construction.

Leveraging our core area of expertise – the sustainable management and long-term development of residential properties – also enables us to make our social engagement especially effective. We therefore primarily implement measures at the local level within our districts: we let commercial space to social organisations at favourable rates, aid the hiring of social workers and allocate residential units to socially disadvantaged individuals.

Engagement managed effectively and based on dialogue

For the purposes of implementing our sustainability programme in the area of social engagement, we have clearly defined areas of responsibility within the company. District management is handled by DWM, DWI/DWKS, Corporate Communication and Customer Communication in close consultation with one another. The preservation of historic buildings and building culture are the responsibility of DWI/DWKS, DWCF and Corporate Communication.

We have also established a range of communication channels via which we engage in dialogue with internal and external stakeholders regarding the planning and implementation of social projects. These include in particular our Service Points within the districts and our opportunities for involvement in social initiatives.

MODERN RESIDENTIAL ESTATES GIVE DISTRICTS STABILITY

GRI 203-1
GRI 413-1

Modern living standards and an intact infrastructure increase people's well-being and contribute to improving the social climate. The design of a housing estate also reflects on the surrounding districts. It is therefore our aim to actively shape the districts we manage. We want to strengthen and develop the neighbourhoods within them. The Group therefore employs numerous measures to promote diversity, integration and a vibrant community culture within our portfolio.

We maintain continuous dialogue with all involved or interested parties and work closely with the residents, policymakers and social organisations.

A liveable environment with functioning communities

Our districts contribute to creating a liveable environment. Deutsche Wohnen offers a variety of property types, from classical modernism estates to larger developments and stylish historic buildings. In order that these also meet the requirements of future generations, we focus in particular on quality, sustainable solutions and a socially ethical approach to the maintenance of our portfolio and to investments in our residential units. 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. Deutsche Wohnen has established its own green space management system in order to develop these spaces wisely, in other words in accordance with the district's and tenants' needs.

We also consider it our social responsibility to promote a socially integrating approach within our districts. For example, we have allocated approximately 1,400 residential units within our portfolio to socially disadvantaged people. In 2018, we assigned approximately 4.5% of the apartments newly let over the year specifically to people in difficult social situations.

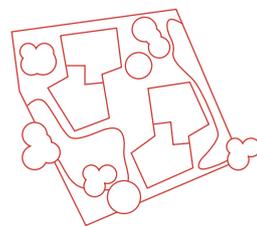
Deutsche Wohnen additionally champions non-discriminatory letting, among other things by working with the *Fair renting – fair living* competence and advice centre established by the Berlin senate. In autumn 2018, we got involved in this area as a dialogue partner participating in Berlin's day of action against discrimination within the residential property market. 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 are additionally one of only two private housing companies to be on the steering committee of Berlin's Protected Market Segment (*Geschütztes Marktsegment*). This committee was created on the basis of a cooperation agreement with the State of Berlin and a number of housing companies to offer assistance to the homeless or to those at risk of becoming homeless. We also play an active part in the public debate concerning more socially ethical housing policy. For example, representatives of Deutsche Wohnen participated in the 2018 *Schutzraum Inklusives Wohnen (Inclusive Living as a Protected Space)* symposium organised by Germany's Paritätischer Wohlfahrtsverband welfare association. The symposium involved workshops and panel discussions that looked at partnership between the housing industry and social agencies to promote suitable housing opportunities for people in need of help.

Dialogue and social ethics in connection with refurbishment projects

Responsibility for our customers and properties

→ Page 40



Our districts are surrounded by

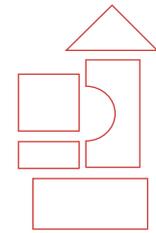
60,000

trees and

6 million sqm

of open space

When it comes to new lettings within our portfolio, DWI and DWKS see to it that social agencies and microbusinesses are taken into account as well. Our commercial space management unit manages the letting of space to traders on the basis of strategic aspects. This results in optimum diversification of the uses of the properties in the districts, which in turn increases their attractiveness for the residents. We support initiatives which have a positive impact on the neighbourhoods within our estates and contribute to successful community interaction with donations or affordable commercial space. Approximately 10% of this space was let to social institutions in 2018.



10%

proportion of our letting
of commercial space to
social institutions

Exemplary engagement: support for local projects

Berlin-Spandau: Children's and youth projects financed through the DW Fund

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 DW Fund back in 2014 and topped this up again in 2018, as it does every year. Local initiatives and neighbourhood associations can apply to the fund in order to realise projects for children and adolescents. 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. In March 2018, the Spandau district councillor for building, Frank Bewig, took the opportunity to learn about the projects supported by the fund during a tour and discussed the development of Falkenhagener Feld with representatives of the district management and of Deutsche Wohnen.

A new start for women in need

Again and again, women are forced to seek refuge with their children in a women's shelter. To make it easier for these women to find a new home afterwards, the Caritas charity established the project *NeuRaum – Wohnen nach dem Frauenhaus (NewSpace – Life After the Women's Shelter)* in 2016. This involves the sponsor Caritas renting residential units which it makes available to women and their children and then subsequently transferring the units to them. Deutsche Wohnen has supported this project from the beginning as one of its key partners by making housing available. At the same time, we work closely in this area with the Berlin organisation Hestia e.V. For five years now, Deutsche Wohnen has been making residential units available here for women who are victims of violence, offering suitable apartments before they enter the usual letting process. Insolvency, debt and other problems are no obstacle to an apartment being assigned. Our aim is to offer women in need unbureaucratic and swift assistance. In spring 2019, we increased our commitment in this area by beginning to support the project *Housing First Berlin*, which is sponsored among others by Sozialdienst katholischer Frauen e.V. (SkF) and Berlin's Senate Department for Integration, Labour and Social Services. Deutsche Wohnen was one of the first housing companies to make apartments available to SkF for them to be let to homeless women. In March, we were recognised by SkF for our engagement.



Ongoing engagement for refugees

Deutsche Wohnen has been making housing available for refugees for a number of years now. At the end of 2018, approximately 1,160 residential units from within our portfolio were let to refugees, around 400 of which are in Berlin alone. In addition, Deutsche Wohnen has been a member of the *Wir zusammen* (*We Together*) network since 2015. This integration initiative on the part of German industry promotes projects that facilitate integration and invigorate interaction and communication between residents and refugees. We also support integration projects which promote social cohesion, both financially and by providing commercial units.

In the Mainz/Frankfurt training region, Deutsche Wohnen has entered into a partnership with the *Friedrich List* vocational school in Wiesbaden. In the project *Deutsche Wohnen Trainees Support Refugees* (*Deutsche Wohnen-Azubis unterstützen Flüchtlinge*), Deutsche Wohnen trainees in their first year of training help pupils in refugee classes to learn German, maths and English once a week. Second-year trainees also organised a trial day within the company together with the heads of training.

In 2018, Deutsche Wohnen participated in a round-table meeting on the topic of homes for refugees initiated by Berlin's Senate Department for Urban Development and Housing in partnership with the Welcome Center Berlin and the competence and advice centre against discrimination in the residential property market. This addressed the better networking of authorities, policy-makers, social agencies and the housing industry in order to facilitate a smoother transition for refugees to the regular housing market. The focus here was on the situation of groups in particular need of protection such as women, lone parents, families and the chronically ill.

PRESERVING AND MAINTAINING HISTORIC BUILDINGS AS CULTURAL HERITAGE

With its approximately 30,000 residential units, Deutsche Wohnen is one of the largest owners of listed residential properties in Germany. These include four 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 in managing historic buildings and heritage protection, for example by means of energy efficiency upgrades. DWCF and DWI/DWS are responsible for implementing the ongoing maintenance, tenant turnover processes and refurbishment of our holdings.

In protecting historic buildings and listed architecture, we are living up to our responsibility to play our part in preserving cultural identity. Our estates and tenants likewise benefit from this. Thanks to our expertise in handling properties which are worthy of protection, we can take historic buildings into the future appropriately and with care. To ensure that these buildings are preserved as part of our heritage for generations to come, we invested approximately EUR 29 million in their future viability, intrinsic value and energy efficiency improvement in 2018.

The history and tradition of Deutsche Wohnen are very closely affiliated with leading architects such as Bruno Taut. Taut succeeded in improving the home and living conditions of a broad cross section of the population. As GEHAG's in-house architect, he planned housing estates all over Berlin in the 1920s. To this day, these serve as inspiration for architects' designs for city life and therefore also for us.

In 2018, we focused in particular on five listed residential complexes in Berlin – Ahrweiler Straße, Baumschulenstraße, Pistoriusplatz, Schöneberger Terrassen and Velodrom – and refurbished around 500 apartments there. Over the past three years, Deutsche Wohnen has restored approximately 2,000 residential units as listed buildings across these five estates. All the measures were reported to the Lower Heritage Protection Department (UD) in accordance with the *Act for the Protection of Heritage in Berlin* and were then executed by Deutsche Wohnen upon permission being granted, this often being preceded by a process of close coordination. Wherever possible, the state of the buildings at the time they were built is restored. If this is not known, we or the architecture firms and restorers commissioned by us make the necessary enquiries.

The work performed on these five housing estates ranged from refurbishment of the facades and windows, replacement of the pipework and installation of modern heating systems to bathroom modernisation and the redesign of the outdoor areas.

Anniversary of listed housing estates celebrated

The ten-year anniversary of the inclusion of six Estates of Berlin Modernism (Siedlungen der Berliner Moderne) in the UNESCO World Heritage list was a cause for celebration in 2018. Deutsche Wohnen and Berliner Bau- und Wohnungsgenossenschaft von 1892 eG, which owns the other two UNESCO estates, together invited the residents to a street party on the Carl Legien Housing Estate.

“Deutsche Wohnen's holdings are historic core holdings of social housing. This tradition means Deutsche Wohnen's management has a particular social responsibility.”

Prof. Dr Jörg Haspel
Former head of state conservation and director of the Berlin Monument Authority



EUR 29 million

for the refurbishment
of listed ensembles

Hundreds of tenants and guests attended and were treated to a diverse programme including info stands and hands-on activities offered by associations and partner companies, an exhibition on the history of the estates, stage events featuring music, dance and talks, and a documentary on life on the estates which was produced specially by Deutsche Wohnen. The Governing Mayor of Berlin, Michael Müller, offered his congratulations in person and gave a welcome address.

Architectural uniformity of the *Waldsiedlung* Forest Estate reinstated

In 2018, Deutsche Wohnen concluded its refurbishment of the residential and commercial building Argentinische Allee 221 on the historic Uncle Tom's Cabin estate in Berlin-Zehlendorf. The aim was not only to boost the energy efficiency of and refurbish the almost 50-year-old building, but also to improve its architectural incorporation into the historically significant Zehlendorf Forest Estate. The estate built between 1926 and 1931 according to plans drafted by Bruno Taut, Hugo Häring and Otto Rudolf Salvisberg is among the candidates to be potentially added to Berlin's list of UNESCO World Heritage sites. Not built until 1970, the five-storey building was supposed to round off the urban development ensemble using the standards of that time. But integration of the building into the highly characteristic look of the estate ultimately failed. This has been rectified with the refurbishment recently completed, thus positioning the residential and commercial building as a perceptible starting point of the estate. Here, the focus was placed on the facade colour scheme and the brick and rendering design. Deutsche Wohnen had the entire process – from the planning stages to the building work – overseen by the DGNB. In January 2019, the Chairman of the DGNB, Prof. Alexander Rudolphi, personally presented us with *Gold* certification for our refurbishment of the building according to new build criteria.

A new lease of life
Responsibility for the environment and the climate
→ Page 79

Award for refurbishment in line with heritage requirements in Berlin-Reinickendorf

In 2018, Deutsche Wohnen received recognition for the refurbishment of its Paddenpuhl listed estate in Berlin-Reinickendorf in the category of *Listed ensembles – Residential* within the Reinickendorfer Bauherrenpreis developers' award. Praise was given in particular for the complete refurbishment of the apartment and stairwell windows and the building and courtyard doors of the small listed ensemble in the vicinity of the White City estate. Paddenpuhl stands out thanks to its expressionist design, which is in contrast to the New Objectivity of many other architecturally valuable historic estates. For example, the estate is characterised by its multicoloured windows and the equally colourful building corners and loggia trims.

Working together for a vibrant building culture

Deutsche Wohnen contributes to the preservation of historic building culture not only by maintaining its own listed buildings, but since 2017 also by its membership of the Friends' Association of the Federal Foundation of Baukultur (Förderverein der Bundesstiftung Baukultur). 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. It also seeks to raise awareness of the topic among the public and interested experts.



Paddenpuhl Estate

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. It also organises regular building culture workshops, and these were sponsored by Deutsche Wohnen in 2017 and 2018.

At the workshop held in Dessau in 2018, two representatives of our company gave a presentation on the refurbishment of the Uncle Tom's Cabin estate in line with heritage requirements as a keynote speech. This addressed not only the individual project steps, but also the topic of how to convince sceptical tenants of the building culture value of the measures through communication.

Deutsche Wohnen also served as a partner of the foundation's Building Culture Convention in 2018, providing both content and financial input. This convention is the key opinion forming forum of the Federal Foundation of Baukultur and is held every two years. Its members include 200 appointed individuals who champion building culture. The aim of the 2018 convention was to promote interdisciplinary knowledge exchange and determine the mood regarding the situation of building culture in Germany. In addition, the 2018/19 building culture report was presented. Deutsche Wohnen was represented at the event with its own information stand and presented a small exhibition on the four UNESCO Estates of Berlin Modernism that the company owns.



Clockwise from the top:

Weißer Stadt

Carl Legien Housing Estate

Horseshoe Estate Britz

Siemensstadt Ring Estate



Conscientious and expert refurbishment that benefits tenants

Refurbishing listed residential complexes is a challenge which is an inherent part of Deutsche Wohnen employees' day-to-day work. Take Eike Petersen, for example, who is a technical project manager and who worked on two very special residential complexes in the year under review ...

"Before, you could barely tell that the leading architect of the complex in Rudi-Arndt-Straße was Bruno Taut," she explains. This has since changed and, after an eventful almost 100-year history, the rendered facades have been renewed in line with heritage requirements and the old casement double windows have been restored. Numerous other measures were implemented, such as restoration of the stairwells in line with heritage requirements, reinforcement of the existing historic balcony railings, insulation of the top storey ceiling using cellulose flakes made of old paper and insulation of the basement ceiling using mineral wool. The gardens are also being redesigned in a sustainable and bee-friendly manner using the existing resources – the old fruit trees are being kept and are being revitalised for the years to come via a thorough pruning. The substrate of the newly created paths consists of recycled regional materials.



The Rudi-Arndt-Straße ensemble at a glance

Architect:	Bruno Taut
Year completed:	1925
Houses:	12
Residential units:	120
Commercial units:	2
Investment volume:	EUR 8.8 million
CO ₂ reduction:	167 tonnes per annum/35%
Refurbishment period:	2016–2019

Further north at Pistoriusplatz, there stands an ensemble which dates back to the 1930s. "Here, it was especially important to us that the original character of the apartments be maintained. The original double casement windows were therefore carefully renovated, rather than being replaced. And existing wooden flooring was stripped and resealed," says Eike Petersen, outlining some of the key aspects of this project. The stairwells were likewise restored in line with heritage requirements, with the tenants and, of course, also the heritage protection department being closely involved with the planning. As is typical of Deutsche Wohnen, a great deal of importance was attached to climate protection – insulation of the top storey ceiling using cellulose flakes made of old paper, insulation of the basement ceilings using mineral wool and the installation of new heating systems are just three examples here.



The Pistoriusplatz ensemble at a glance

Architect:	Fritz Wilms
Year completed:	1931
Houses:	23
Residential units:	205
Commercial units:	3
Investment volume:	EUR 10 million
CO ₂ reduction:	156 tonnes per annum/46%
Refurbishment period:	2016–2019

BROAD SUPPORT OF ART, CULTURE AND SPORT

The majority of Deutsche Wohnen's social activities promote projects and initiatives related to the social environment of its own residential property portfolio. This is where we can make especially effective use of our core capabilities. On top of this, we also promote culture, art and sport. In total, we spent approximately EUR 2.2 million on social and non-profit initiatives and also on top-class sport in Berlin in 2018.



EUR **2.2** million

funding to support
social and non-profit
initiatives and top-class
sport in Berlin

Engagement in our districts

As part of our social engagement, we support numerous projects in various districts, including the NaDu (HeyYou) day-care facility in Hanover-Sahlkamp, which we have been supporting for many years now. We support this facility by means of donations and by funding a social worker project position. One of the various projects run there was about teaching boys and girls how to use tools and how to work with materials such as wood, metal and plastic. This involved the children making birdhouses or kites and giving free rein to their imagination as they designed landscapes, machines and buildings made of wood.

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. In particular, this serves as a space for helping young people with problems at school. A key component of this concept is the *Mädchenladen*, which offers recreational opportunities to girls aged eight to 16. On top of funding, we provide the association with a commercial room free of charge.

In the Berlin borough of Marzahn-Hellersdorf, we support the association KIDS & CO, which runs all kinds of projects for young people. These include community-boosting activities such as the creation of the *KastanienNest* parents-and-kids cafe, which gives young people in socially challenging situations the opportunity to be guided into a career. The focus here is on lone parents in particular.

Young people throughout Berlin benefit from our support of the school cone campaign run by the reading promotion association Lesewelt Berlin e.V. The initiative organises story hours for children and sends more than 150 voluntary readers into libraries and day-care centres. In 2018, girls and boys had the opportunity to make their first day at school an extra special experience – anyone who attended ten story hours could make their own school cone together with their parents, with the cones being filled with a comprehensive school starters' pack.

On the Thermometer Estate in Berlin Steglitz-Zehlendorf, we supported the third round of the *residential diploma* (*Wohnführerschein*) for refugees initiated by the borough as one of its key partners in 2018. The *residential diploma* is a tried and tested qualification programme that prepares young people for having their own apartment. It was established in 2010 by the Berlin housing companies allod, degewo and Marzahner Tor. Among other things, Deutsche Wohnen assisted the Berlin youth welfare agency JaKuS e.V. in tailoring the *residential diploma* to the needs of young refugees. The seminar participants covered topics such as tenants' rights and obligations, living in harmony with neighbours, the maintenance and renovation of an apartment, applying for an apartment, and finances. Additionally, applicant interviews for apartments were offered at our premises by our experts.

Promoting art, culture and an urban 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. Taut originally trained as a painter and was an active member of the *Glass Chain (Gläserne Kette)* artists' guild. The first exhibition of the GEHAG Forum held in 1988 was developed in his honour. The exhibition was held at a residential building in Dahlewitz, which Taut designed and planned the colour scheme for.

The GEHAG Forum has since become a recognised venue for contemporary art exhibitions. The exhibition space at the Deutsche Wohnen headquarters in Wilmersdorf, Berlin, serves as an appropriate platform for the multifaceted expressions of modern art above and beyond the mainstream. In addition to architectural works, the visitors will find paintings, etchings, drawings and sculptures here. In early 2019, the Gebr. Mann Verlag publishing house published a book entitled *Betriebsstörung – 30 Jahre GEHAG Forum*, which covers the history of this extraordinary art venue and its 139 exhibitions to date featuring 305 international artists. Deutsche Wohnen supported the GEHAG Forum with approximately EUR 70,000 in 2018.

Deutsche Wohnen is a partner of the Bröhan Museum, Berlin's state museum for art nouveau, art deco and functionalism. As part of this partnership, since 2016, we have been offering museum visitors free entry on every first Wednesday of the month, including for special exhibitions and curator-led tours. With this collaboration, both partners seek to afford the general public broad access to cultural learning, in particular about the creative period of the 1920s and 1930s.

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 building facades available as canvases for urban works of art. We are assisted in selecting the artists we support by the Die Dixons crew at Berlin Art Bang e.V., which is known among other things as the creator of the temporary art project The Haus and of the Berlin Mural Fest. This



GEHAG Forum

[deutsche-wohnen.com/
en/gehag-forum](https://deutsche-wohnen.com/en/gehag-forum)

Clockwise from the top:

Huariu
Meditation in the Chaos, Kreuzberg

Fio Silva
Colourful Animal Kingdom,
Treptow-Köpenick

stereoheat
The Stralsunder Sea Captain, Wedding

TANK
A Beautiful Mind, Kreuzberg



has resulted in four impressive murals being painted by Portuguese, Argentinian and Berlin-based urban artists in Kreuzberg, Wedding and Treptow-Köpenick. With this approach, Deutsche Wohnen seeks not only to nurture young artists, but also to champion a vibrant and diverse community culture in Berlin.

Deutsche Wohnen has also added a splash of colour to a district in Berlin-Charlottenburg with a creative art project by giving the once drab and frequently graffitied facade of an old people's home a more lively and more attractive look. The building comprising 378 residential units dates back to 1978 and is in a prime location close to Charlottenburg Palace. The happening was the result of an initiative of the Reinickendorf Service Point and was realised in conjunction with Art-EFX, a company which specialises in artistic facade design. Not only was the facade smartened up, so too were the stairwell entrances and the underpasses. The new design now reflects the green environs and the nearby historic ensemble, and has met with positive feedback both from the elderly residents and from culture-loving tourists.

Partnership for top-class sport in Berlin

Deutsche Wohnen considers sports sponsorship to be a suitable way in which to link image promotion with social engagement. In this context, 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.

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 Sportforum Hohenschönhausen, into one of the most state-of-the-art centres for the next generation of handball players in Germany. Here we are guided very specifically by the athletes' needs, for example by financing an innovative ten-camera system used for training analysis. The visit of 20 Deutsche Wohnen trainees to *Füchse Town* to witness the athletes in training up close stands as a testament to our engaged partnership. This was partly organised by three young Füchse players who secured an apprenticeship with Deutsche Wohnen, thus offering them another string to their bow, in addition to their careers in handball.

Since 2018, Deutsche Wohnen has been the new *official partner* of the Olympic Training Centre Berlin (Olympiastützpunkt Berlin - OSP) and the *official title partner* of the women's scull team, *Frauen Skull*. In future, the rowers on the women's national scull team within the German Rowing Federation (Deutscher Ruderverband - DRV) will train together in the sports city of Berlin, rather than separately at different locations throughout Germany. With these partnerships, Deutsche Wohnen has expanded its engagement in the area of top-class sport in Berlin. The OSP, the DRV and Deutsche Wohnen take an action-oriented view of their partnership, and they have already jointly developed concepts tailored to the athletes' needs, for example in the areas of living and mobility.



Facts and figures

KEY FIGURES

Corporate management

In %	2018		2017		2016	
Governance						
Diversity Management Board, Supervisory Board						
People on the Management Board by gender	100 ♂	0 ♀	100 ♂	0 ♀	100 ♂	0 ♀
People on the Supervisory Board by gender	83 ♂	17 ♀	100 ♂	0 ♀	100 ♂	0 ♀
Average tenure on the Supervisory Board (in years)	9		10		10	
Management Board by age group						
Under 30 years of age	0		0		0	
30–50 years of age	66		66		66	
Over 50 years of age	34		34		34	
Supervisory Board by age group						
Under 30 years of age	0		0		0	
30–50 years of age	16.7		0		0	
Over 50 years of age	83.3		100		100	

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GRI 102-1
GRI 102-8
GRI 102-22

In EUR m	2018		2017		2016	
Economy						
Rental income	785.5		744.2		704.5	
Earnings from Residential Property Management	656.2		612.8		586.4	
Earnings from disposals	43.1		50.3		54.3	
Earnings from Nursing and Assisted Living	55.3		48.0		16.8	
FFO I	479.4		432.3		383.9	
EPRA NAV (undiluted)	15,087.8		12,676.8		10,017.0	
Market capitalisation (in EUR bn)	14.3		12.9		10.1	

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GRI 201-1
GRI 102-7

Customers and property portfolio

		2018	2017	2016
Holdings and districts				
Residential and commercial units (total)	number	166,980	163,134	160,160
of which residential	number	164,265	160,668	157,976
of which commercial	number	2,715	2,466	2,184
Proportion of portfolio in Core+ markets	%	88.3	87	85
Proportion of portfolio in Core markets	%	11.6	12	12
Proportion of portfolio in Berlin	%	70	71	70
Market share in Berlin (residential units)	%	6	6	6
Total portfolio value	EUR bn	23.8	19.6	15.7
Fair value of properties	EUR bn	22.2	18.9	15.5
Fair value per residential and commercial area	EUR/sqm	2,157	1,886	1,580
Average in-place rent	EUR/sqm/month	6.62	6.40	6.10
Average vacancy rate	%	2.1	2.0	1.8
Average apartment size	sqm	60.3	60.2	60.1
Nursing properties	number	89	51	51
Beds	number	12,200	6,700	6,700
Investments in refurbishment and maintenance (total) ¹	EUR/sqm	41.05	33.37	24.92
of which investments in refurbishment	EUR/sqm	30.91	22.85	15.29
of which investments in maintenance	EUR/sqm	10.14	10.52	9.63
Average investment in the case of tenant turnover	EUR	9,698 ²	8,333	5,162
Buildings in portfolio	number	~ 17,000	~ 17,000	~ 16,600
Buildings with the KIWI electronic access system	number	1,686	n/a	n/a
Listed units	number	~ 30,000	~ 30,000	~ 30,000
Investments in the supply chain	EUR m	672.9	543.0	455.3

¹ Taking account of the average floor space on a quarterly basis in the relevant period

² This year-on-year increase is due to the fact that approximately 500 more apartments were refurbished using the complex methodology in 2018.

GRI 102-7
GRI 102-9

		2018	2017	2016
Outdoor areas				
Investment in outdoor areas within the portfolio	EUR m	18.0	19.5	13.2
Green space	million sqm	6	6	6
Trees within portfolio area	number	~ 63,000	~ 54,000	~ 50,000
Playgrounds	number	~ 1,500	~ 1,500	~ 1,500
Playground equipment	number	~ 4,500	~ 4,400	~ 4,400

GRI 413-1

Employees

Preliminary note on key figures for employees

Unless indicated otherwise, the figures comprise both the salaried and temporary employees (headcount) of Deutsche Wohnen SE including FACILITA and Helvetica³ respectively at the reporting date, 31 December.

Deutsche Wohnen's middle management comprises team leaders and Service Point managers. Senior management comprises managers, managing directors and directors.

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 as the work involved in collecting the data is not commensurate with the insights this would provide.

		2018	2017	2016
Overview				
Total number of employees	number	1,280 (Ø 1,233)	1,111 (Ø 1,040)	992 (Ø 891)
of which in region around the capital city Berlin	number	1,075	919	813
	%	84.0	82.7	82.0
of which permanent	number	551 ♂ 615 ♀	469 ♂ 543 ♀	383 ♂ 503 ♀
	%	91.1	90.2	89.3
of which temporary	number	57 ♂ 57 ♀	40 ♂ 59 ♀	48 ♂ 58 ♀
	%	8.9	8.8	10.7
of which full-time	number	594 ♂ 562 ♀	497 ♂ 512 ♀	416 ♂ 489 ♀
	%	90.3	90.8	91.2
of which part-time	number	14 ♂ 110 ♀	12 ♂ 90 ♀	15 ♂ 72 ♀
	%	9.7	9.2	8.8
Employees by position				
in residential unit management and administration, rental contract management and tenant management	number	970	835	751
in the holding company	number	310	276	241
Employees in customer service (total)	number	896	768	611
of which FACILITA employees	number	217	168	111
Employees covered by collective bargaining agreements	%	24.9	24.7	22.4
Total number of new employees ⁴	number	275	232	174
	%	21.5	20.9	17.5
Total employee turnover ⁵	number	140	107	88
	%	10.6	9.6	8.8
of which employee-initiated terminations	number	67	57	43
	%	5.2	5.1	4.3
Length of service				
Up to 1 year	%	19.7	20.9	17.3
1 to 5 years	%	44.3	40.7	37.4
6 to 15 years	%	18.8	18.9	23.3
16 to 25 years	%	10.7	13.5	15.6
More than 25 years	%	6.5	6.0	6.4
Average length of service	years	7.1	7.6	8.3
Employee satisfaction survey (every two years)				
Participation rate	%	71	n/a	72
Proportion who are "satisfied" or "very satisfied" with Deutsche Wohnen as their employer	%	79	n/a	77

GRI 102-8
GRI 102-41
GRI 102-43
GRI 401-1

³ Figures for 2016 and 2017 excluding Helvetica

⁴ All new hires between 1 January and 31 December of each financial year were taken into account.

⁵ The figures comprise permanent and temporary employees (headcount) who left between 1 January and 31 December.

GRI 405-1

		2018		2017		2016	
Diversity							
Workforce by gender ⁶	%	47.5 ♂	52.5 ♀	45.8 ♂	54.2 ♀	43.4 ♂	56.6 ♀
Management by gender							
Management Board	number	3 ♂	0 ♀	3 ♂	0 ♀	3 ♂	0 ♀
	%	100 ♂	0 ♀	100 ♂	0 ♀	100 ♂	0 ♀
Senior management	number	25 ♂	15 ♀	21 ♂	13 ♀	18 ♂	13 ♀
	%	62.5 ♂	37.5 ♀	61.8 ♂	38.2 ♀	58.1 ♂	41.9 ♀
Middle management	number	30 ♂	34 ♀	23 ♂	23 ♀	22 ♂	21 ♀
	%	46.9 ♂	53.1 ♀	50 ♂	50 ♀	51.2 ♂	18.8 ♀
Workforce by age group							
Up to 35 years of age	number	463		417		369	
	%	36.2		37.5		37.2	
36-45 years of age	number	326		265		208	
	%	25.5		23.9		21.0	
46-55 years of age	number	313		278		279	
	%	24.4		25.0		28.1	
More than 55 years	number	178		151		136	
	%	13.9		13.6		13.7	
Average workforce age	years	41.2		41.0		41.2	
Management by age group							
Senior management							
Up to 35 years of age	number	1		1		1	
	%	2.5		2.9		3.2	
36-45 years of age	number	27		25		21	
	%	67.5		73.5		67.7	
46-55 years of age	number	9		6		7	
	%	22.5		17.7		22.6	
More than 55 years	number	3		2		2	
	%	7.5		5.9		6.5	
Middle management							
Up to 35 years of age	number	14		8		10	
	%	21.9		17.4		23.3	
36-45 years of age	number	25		22		14	
	%	39.1		47.8		32.6	
46-55 years of age	number	17		11		13	
	%	26.5		23.9		30.2	
More than 55 years	number	8		5		6	
	%	12.5		10.9		13.9	
Total employees post-WWII generation	number	27		35		45	
	%	2.1		3.1		4.5	
Total employees baby boomer generation	number	257		233		229	
	%	20.1		21.0		23.1	
Total employees Generation X	number	463		399		349	
	%	36.2		35.9		35.2	
Total employees Generation Y	number	477		410		350	
	%	37.3		36.9		35.3	
Total employees Generation Z	number	56		34		19	
	%	4.3		3.1		1.9	
Proportion of disabled employees	%	3.1		3.2 ⁷		3.0 ⁷	
Ratio of CEO's remuneration to average employee remuneration ⁸	x times	39		42		n/a	

6 Including trainees

7 Value corrected

8 Ratio of average remuneration of employees on permanent contracts (excl. middle and senior management, trainees, interns and students) to that of the CEO (excl. LTI) for the respective reporting year.

		2018	2017	2016
Training				
Trainees	number	57	46	44
Training ratio	%	4.5	4.1	4.5
Trainees who received offer for a position at the company following completion of qualification	number	14	13	19
	%	100	100	100
Trainees who stayed with the company upon qualifying	number	13	10	16
	%	92	77	84

		2018	2017	2016
Staff development				
Average hours for training, total	hours	25.6	18.1	19.6
Senior management, total	hours	9.7	23.4	45.6
by gender	hours	12.1 ♂ 6.3 ♀	25.3 ♂ 21.3 ♀	40.7 ♂ 51.6 ♀
Middle management, total	hours	40.7	39.6	45.2
by gender	hours	39.5 ♂ 41.7 ♀	36.6 ♂ 41.9 ♀	48.0 ♂ 42.2 ♀
Rest of workforce, total	hours	24.9	16.2	16.5
by gender	hours	29.5 ♂ 18.0 ♀	17.6 ♂ 15.4 ♀	17.8 ♂ 15.5 ♀
Hours of training, total	hours	20,974	17,833	14,000
Days of training, total	days	2,640	2,247	1,769
Proportion of training hours dealing with topic of sustainability	%	5.5	5.0	4.6
Investment in employee training	EUR k	858	740	614
Employees who received a regular performance and career development review in the reporting period, total	%	91.5	94.1	92.5
by gender	%	95.4 ♂ 87.5 ♀	95.9 ♂ 93.0 ♀	96.3 ♂ 90.1 ♀
Managers (senior and middle management)	%	100.0	98.7	93.9
Trainees	%	100.0	100.0	100.0
Rest of workforce	%	90.3 ⁹	93.8 ¹⁰	92.5 ¹¹

GRI 404-1
GRI 404-3

9 Excluding Management Board, temporary staff, those in service less than six months as at 31 October 2018, employees of DW excl. FACILITA, Helvetica, leave of absence

10 Excluding Management Board, temporary staff, those in service less than six months as at 31 October 2017, GSW, leave of absence

11 Excluding Management Board, temporary staff, those in service less than six months as at 31 October 2016, DWKS, GSW, leave of absence

GRI 401-3

		2018		2017		2016	
Career and family							
Total number of employees entitled to parental leave by gender	number	608 ♂	672 ♀	509 ♂	602 ♀	431 ♂	561 ♀
Total number of employees who took parental leave by gender ¹²	number	15 ♂	45 ♀	7 ♂	36 ♀	9 ♂	41 ♀
	%	2.5 ♂	6.7 ♀	1.4 ♂	6.0 ♀	2.1 ♂	7.3 ♀
Total number of employees returning to work during the reporting period at the end of their parental leave, by gender	number	13 ♂	22 ♀	7 ♂	14 ♀	7 ♂	18 ♀
	%	2.1 ♂	3.3 ♀	1.4 ♂	2.3 ♀	1.6 ♂	3.2 ♀
Proportion of employees who returned to work following parental leave, by gender	%	92 ♂	86 ♀	100 ♂	39 ♀		n/a
Total number of employees who made use of option to work from home, by gender	number	75 ♂	129 ♀		n/a		n/a
Proportion of employees who made use of option to work from home, by gender	%	12.4 ♂	19.2 ♀		n/a		n/a
Average number of days staff worked from home (per year), by gender	number	8 ♂	12 ♀		n/a		n/a

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

GRI 403-1
GRI 403-2

		2018		2017		2016	
Occupational health and safety							
Workplace accidents recorded	number	47		46		37	
Lost days ¹³ due to workplace accidents	number	139		131		105	
Absenteeism rate ¹⁴	%	5.9		5.6		5.9	
Work-related fatalities, total workforce	number	0		0		0	
Workplace accident rate (workplace accidents in relation to total working hours of all the employees)	%	0.02		0.02		0.02	
Number of employees who made use of the <i>machfit</i> platform	number	336		n/a		n/a	
Proportion of employees who made use of the <i>machfit</i> platform	%	32.7		n/a		n/a	
Number 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	

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

14 Lost days based on calculation of actual absenteeism (as a percentage) of the total number of work days designated for the employees over the same period

The environment and climate

Preliminary note on key figures for the environment

To manage the key environmental 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. Unless indicated otherwise, the key figures relate to the financial year in question and the entire Group (i.e. all the fully consolidated companies and equity-accounted companies based on the shareholdings as per the consolidated annual financial statements).

The recognition of the energy production of G+D Gesellschaft für Energiemanagement mbH, Magdeburg, a joint venture in which Deutsche Wohnen holds a 49% stake, constitutes an exception. 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, which was acquired by G+D in the year under review) is not included in Deutsche Wohnen's energy and environmental footprint.

The figures presented here have had their decimal places rounded. As such, there may be minor totalling deviations. The intensity key figures are an exception here as these are stated with decimal places in order to evidence any changes.

Environmental data, administrative locations

Energy consumption and energy intensity of electricity and heating supply¹⁵

In MWh	2018	2017	2016
Heating energy			
Natural gas	1,118	1,102	909
Heating oil	1.5	1.5	24.0
Pellets	3.8	3.8	3.2
District heating	3,201	2,678	2,576
Electricity	1,143	1,035	1,028
Total	5,467	4,820	4,540
Energy consumption per sqm of gross internal floor area	0.169	0.175	0.161

¹⁵ The electricity and heating consumption values for the administrative locations (comprising a total of 99 offices) have been adjusted to reflect weather conditions. The forecast values for 2017 were adjusted on the basis of actual consumption. A forecast was made for 2018 based on actual consumption in the previous year. The total figures for reporting years 2016 and 2017 are not comparable with the figures in last year's report as the fleet's fuel consumption is presented separately. The intensity figures for 2016 relate to 28,268 sqm of floor area, for 2017 to 27,681 sqm and for 2018 to 31,635 sqm.

GRI 302-1
CRE 1

Energy intensity per employee¹⁶

In MWh	2018	2017	2016
Heating consumption	3.62	3.69	3.72
Electricity consumption	0.96	1.01	1.09

¹⁶ The average electricity and heat requirements per employee relate to 944 employees in 2016, 1,025 employees in 2017 and 1,196 employees in 2018. Only those employees actively employed at the sites were taken into account.

GRI 302-3

Climate emissions from electricity and heating supply¹⁷

In t CO ₂ e	2018	2017	2016
Scope 1: direct emissions			
Fossil and biogenic sources from stationary combustion	270	266	227
Scope 2: energy indirect emissions			
Location-based value	1,450	1,336	1,290
Market-based value	970	817	787
Total (location-based)	1,720	1,602	1,528
Energy intensity per sqm of gross internal floor area	0.040	0.039	0.036

GRI 305-1
GRI 305-2
GRI 305-4
GRI 305-5

¹⁷ The values represent the material climate emissions relating to the administrative locations' electricity and heating supply. The Scope 1 value represents direct emissions from stationary combustion incl. 0.07 t CO₂e from biogenic sources (pellets). The emissions from the fleet's mobile combustion are presented separately. The energy indirect emissions (Scope 2) relate to electricity and district heating generation. The values were calculated using the emission factors of the Institute for Living and the Environment (Institut Wohnen und Umwelt - IWU) with GEMIS 4.93 and the year-specific emission factor for the German electricity mix of the German Environment Agency (UBA). The market-based Scope 2 value is also presented in order to illustrate the positive effects on the climate of sourcing certified green electricity. This value is made up as follows: emissions from district heating; 5% electricity emissions based on the German electricity mix factor for each reporting year and 95% emissions based on the green electricity factor (0 g CO₂e/kWh). The intensity figures for 2016 relate to 28,268 sqm of floor area, for 2017 to 27,681 sqm and for 2018 to 31,635 sqm. The climate emissions per sqm of floor area were calculated on the basis of the market-based Scope 2 value.

Air pollutant emissions from electricity and heating supply¹⁸

In kg	2018	2017	2016
Sulphur dioxide (SO ₂)	448	378	366
Nitrogen oxides (NO _x)	1,496	1,283	1,210
Particulate matter (PM)	71	61	58
Total	2,015	1,721	1,634

GRI 305-7

¹⁸ Air pollutant emissions were calculated using the GEMIS 4.9.4 factors. The values show the direct and indirect air pollutant emissions from electricity and heating supply. The prior-year figures (2016/17) were adjusted due to the separate presentation of the fleet's fuel consumption.

Forecast reductions due to efficiency measures¹⁹

Measures	Energy reduction per annum (forecast) in MWh	Climate emissions reduction per annum (forecast) in t CO ₂ e
Outdoor lighting replaced with LED lighting in Schützenallee, Hanover	3.5	1.9
Heating boiler and heating circuit control replaced in Schützenallee, Hanover	8.0	1.7
Windows replaced in Mecklenburgische Straße, Berlin	229.0	64.0
Heating boiler replaced in Hindenburgstraße, Mainz	4.0	0.8
Total reduction	244.5	68.4

GRI 302-4
GRI 305-5

¹⁹ The measures were implemented or initiated between 2016 and 2018. The forecast energy reduction was calculated on the basis of the location's energy consumption in the relevant reference year.

Vehicle fleet and transport

	2018	2017	2016
Number of conventional vehicles	169	170	115
Average CO ₂ emissions according to the manufacturer	117	124	123
Number of electric vehicles	32	16	11
Number of e-bikes	22	17	11
Number of bicycles	70	52	41
Kilometres travelled	1,400,321	1,261,655	1,007,565

Fuel consumption and climate emissions of fleet²⁰

In MWh	2018	2017	2016
Petrol	618	584	536
Diesel	187	231	127
Natural gas	3	7	13
Climate emissions of fleet (in t CO₂e)	262	265	219

²⁰ The vehicle fleet fuel consumption levels represent actual consumption. The climate emissions were calculated using the emission factors of the Institute for Living and the Environment (Institut Wohnen und Umwelt – IWU) with GEMIS 4.94.

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GRI 302-1
GRI 305-1

Materials used by weight

In t	2018	2017	2016
Paper	45.5	53.0	51.0

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GRI 301-1

Non-hazardous waste by disposal method²¹

In t	2018	2017	2016
Paper (recycling)	69.3	77.0	85.0

²¹ Paper waste levels are recorded for the administrative locations. Further data relating to other types of household waste is not relevant in view of the administrative activities and can also not be reliably quantified for the reporting year.

Environmental data, portfolio

Energy consumption, portfolio

In MWh	Absolute ²²		Like-for-like ²³	
	2018	2017	2018	2017
Heating energy				
Natural gas	564,650	566,127	491,872	491,431
Heating oil	38,237	38,814	28,286	29,121
Pellets	8,581	8,612	2,982	2,938
District heating	663,174	629,158	559,891	535,644
Electricity	33,896	32,948	32,726	31,792
On-site generation	-1,005	-688	-1,005	-688
Total	1,307,534	1,274,971	1,114,752	1,090,238

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GRI 302-1
GRI 302-2

- 22 The values for heating energy and district heating represent the consumption of the centrally supplied holdings, which, comprising an area of 8,835,160 sqm (143,276 units), account for approximately 85% of the total portfolio. The consumption of decentrally supplied units (e.g. units managed by third parties or with direct billing to the tenants) is not included due to a lack of data. For the most part, the tenants' actual heating energy and district heating consumption levels are presented, these being calculated on the basis of bills. An estimate based on prior-year figures or attested energy efficiency classes was made for approximately 20% of the values due to lacking or implausible data. The forecast values for 2017 were adjusted on the basis of actual consumption. The consumption figures were adjusted to reflect weather conditions using the climate factors of Germany's National Meteorological Service (Deutscher Wetterdienst – DWD). Electricity consumption for communal areas relates to an area of 8,876,923 sqm (145,156 residential units) for 2017 and an area of 9,006,297 sqm (149,645 units) for 2018. 100% of the electricity generated by the photovoltaic systems is fed into the grid and is accordingly deducted from total energy consumption.
- 23 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 and which only represents actual consumption without any estimates. The like-for-like reference framework for heating supply comprises 7,559,113 sqm and 124,061 units, and for electricity supply 8,708,648 sqm and 143,097 units.

Air pollutant emissions of portfolio²⁴

In t	Absolute		Like-for-like	
	2018	2017	2018	2017
Sulphur dioxide (SO ₂)	108	104	90	87
Nitrogen oxides (NO _x)	381	368	323	313
Particulate matter (PM)	18	18	15	15
Total	508	489	428	415

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GRI 305-7

- 24 The emissions from the combustion of natural gas, heating oil and pellets as well as district heating emissions were calculated using the GEMIS 4.9.4 factors. For the reference values for the absolute and like-for-like values, see the explanations in footnotes (22) and (23) under the table "Energy consumption, portfolio".

Climate emissions, portfolio²⁵

In t CO ₂ e	Absolute		Like-for-like	
	2018	2017	2018	2017
Scope 1: direct emissions				
Emissions from fossil fuels (natural gas, heating oil)	148,049	148,585	127,395	127,550
Emissions from biogenic sources (pellets)	154	155	54	53
Scope 2: energy indirect emissions				
Emissions from electricity and district heating (location-based)	212,211	202,965	181,171	174,769
Emissions from electricity and district heating (market-based)	197,294	187,338	166,768	159,690
Total (location-based)	360,415	351,706	308,619	302,372

25 The values represent the climate emissions from electricity and heating supply based on the portfolio's energy consumption. The Scope 1 value represents direct emissions from stationary combustion broken down into fossil and biogenic sources. The energy indirect emissions (Scope 2) relate to electricity and district heating generation. The values were calculated using the emission factors of the Institute for Living and the Environment (Institut Wohnen und Umwelt – IWU) with GEMIS 4.93 and the year-specific emission factor for the German electricity mix of the German Environment Agency (Umweltbundesamt – UBA). The market-based Scope 2 value is also presented in order to illustrate the positive effects on the climate of sourcing certified green electricity. This value is made up as follows: emissions from district heating; 10% electricity emissions based on the German electricity mix factor for each reporting year and 90% emissions based on the green electricity factor. For the reference values for the absolute and like-for-like values, see the explanations in footnotes (22) and (23) under the table "Energy consumption, portfolio".

GRI 305-1
GRI 305-2

Energy and climate emissions intensity of the portfolio²⁶

	Absolute		Like-for-like	
	2018	2017	2018	2017
Heating energy consumption per sqm of gross internal floor area (in MWh)	0.144	0.141	0.143	0.140
Climate emissions per sqm of gross internal floor area (in t CO ₂ e)	0.039	0.038	0.039	0.038

26 The energy and climate emissions intensity per sqm of floor area are based on the buildings' consumption of heating supply from natural gas, heating oil, pellets and district heating. At just 1% of heating energy consumption, electricity consumption is negligible. Certified green electricity is sourced for 90% of the letting portfolio. For the floor area taken into account for the absolute and like-for-like values, see the explanations in footnotes (22) and (23) under the table "Energy consumption, portfolio".

GRI 302-3
CRE 1
CRE 3

Reductions in energy requirement and climate emissions due to refurbishment²⁷

		2018	2017	2016
Reduction in energy requirement	MWh	4,248	3,797	3,830
Reduction in climate emissions	t	1,024	915	923

27 Reduction in final energy requirement due to refurbishment compared with the previous year on the basis of energy performance certificate data. The climate emissions reduction potential was calculated using the emission factors of the Institute for Living and the Environment (Institut Wohnen und Umwelt – IWU) with GEMIS 4.93.

GRI 302-4
GRI 302-5
GRI 305-5

Water consumption and water intensity, portfolio

In m ³	Absolute ²⁸		Like-for-like ²⁹	
	2018	2017	2018	2017
Water consumption	8,497,993	7,929,615	8,118,905	7,893,641
Water per sqm	1.26	1.24	1.28	1.24

28 The data here relates to our Berlin portfolio, which accounted for around 70% of our portfolio as a whole in 2018. 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.

29 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 6,352,151 sqm and 105,868 units.

GRI 303-1
CRE 2

Materials used in maintenance and refurbishment projects by weight or volume

In m ³	2018	2017	2016
Screed (in t)	709	209	178
Wood fibres (in t)	625	0	0
Mineral wool	17,200	8,250	13,600
Polystyrene ³⁰	1,900	700	1,000
Cellulose blown-in insulation	1,400	5,800	21,200

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

GRI 301-1

Waste from maintenance and refurbishment projects which is subject to monitoring

In t		2018	2017	2016
Method of disposal	Waste category			
Thermal utilisation	Wood and wood-based materials, polystyrene insulating materials and tar-based materials ³¹	1,028	1,079	863
Treatment (if possible), otherwise landfilling	Contaminated soil ³²	2,533	0	0
Landfilling	Waste containing asbestos, old MMVFs and contaminated construction waste ³³	1,099	1,425	647
Landfilling (underground)	Waste containing asbestos, tar-based materials and polyurethane insulating and filler materials ³⁴	359	160	0

31 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)

32 Flooring, cladding and moulded parts with strongly bound asbestos fibres

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

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

GRI 306-2

Waste from tenants by disposal method and type

In I		2018	2017	2016
Recycling	Paper, cardboard, cardboard boxes	185,249,584	178,316,372	185,032,692
	Glass	16,775,720	16,515,720	16,936,140
Composting	Organic waste	48,293,960	47,404,760	48,618,960
Recovery, including energy recovery	Household waste	554,273,564	553,721,584	551,794,748
	Recycling container	126,497,800	121,494,880	127,314,720
Total		931,090,628	917,453,316	929,697,260

GRI 306-2

Society

Districts

	2018	2017	2016
Involvement of local communities			
Personal visits to customers at their premises regarding complex refurbishment projects	800	600	520
Support for non-profit initiatives and people in difficult social circumstances			
New lettings of sponsored residential units ³⁵	~ 1,000	~ 1,000	~ 900
Proportion of new lettings (residential units) to people in difficult social circumstances in relation to total new lettings (in %)	4.5	4.5	3.4
Proportion of commercial units used by small businesses (in %)	60	60	60
Proportion of commercial space used for social/non-profit purposes (in %)	11	16	13
Support for non-profit initiatives, donations and sponsorship (in EUR m)	2.2	1.0	0.9

GRI 413-1

³⁵ Sponsored residential units refer here to so-called "social housing" in the subsidised market segment.

GRI CONTENT INDEX

GRI 102-55

GRI 102-54

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

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment
GRI 101: Foundation 2016				
UNIVERSAL STANDARDS				
Organisational profile				
GRI 102: General Disclosures 2016				
	102-1 Name of the organisation	> Company portrait	p. 6	
	102-2 Activities, brands, products and services	> Company portrait	p. 6	
	102-3 Location of headquarters	> Company portrait	p. 6	
	102-4 Location of operations	> Company portrait	p. 6	
	102-5 Ownership and legal form	> Company portrait	p. 6	
	102-6 Markets served	> Company portrait	p. 6	
	102-7 Scale of the organisation	> Company portrait > Key figures – Corporate management > Key figures – Customers and property portfolio	p. 6 p. 98 p. 99	
	102-8 Information on employees and other workers	> Responsibility for our employees – A modern, responsible employer > Key figures – Corporate management > Key figures – Employees	p. 58 p. 98 p. 100	
	102-9 Supply chain	> Responsibility for our customers and properties – Structuring the supply chain responsibly	p. 53	
	102-10 Significant changes to the organisation and its supply chain	> Company portrait > Responsible corporate management – Sustainability strategy	p. 6 p. 11	
	102-11 Precautionary Principle or approach	> Responsible corporate management – Compliance	p. 29	
	102-12 External initiatives	> Responsibility for the environment and the climate	p. 75	
	102-13 Membership of industry and business associations	> Memberships	p. 124	
Strategy				
GRI 102: General Disclosures 2016				
	102-14 Statement from senior decision-maker	> Editorial	p. 2	
	102-15 Key impacts, risks and opportunities	> Editorial > Responsible corporate management – Sustainability strategy > Responsible corporate management – Compliance > Responsible corporate management – Materiality and stakeholder dialogue	p. 2 p. 10 p. 24 p. 30	

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment	
Ethics and integrity					
GRI 102: General Disclosures 2016					
	102-16	Values, principles, standards and norms of behaviour	<ul style="list-style-type: none"> > Responsible corporate management – Sustainability strategy > Responsible corporate management – Doing business fairly > Responsible corporate management – Compliance 	<p>pp. 10, 14</p> <p>p. 28</p> <p>p. 29</p>	
	102-17	Mechanisms for advice and concerns about ethics	> Responsible corporate management – Compliance	p. 29	
Governance					
GRI 102: General Disclosures 2016					
	102-18	Governance structure	> Company portrait	p. 6	
	102-22	Composition of the highest governance body and its committees	> Key figures – Corporate management	p. 98	Annual Report 2018, Letter to our shareholders Management Board: 4 members (since 1.4.2019) Supervisory Board (independent body): 6 members
	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 Executive and Nomination Committee. The Supervisory Board forms committees from among its members. The Executive and Nomination Committee comprises the Chair of the Supervisory Board, their deputy and an additional Supervisory Board member. The Capital Market, Acquisition and Audit Committees likewise each comprise three members of the Supervisory Board, although neither the Chair of the Supervisory Board nor former members of the Management Board should Chair the Audit Committee, and nor do they. When making proposals to the Annual General Meeting regarding the election of Supervisory Board members, paying particular attention to the company-specific situation, the Supervisory Board considers the company's international activities, potential conflicts of interest, the age limit stipulated for Supervisory Board members and an appropriate number of women. The aim is further 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. 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. The members of the Supervisory Board must overall possess the knowledge, skills and specialist experience needed to execute their duties successfully, in particular regarding the capital market and the German real estate market.
	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 additionally 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
Stakeholder engagement				
GRI 102: General Disclosures 2016				
	102-40	List of stakeholder groups	> Responsible corporate management – Materiality and stakeholder dialogue	p. 25
	102-41	Collective bargaining agreements	> Responsibility for our employees – A modern, responsible employer > Key figures – Employees	p. 63 p. 100
	102-42	Identifying and selecting stakeholders	> Responsible corporate management – Materiality and stakeholder dialogue	p. 21
	102-43	Approach to stakeholder engagement	> Responsible corporate management – Materiality and stakeholder dialogue > Key figures – Employees	p. 21 p. 100
	102-44	Key topics and concerns raised	> Responsible corporate management – Sustainability strategy > Responsible corporate management – Materiality and stakeholder dialogue	p. 25 p. 26
Reporting practice				
GRI 102: General Disclosures 2016				
	102-45	Entities included in the consolidated financial statements	> About this report	p. 1
	102-46	Defining report content and topic boundaries	> About this report > Responsible corporate management – Materiality and stakeholder dialogue	p. 1 p. 21
	102-47	List of material topics	> Responsible corporate management – Materiality and stakeholder dialogue	p. 22
	102-48	Restatements of information		Insofar as information previously published needed updating, the changes have been explained in the appropriate places.
	102-49	Changes in reporting	> Responsible corporate management – Materiality and stakeholder dialogue	p. 21
	102-50	Reporting period	> About this report	p. 1
	102-51	Date of most recent report		The most recent report was published in May 2018.
	102-52	Reporting cycle	> About this report	p. 1
	102-53	Contact point for questions regarding the report	> Contact and publishing details	p. 125
	102-54	Claims of reporting in accordance with the GRI Standards	> About this report > GRI content index	p. 1 p. 111
	102-55	GRI content index	> GRI content index	p. 111
	102-56	External assurance		The report was not audited externally.

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment
MATERIAL TOPICS				
Economic performance				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Company portrait > Annual Report 2018, Combined management report, p. 25	p. 6
	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 2018, Combined management report, p. 44 > Key figures – Corporate management	p. 98
	201-2	Financial implications and other risks and opportunities due to climate change	> Responsibility for the environment and the climate	p. 74
Indirect economic impacts				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our customers and properties > Responsibility towards society	p. 34 p. 86
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
GRI 203: Indirect Economic Impacts 2016				
	203-1	Infrastructure investments and services supported	> Responsibility towards society – Helping to create liveable towns and cities	p. 87
	203-2	Significant indirect economic impacts	> Responsibility for our customers and properties – Structuring the supply chain responsibly	p. 54
Procurement practices				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our customers and properties	p. 34
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	> Responsible corporate management – Sustainability mission statement and targets	p. 18	
Anti-corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Compliance	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 – Compliance	p. 29	Employees who received the code of conduct and anti-corruption guidelines: 100% Employees who have undergone training on compliance and anti-corruption: >80% The code of conduct for business partners of Deutsche Wohnen SE came into force on 1 May 2019 and will henceforth serve as the basis for informing our business partners about Deutsche Wohnen's anti-corruption strategies and measures. We do not currently conduct compliance training above and beyond this.
	205-3 Confirmed incidents of corruption and actions taken	> Responsible corporate management – Compliance	p. 29	
Anti-competitive behaviour				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	> Responsible corporate management – Compliance	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 legal actions pending during the reporting period regarding anti-competitive behaviour and violations of antitrust and monopoly legislation in which the organisation was identified as a participant.

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	p. 34
	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 – The environment and climate	pp. 106, 109
Energy				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for the environment and the climate	p. 74
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
GRI 302: Energy 2016				
	302-1	Energy consumption within the organisation	> Key figures – The environment and climate	pp. 104, 106 et seq.
	302-2	Energy consumption outside of the organisation	> Key figures – The environment and climate	p. 107
	302-3	Energy intensity	> Responsibility for the environment and the climate – Energy management for climate-friendly solutions > Key figures – The environment and climate	p. 77 pp. 104, 108
	302-4	Reduction of energy consumption	> Responsibility for the environment and the climate – Energy management for climate-friendly solutions > Key figures – The environment and climate	p. 77 et seq. pp. 104, 108
	302-5	Reductions in energy requirements of products and services	> Key figures – The environment and climate	p. 108
	CRE 1	Building energy intensity	> Responsibility for the environment and the climate – Energy management for climate-friendly solutions > Key figures – The environment and climate	p. 78 pp. 104, 108
	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 – Energy management for climate-friendly solutions	p. 77

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment
Water				
GRI 303: Water 2016				
	303-1	Water withdrawal by source	> Key figures – The environment and climate	p. 109
	CRE 2	Building water intensity	> Key figures – The environment and climate	p. 109
Emissions				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for the environment and the climate	p. 74
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
GRI 305: Emissions 2016				
	305-1	Direct (Scope 1) GHG emissions	> Key figures – The environment and climate	pp. 105 et seq., 108
	305-2	Energy indirect (Scope 2) GHG emissions	> Key figures – The environment and climate	pp. 105, 108
	305-4	GHG emissions intensity	> Responsibility for the environment and the climate – Energy management for climate-friendly solutions > Key figures – The environment and climate	p. 78 p. 105
	305-5	Reduction of GHG emissions	> Key figures – The environment and climate	pp. 105, 108
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	> Key figures – The environment and climate	pp. 105, 107
	CRE 3	Greenhouse gas emissions intensity from buildings	> Responsibility for the environment and the climate – Energy management for climate-friendly solutions > Key figures – The environment and climate	p. 78 p. 108
Effluents and waste				
GRI 306: Effluents and Waste 2016				
	306-2	Waste by type and disposal method	> Key figures – The environment and climate	p. 109 et seq.
Environmental compliance				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsible corporate management – Compliance > Responsibility for our customers and properties	p. 29 p. 34
	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		There were no incidences of non-compliance with environmental laws and/or regulations in the reporting period.

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	p. 34
	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 – Structuring the supply chain responsibly	p. 53
Employment				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 58
	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	> Responsibility for our employees – Enhancing attractiveness for new talent > Key figures – Employees	p. 66 p. 100
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	> Responsibility for our employees – A modern, responsible employer > Responsibility for our employees – Balancing professional and personal life	p. 63 p. 71
	401-3	Parental leave	> Key figures – Employees	p. 103
Modern corporate structure and culture (no specific GRI Standard applicable)				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 58
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment
Occupational health and safety				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 58
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
GRI 403: Occupational Health and Safety 2016				
	403-1	Workers representation in formal joint management-worker health and safety committees	> Key figures – Employees	p. 103
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	> Key figures – Employees	p. 103
	403-3	Workers with high incidence or high risk of diseases related to their occupation		No employees within the Deutsche Wohnen Group are exposed to a high incidence or risk of illness as a result of their work.
Training and education				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 58
	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	p. 68
	404-2	Programs for upgrading employee skills and transition assistance programs	> Key figures – Employees	p. 102
			> Responsibility for our employees – Enhancing attractiveness for new talent	p. 66
			> Responsibility for our employees – Equipping staff for future challenges	p. 69
	404-3	Percentage of employees receiving regular performance and career development reviews	> Responsibility for our employees – Equipping staff for future challenges	p. 68
			> Key figures – Employees	p. 102

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment
Diversity and equal opportunity				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 58
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
GRI 405: Diversity and Equal Opportunity 2016				
	405-1	Diversity of governance bodies and employees	> Key figures – Corporate management	p. 98
			> Key figures – Employees	p. 101
Non-discrimination				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our employees – A modern, responsible employer	p. 58
	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 – Modern corporate culture	p. 61
Local communities				
GRI 103: Management Approach 2016				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our customers and properties	p. 34
	103-2	The management approach and its components	> Responsibility towards society – Helping to create liveable towns and cities	p. 86
	103-3	Evaluation of the management approach		

GRI Standard	Disclosure	Reference	Page	Reason for omission/comment
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programmes	<ul style="list-style-type: none"> > Responsibility for our customers and properties – Customers p. 40 > Responsibility towards society – Helping to create liveable towns and cities p. 86 > Key figures – Customers and property portfolio p. 99 > Key figures – Society p. 110 	
	CRE 7			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 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. Deutsche Wohnen additionally engages in socially ethical refurbishment and applies a hardship rule which ensures that the total rent does not exceed 30% of a household's net income.
Supplier social assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	> Responsibility for our customers and properties	p. 34
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	> Responsibility for our customers and properties – Structuring the supply chain responsibly	p. 53
Public policy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	> Responsible corporate management – Materiality and stakeholder dialogue	p. 27
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
GRI 415: Public Policy 2016	415-1	Political contributions	> Responsible corporate management – Materiality and stakeholder dialogue	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	p. 34
	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	pp. 38, 45, 48 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 2018.
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	p. 34
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Customer satisfaction (no specific GRI Standard applicable)				
	103-1	Explanation of the material topic and its boundary	> Responsibility for our customers and properties > Key figures – Customers and property portfolio	p. 34 p. 99
	103-2	The management approach and its components		
	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)	103-1 Explanation of the material topic and its boundary	› Responsibility for our customers and properties – Expanded nursing property and assisted living offering	p. 43	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
Customer privacy				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	› Responsible corporate management – Compliance	p. 30	
Socioeconomic Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	› Responsible corporate management – Compliance	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			No significant fines and/or non-monetary sanctions as a result of non-compliance with laws and/or regulations in the social and economic area in the reporting period.

MEMBERSHIPS

GRI 102-13

Akademie der Immobilienwirtschaft e. V. (Academy of Real Estate Management, BBA)
<http://www.bba-campus.de>

Berlin Building Chamber (BK)
<http://www.baukammer-berlin.de>

Bundesverband deutscher Wohnungs- und Immobilienunternehmen e. V.
(Federal Association of German Housing and Real Estate Companies, GdW)
<http://web.gdw.de>

Creditreform e. V.
<http://www.creditreform.de>

Deutsche Entwicklungshilfe für soziales Wohnungs- und Siedlungswesen e. V. (German Centre
for Development Aid with regard to Social Housing and Human Settlements, DESWOS)
<http://www.deswos.de>

Deutsche Public Relations Gesellschaft e. V. (German Public Relations Association, DPRG)
<http://dprg-online.de/>

German Financial Reporting Enforcement Panel (FREP)
<http://www.frep.info>

Deutsche Schutzvereinigung für Wertpapierbesitz e. V.
(German Association for the Protection of Investors, DSW)
<http://www.dsw-info.de>

Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e. V.
(German Association for Housing, Urban and Spatial Development, DV)
<http://www.deutscher-verband.org>

DialogGesellschaft e. V. (DialogueSociety)
<http://www.dialoggesellschaft.de/>

European Public Real Estate Association (EPRA)
<http://www.epra.com>

Friends' Association of the Federal Foundation of Baukultur
<https://www.bundesstiftung-baukultur.de/foerderverein>

Marzahn-Hellersdorfer Wirtschaftskreis e. V.
(Marzahn-Hellersdorf Business Association, MHWK)
<http://www.mhwk.de/>

Schutzgemeinschaft der Kapitalanleger e. V.
(German Association for the Protection of Capital Investors, SdK)
<http://www.sdk.org>

Verband Berlin-Brandenburgischer Wohnungsunternehmen e. V.
(Association of Residential Property Companies in Berlin-Brandenburg, BBU)
<http://www.bbu.de>

Economic Council of the CDU
<https://www.wirtschaftsrat.de/>

German Property Federation (ZIA)
<https://www.zia-deutschland.de/>

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