



# **Sustainability Report 2023**

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# Foreword

Dear readers,

In 2023, social and market developments presented us with enormous challenges. Our operations were impacted by the growing shortage of qualified labor, the difficult situation on the finance and energy markets, rising construction costs and the effects of climate change. In these times, it is especially important that we – as a municipal company – fulfill our social mandate of renting and building affordable housing. As a major stakeholder in the housing industry, we also have a responsibility to contribute actively to the common good. Through our sustainability strategy, we are seeking to combine social responsibility with active climate protection. At the same time, we have set ourselves new sustainability targets and established organizational structures to facilitate our journey toward a sustainable future.

In order to achieve our target of making our portfolio climate neutral by 2045, we are committed to energy optimization, innovative system technology and green energy sources. In this connection, we also concentrate as far as possible on using sustainable construction materials when planning buildings

and supplying only green electricity to the spaces we use for our own operations.

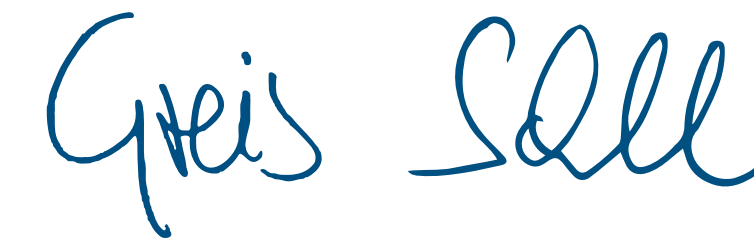
One example of our commitment to climate-neutral housing is our photovoltaic campaign. In 2023, we set ourselves the target of installing photovoltaic units on all suitable roofs of HOWOGE buildings within the next ten years. Today, some 4,000 households renting from HOWOGE are supplied with green electricity, thus cutting CO<sub>2</sub> emissions by around 632 tonnes each year. Our investment of some EUR 71 million in expanding the use of photovoltaics is a signal that solar energy is a major pillar of our sustainability strategy – and will remain so in the future. You can learn more about our definition of climate neutrality and the path to achieving this in the “New construction and portfolio” chapter.

In our neighborhoods, we are seeking to foster the sustainable mobility of our tenants. Measures include creating incentives to use climate-friendly alternatives. You can read about our measures relating to neighborhood management and sustainable mobility in the “Neighborhoods” chapter.



The following pages describe the other progress we have made on our sustainable transformation pathway. Your suggestions contribute to the development of HOWOGE so we are pleased to continue our dialog with you.

We hope you enjoy reading this report.



Katharina Greis and Ulrich Schiller

Management Board of HOWOGE Wohnungsbau-gesellschaft mbH

# About this report ✓

In this Sustainability Report, HOWOGE Wohnungsbaugesellschaft mbH again charts its economic, ecological and social responsibility.

This report satisfies the criteria of the German Sustainability Code (DNK) which has underpinned HOWOGE's regular reporting since 2011. The data contained in this report are aligned with the requirements and calculation methods specified in the sustainability reporting guidelines for the housing industry (Guideline 73) issued by the National Association of Housing Companies (GdW). Reporting is performed on an annual basis. HOWOGE will not publish a separate sustainability report in 2024. The non-financial information is published in the group management report in line with the requirements of the CSRD (Corporate Sustainability Reporting Directive).

The reporting date for the quantitative data was December 31, 2023. The following material organizational change occurred during the reporting period: In July 2023, HOWOGE Reinigung GmbH was established as a subsidiary of HOWOGE Wohnungsbaugesellschaft mbH. Nevertheless, comparability of the data with the previous sustainability report is largely ensured because the change had no material impact on the key data. If content refers to specific parts of the company, this is clearly identified.

In this present report, HOWOGE Wohnungsbaugesellschaft mbH discloses the non-financial information for fiscal year 2023 required by Sections 289 and 315 of the German Commercial Code (HGB) (in accordance with the CSR Directive Implementation Act – CSR-RUG). The company thus makes use of the option in accordance with Section 315b (3) HGB that allows it to produce a separate combined non-financial report outside the consolidated management report. The non-financial report was produced in accordance with the criteria of the German Sustainability Code. The contents of the non-financial report are marked with this symbol [ ✓ ].

The contents of the non-financial report and the reporting in line with the EU Taxonomy were audited by an independent auditor to obtain limited assurance (→ [Independent auditor's report](#)).

Unmarked information is further information and not a mandatory component of the non-financial report. Moreover, this report includes disclosures in accordance with the EU Taxonomy Regulation (EU 2020/852) (→ [Reporting in line with the EU Taxonomy](#)). The non-financial report was presented to and approved by the Supervisory Board of HOWOGE Wohnungsbaugesellschaft mbH.

The information contained in the separate combined non-financial report and thus all disclosures, regulations, concepts, processes and key performance indicators are steered group-wide by HOWOGE Wohnungsbaugesellschaft mbH and apply to both the group and the parent company. No other aspects were identified in accordance with CSR-RUG that apply only to the parent company.

# Company portrait ✓

Our company has a clear social mandate. As a municipal housing company, we have the task of creating and preserving affordable housing. Our owner and shareholder is the State of Berlin. This means that we are subject to clear rules and specifications in respect of new buildings and rental, climate protection and social issues. These specifications are governed by, for example, the Berlin Housing Supply Act and the cooperation agreement that was concluded between the Berlin Senate and the city's municipal housing companies. In our neighborhoods, we provide homes to all people, irrespective of income, origin or religion. More than 150,000 Berlin residents live and work in our neighborhoods. Each day, around 1,100 employees look after our 76,392 apartments and 1,150 commercial units. In 2023, our revenue amounted to EUR 541.1 million. We are contributing to the → [Berlin Energy and Climate Protection Program \(BEK\)](#) (German only) by working toward climate neutrality. And HOWOGE is building for Berlin's residents. In the medium to long term, the company aims to expand its portfolio to around 100,000 apartments. But that's not all. As part of the → [Berlin School Building campaign](#) (German only), we are undertaking major school renovation projects and building new schools as well.

The group is structured as a conventional holding company. HOWOGE Wohnungsbaugesellschaft mbH is responsible for the management and support of its own residential portfolio. At the same time, it performs overarching management functions for all group companies. It also undertakes strategic tasks and makes investment decisions in respect of portfolio management and the associated services for all group companies.

You can find more information here:

→ [Consolidated IFRS Financial Statements 2023](#)

As a rental company, constructor, urban planner and building manager, HOWOGE handles complex tasks. Four subsidiaries are responsible for service, cleaning, energy management and construction management:

HOWOGE Servicegesellschaft mbH provides ancillary residential services such as concierge, janitor and neighborhood assistance services.

Since July 1, 2023, HOWOGE Reinigung GmbH has been gradually taking over the staircase cleaning activities in HOWOGE buildings. The goals of HOWOGE Reinigung GmbH include ensuring cleaning quality and cost stability for tenants.

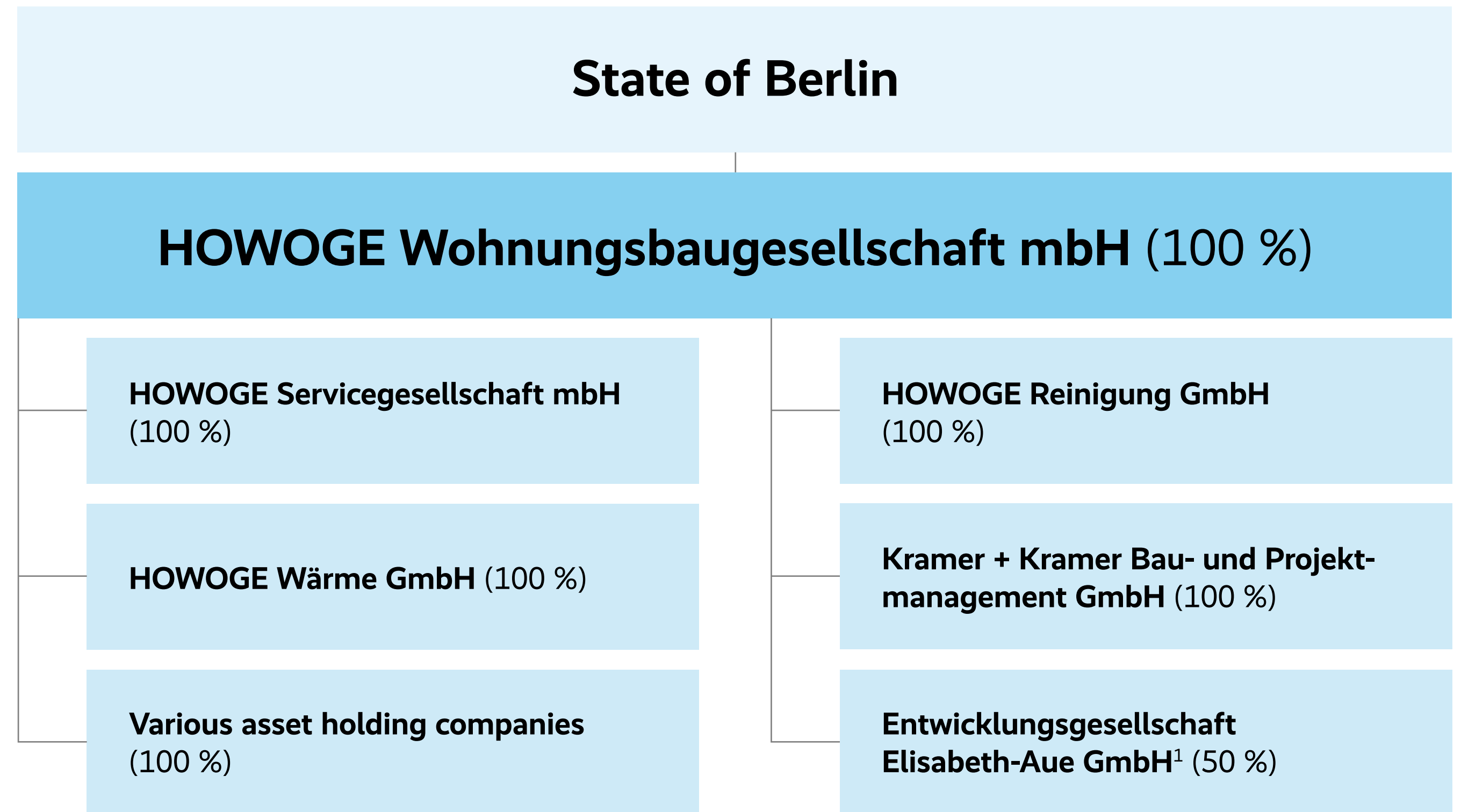
HOWOGE Wärme GmbH supplies heating energy and hot water to more than 85 % of the group portfolio. It is also responsible for the group's measurement service, landlord-to-tenant electricity and mobility. The goal is a gradual reduction of CO<sub>2</sub> emissions. To this end, it is exploring and implementing potential uses of renewable energy.

Kramer + Kramer Bau- und Projektmanagement GmbH supports HOWOGE in preparing and managing its many projects in the construction of housing and commercial units and in preparing and implementing the school building projects undertaken by HOWOGE on behalf of the State of Berlin.

Elisabeth-Aue GmbH was initiated and established by GESOBAU AG and HOWOGE to develop a 70-hectare site. GESOBAU and HOWOGE each hold 50 % of this company's shares.

All of the group's rental units are owned by HOWOGE and 13 holding companies. HOWOGE not only shares its social responsibility with Berlin's five other municipal housing companies. We also maintain a dialog on many future issues and learn from each other. In total, more than 360,000 apartments in Berlin belong to the city's state-owned housing companies.

### Holding structure of the HOWOGE Group



<sup>1</sup> Jointly owned by HOWOGE (50 %) and GESOBAU AG (50 %)

# Strategy

We view sustainability as the foundation of our company's future success. In 2023, we continued developing our sustainability strategy with an updated materiality analysis and revised sustainability targets.

# The HOWOGE sustainability strategy ✓

In 2020, HOWOGE developed a corporate strategy that includes a roadmap for developing the company in the period to 2035. One key aspect for us is a more sustainable approach in all areas. That same year, we evolved a sustainability strategy and formulated sustainability targets on the basis of these considerations.

Our sustainability strategy is our response to the challenges we are facing as a housing company and seeks at the same time to leverage the opportunities we see there for ensuring a successful future. We are assuming responsibility to provide affordable housing that will meet the future needs of a growing Berlin. In the medium to long term, HOWOGE aims to expand its portfolio to around 100,000 apartments, focusing especially on new construction. To meet our target of achieving climate neutrality in our portfolio by 2045, we are investing in energy efficiency, renewable energy and the expansion of landlord-to-tenant electricity and e-mobility. HOWOGE is strengthening its neighborhoods and continuing their development. In terms of the value chain, we are using sustainable building materials

and resource-friendly methods wherever possible and seek to make responsible use of resources overall. When it comes to financing, HOWOGE will continue to ensure a diversified capital structure and balanced maturity profile. In 2023, we continued to implement the measures of our sustainability strategy. Moreover, we reviewed and validated our materiality analysis and, on the basis of this, updated our sustainability targets. Some of the targets were already achieved in 2023 so we have agreed new targets for 2024. HOWOGE's commitment to sustainability is aligned to four action areas.

The main objective of our sustainability strategy is unchanged: "We will prove that climate and environmental protection targets are compatible with the socially responsible development of rents in Berlin and we will thus be one of the key players in sustainable housing management in Germany by 2035."



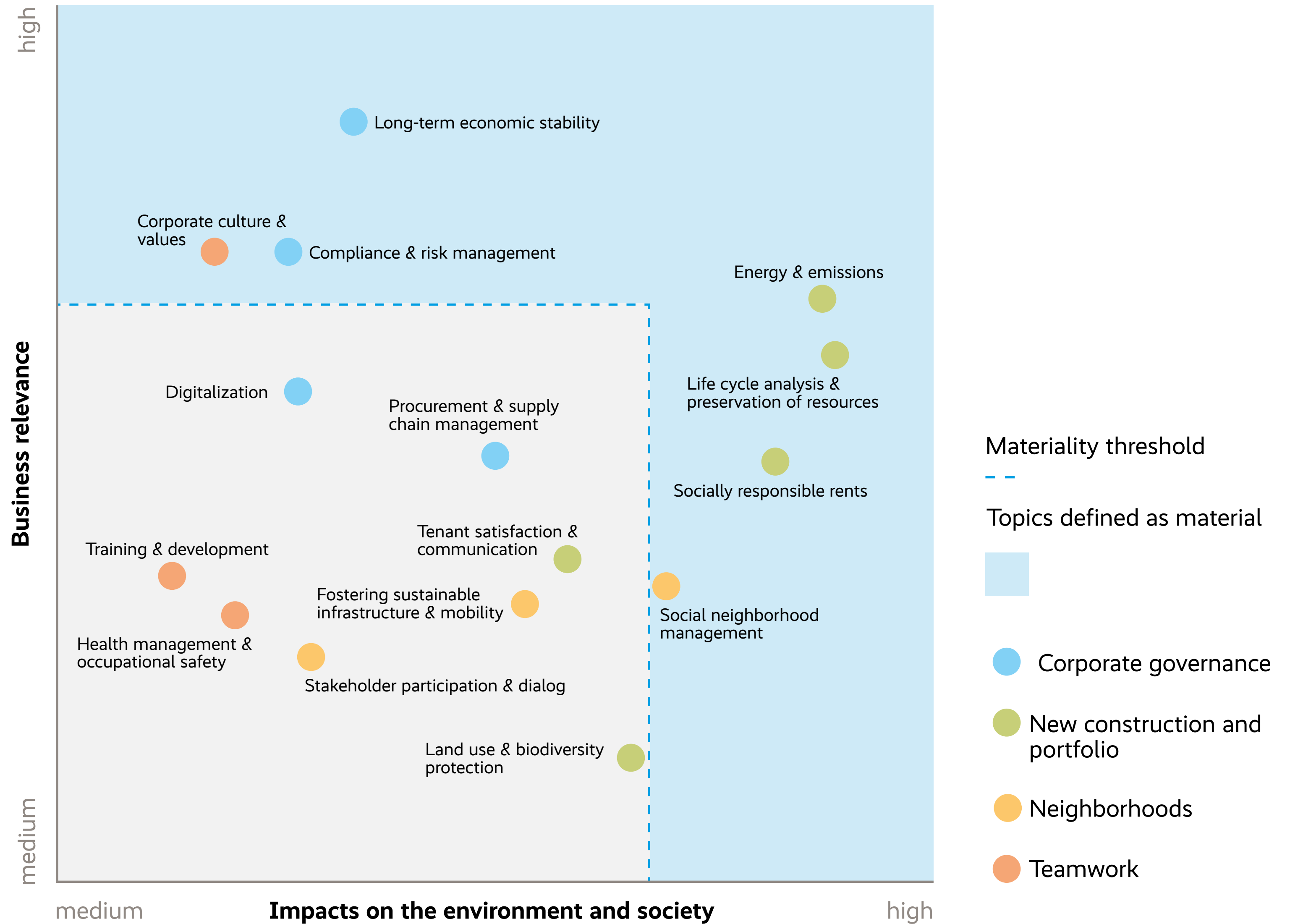


### Materiality analysis

In 2023, we developed our materiality analysis in a multistage process on the basis of the materiality analysis performed in summer 2022. The 2022 materiality analysis was based on the double materiality concept.

In the first step in 2023, we reviewed the completeness of the existing materiality analysis and the associated list of topics. The second step was a comparison with other companies in the industry in order to identify any substantive overlaps and align methodologies. This was followed by a media analysis that determined in a structured manner any changes in external conditions since the last materiality analysis. The results of these various steps were used by the Sustainability team as the basis for reviewing the materiality analysis. In a final step, the results were discussed with the company’s Management Board and the key topics defined. The overall process enabled us to examine opportunities and risks and define key action recommendations for continuing to develop our sustainability strategy.

### Materiality matrix



A total of seven topics were still defined as being material (see materiality matrix) and are the focus of this present report.

At the same time, we have addressed the challenges of double materiality as defined by the European Sustainability Reporting Standards (ESRS) and will be looking more closely at the new requirements and their implementation in the year ahead.

HOWOGE topic	Report chapter	Non-financial topics in accordance with Section 289c HGB
● Compliance and risk management	Corporate governance	Combating corruption and bribery, human rights
● Long-term economic stability	Corporate governance	–
● Life cycle analysis and preservation of resources	New construction and portfolio	Environmental factors
● Energy and emissions	New construction and portfolio	Environmental factors
● Socially responsible rents	New construction and portfolio	Social concerns
● Social neighborhood management	Neighborhoods	Social concerns
● Corporate culture and values	Teamwork	Employee concerns

**Our sustainability targets**

On the basis of the outcome of the materiality analysis, we sharpened the focus of our sustainability targets in 2023. However, we did not reformulate all the targets. We have not changed the targets we formulated in 2022 and which remain valid due to, for example, the implementation period chosen.

The targets were revised in collaboration with the relevant divisions and functions. In the first step, the implementation status of the existing targets was determined. The focus of the existing targets was then sharpened or new targets were formulated. A total of 12 targets with sub-targets were defined together with measures and schedules.

An overview of the sustainability targets we formulated in 2022 can be found in our Sustainability Report 2022. This present report describes the measures that were implemented in 2023 as a means of achieving the targets. We achieved the targets formulated in 2022 for achievement by the end of 2023.

Action area	Topic	Target	Sub-target(s)	Implementation status December 2023
Corporate governance	Long-term economic stability	We take a holistic view of sustainability in our business decisions, considering cost-effectiveness, the carbon footprint and social impact.	To ensure that HOWOGE can continue to take a holistic view of environmental and social aspects in its business decision-making, we safeguard the company's economic stability by limiting its indebtedness. The maximum debt ratio (LTV) of 50 % takes account of the capital costs.	Monthly monitoring is performed to deliver the LTV. At the end of 2023, the LTV was 32.1 %.
	Risk management	We are continuing to develop our risk management.	1. IDW PS 981 certification of the risk management system by 2025	The invitation to tender has been issued and the contract awarded for the audit in 2025.

Action area	Topic	Target	Sub-target(s)	Implementation status December 2023
<p><b>Corporate governance</b></p>	<p>Risk management</p>	<p>We are continuing to develop our risk management.</p>	<p>2. Annual RISK training for managers<sup>1</sup></p>	<p>RISK training was performed as part of the risk workshops held between October and December 2023.</p>
			<p>3. By the end of 2024, we will conduct an awareness campaign concerning information security at HOWOGE.</p>	<p>The awareness campaign has started.</p>
			<p>Compliance</p>	<p>We are continuing to develop our compliance management.</p>
	<p>2. In the medium term, interdisciplinary monitoring of the compliance management system will be introduced.</p>	<p>A first discussion about scheduling audits in accordance with IDW PS 980 (compliance) and IDW PS 983 (internal audit) is being prepared.</p>		
	<p>3. Compliance training for all new employees and workshops/training for risk-sensitive areas</p>	<p>Training is given to new employees. The format of the workshops/training for existing employees is planned internally.</p>		

<sup>1</sup> These sub-targets were carried over from the previous year.

Action area	Topic	Target	Sub-target(s)	Implementation status December 2023
<b>Corporate governance</b>	Procurement and supply chain management	When awarding contracts to companies, we take account of their compliance with social standards.	On the basis of the concept we established in 2023, we will develop a supplier-related risk management and analysis system by the end of 2024.	A concept to introduce a risk management and analysis system is being developed.
<b>New construction and portfolio</b>	Energy and emissions	We aim to consistently reduce the CO <sub>2</sub> intensity in our residential buildings to achieve a climate-neutral portfolio by 2045.	By 2045, we will reduce the emissions from our portfolio to below 3kg CO <sub>2</sub> per m <sup>2</sup> per year (for heating and hot water).	We continuously fine-tune our emissions balance sheet and use our options for action to achieve our climate target.
	Life cycle analysis and preservation of resources	1. When planning and implementing new construction and refurbishment projects, we are focusing increasingly on sustainability criteria.	1. We will commission a LCA (life cycle analysis) for all our own new construction projects that commenced planning in 2023 and have issued corresponding instructions to Planning and Construction. Moreover, starting in 2024, we will identify specific measures for implementation in construction.  (1.1) We will review the implementation of gray water utilization in a project to reduce drinking water consumption and lower operating costs.  (1.2) We are seeking to reduce the degree of surface sealing on sites after completion of our new construction projects.	(1.1) The projects to review gray water utilization were identified.  (1.2) Internal examination of the matter has been initiated so that implementation can start from 2024.

Action area	Topic	Target	Sub-target(s)	Implementation status December 2023
<p><b>New construction and portfolio</b></p>	<p>Life cycle analysis and preservation of resources</p>	<p>1. When planning and implementing new construction and refurbishment projects, we are focusing increasingly on sustainability criteria.</p>	<p>2. By the end of 2024, we will conduct a pilot project to reduce primary energy consumption in refurbishment projects.</p>	<p>The planning phase has been largely completed. The implementation phase started in January 2024.</p>
		<p>2. In new construction projects, we are increasing the proportion of long-lasting renewable raw materials and recycled materials.</p>	<p>1. We review the reuse of construction materials when planning new construction projects.</p>	<p>Internal examination of the matter has been initiated so that implementation can start from 2024.</p>
			<p>2. We consider renewable raw materials in our new construction projects.</p>	<p>Internal examination of the matter has been initiated so that implementation can start from 2024.</p>
		<p>3. We are working consistently to reduce our consumption of resources and waste and to implement circular economy processes.</p>	<p>3. We are seeking to increase the share of at least three recyclable construction materials used in refurbishment projects.</p>	<p>Technical Management has added the requirement for a life cycle analysis (LCA) to the tender documents for planning services.</p>
			<p>1. We will conduct at least three community initiatives in 2024 to raise our tenants' awareness of how they can contribute to saving resources.</p>	<p>Preparations have been initiated to develop/continue projects.</p>

Action area	Topic	Target	Sub-target(s)	Implementation status December 2023
<b>New construction and portfolio</b>	Life cycle analysis and preservation of resources	3. We are working consistently to reduce our consumption of resources and waste and to implement circular economy processes.	2. In 2024, we will implement planning measures in at least two new construction projects which have a positive influence on our tenants' ventilation habits.	Two pilot projects were identified.
			3. By the end of 2024, we will identify the potential for reducing construction waste volumes by establishing a monitoring system.	The development of potential measures was planned.
	Socially responsible rents	Each year, we ensure the availability of more affordable housing in Berlin by way of acquisition and/or new construction.	At least 50 % of HOWOGE's apartments are let to tenants with a certificate of eligibility for public housing. <sup>1</sup>	In 2023, the reletting rate to tenants with a certificate of eligibility for public housing was around 64 %.
<b>Neighborhoods</b>	Social neighborhood management	We foster long-term satisfaction, security and social cohesion in our neighborhoods.	We strengthen long-term satisfaction, security and social cohesion in at least five neighborhoods. <sup>1</sup>	We have begun implementing the first measures.
<b>Teamwork</b>	Corporate culture and values	1. We want to be perceived as an attractive and pioneering employer.	We aim for an employee satisfaction rate of more than 65 %. <sup>1</sup>	We initiated internal design and communication processes in preparation for the new employee survey in 2024.

<sup>1</sup> These sub-targets were carried over from the previous year.

Action area	Topic	Target	Sub-target(s)	Implementation status December 2023
<p><b>Teamwork</b></p>	<p>Corporate culture and values</p>	<p>2. We are working consistently to develop our digital infrastructure in order to facilitate flexible and collaborative working by our employees.</p>	<p>1. We will start designing the tenant app in 2024.</p> <hr/> <p>2. In 2023, we are focusing on digitalizing at least four processes in various business areas. This includes the tenant app. We will finalize the digitalization of three processes.</p> <hr/> <p>3. In 2024, we will eliminate at least two interfaces to facilitate greater process efficiency and more effective ways of working.</p>	<p>The kick-off took place.</p> <hr/> <p>The Microsoft 365 project was launched.</p> <hr/> <p>We conducted analyses of our needs and the market. We developed an overview and a first draft of the tender.</p>



# Corporate governance

At HOWOGE, responsible corporate governance is the foundation of our company's sustainable success. In order to achieve this, we are developing our corporate structures continuously and view sustainability as a key aspect of our entrepreneurial decision-making.

# Sustainability organization ✓

In 2023, due to increasing regulatory requirements, we established a Sustainability function which reports directly to the Management Board. This reflects the growing importance of sustainability. The Sustainability function is responsible for developing and coordinating HOWOGE's sustainability activities and is supported by the Sustainability Team. They have worked together and with other company experts to develop → [HOWOGE's sustainability targets](#) and have finalized these in consultation with the Management Board. Each of the company's divisions and functions are responsible for implementation.



The Sustainability Team is made up of experts from various functions and currently has 25 members. This interdisciplinary team works on a project basis and can draw on extensive expertise. Through their work, the members of the Sustainability Team are also ambassadors for our sustainability strategy and for the company's various targets and projects that relate to sustainability. Generally speaking, the Sustainability Team meets once a month to discuss current issues.

The Management Board and Supervisory Board collaborate in a spirit of trust. This also applies to the discussion of sustainability issues at Supervisory Board meetings. Once a year, the Management Board, the Supervisory Board Chairman and the responsible senators of the State of Berlin come together for a shareholder meeting. The monthly meeting with the Management Board will continue to be used to discuss current sustainability topics and the status of ongoing projects. The Management Board, division and function heads and the management teams of the subsidiaries meet on average six times a year. Their agenda also includes sustainability issues.

## Further development of our sustainability reporting

Since 2011, our sustainability reporting has included the publication of our DNK compliance statement and our regular sustainability report. We have optimized our KPI management and reporting for both. For this reason, our Controlling function is able to draw on a broad database covering, for example, CO<sub>2</sub> emissions.

In the future, we aim to take a more systematic approach to evaluating, linking and interpreting our data. In 2020, our Controlling function and HOWOGE Wärme GmbH began mapping a forward-looking carbon footprint. We continued to develop this instrument in 2023 with the goal of creating a more efficient link between the footprint and our existing data.

We have improved our EU Taxonomy documentation and worked to satisfy the technical screening criteria and other requirements of the → [EU Taxonomy](#). For example, we have concerned ourselves with the requirements of the environmental legislation connected with the EU Taxonomy and with the Commission notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance Disclosure Regulation (2023/C 211/01).

# Compliance and risk management ✓

HOWOGE's → [mission statement](#) (German only), which guides our work, is based on integrity, transparency, confidentiality and professionalism. We developed our mission statement and code of conduct in a broad-based participation process in 2013/2014. They were reevaluated and adjusted in 2018. Essential elements include our contribution to environmental and climate protection and our recognition of our responsibility to future generations.

Our mission statement and → [code of conduct](#) (German only) provide orientation and serve as the framework for responsible conduct by our employees and managers. They are complemented by our compliance policy, which governs day-to-day working. The Management Board, the division and function heads, the management boards of the subsidiaries, the chairs of the works councils and an external consultant make up the Compliance Steering Committee. Compliance is a fixed component of the target agreements with managerial employees, who are expected to represent the company's values and serve as role models to their employees in this respect.

Our value-based compliance management system is firmly integrated into the company's business processes. In 2013, HOWOGE was the first housing company and the first municipal company to have its value-based compliance management system successfully certified by the Corporate Governance Institute (ICG) to its industry standard. We successfully completed follow-up audits in 2015, 2018 and 2021. Between audits, we perform annual self-assessments to substantiate our continued certification. Our self-assessments in 2022 and 2023 were based on a check list that took account of the content of all the modules applied in an external audit. Our → [current certificate](#) (German only) is valid until October 2024.

Each year, the compliance report is submitted to the Supervisory Board for its acknowledgment. The members of the Supervisory Board themselves are subject to the Berlin Corporate Governance Code and confirm their compliance with this in an annual declaration.

Our compliance management also governs the allocation of grants and donations and collaborations. HOWOGE's social contribution is in line with its public mandate and its shareholder's expectations. Housing is allocated transparently and on the basis of defined criteria. We have compiled a work instruction on how to handle donations and collaborations, thus providing reliable guidance for all employees. HOWOGE does not permit either political contributions or spending on lobbying.

## Dealing with compliance violations

HOWOGE has established a whistleblower system for the submission of queries and information. The compliance officers and one other support employee are the point of contact within the company. They are both assigned to the Governance, Risk and Compliance (GRC) function but also have direct access to the Management Board. The compliance officers are independent of the operational business. Whistleblowers may also contact the external ombudsperson who is bound by professional secrecy.

Any reports are treated in the strictest confidence by the compliance officers and by the external ombudsperson. In the event of a suspected compliance case, an initial assessment is performed internally and, depending on the requirements of the case, a task force may be appointed. This is made up of the compliance officers, the Management Board and the heads of Internal Audit, Legal and HR. The task force decides on the measures required and may involve other people if necessary. Relevant issues are addressed in compliance training, subject to data protection and legitimate expectation, in order to ensure transparency and prevent similar issues from recurring.

In 2023, 135 reports and queries were submitted via the whistleblower channel (2022: 90). After detailed review of the circumstances of each case, we identified misconduct by one employee and incorrect conduct by third parties in 29 cases. In connection with one internal compliance case involving a temporary worker in 2022, criminal charges were filed with the Berlin public prosecutor's office which, following a detailed review of the case, informed HOWOGE in 2023 that the investigation had been discontinued. Also in 2023, one employee was

dismissed without notice for a compliance violation and criminal charges were filed with the Berlin public prosecutor's office.

You will find the contact information for the internal compliance officers ([compliance@howoge.de](mailto:compliance@howoge.de)) and the external ombudsperson ([howoge@ra-elkeschaefer.de](mailto:howoge@ra-elkeschaefer.de)) as well as further information on the website relating to our → [compliance structure](#) (German only). The way we deal with compliance violations and examples of this are contained in a crisis manual for our employees.

### Combating corruption

The risk-oriented audit plan for 2023 did not reveal any explicit corruption cases. Therefore, no operating units were audited for corruption risks. In 2022, audits were carried out in three of 15 business units and subsidiaries.

In 2023, 17 (2022: six) possible corruption attempts by potential and current tenants were reported, 11 of which were confirmed (2022: three). If a potential tenant attempts corruption, we exclude them from the allocation process for one year. In

2023, there were no legal proceedings and, therefore, no final rulings against HOWOGE or its employees in connection with corruption or accepting advantages.

### Compliance training

Serious compliance violations may not only have legal and financial consequences for HOWOGE but also damage the company's reputation. This is why we conduct regular training and undertake extensive advisory and educational work to raise awareness of risk and compliance issues across the entire company. When it comes to corruption and bribery, our letting agents for apartments and commercial units and our employees in the allocation units are especially vulnerable because they decide on the allocation of apartments, commercial units and contracts and have direct contact with the company's tenants and contractors.

In 2023, annual compliance training was offered in classroom-based or webinar formats to all of the company's divisions and functions. Those employees who were unable to attend any of the sessions were required to complete the training online in a self-study format. A total of 1,009 employees, or more than 95% of the workforce, completed the annual training in 2023. Topics covered in the annual training included amendments and additions to the compliance policy and the compliance cases reported in 2022. The special topic in 2023 was the handling of operational and business secrets and information security.

When they joined the company, 140 new employees received training on HOWOGE's approach to compliance and values, corruption prevention and reporting channels for whistleblowers. In addition to these training events, which are always held on the first working day of the month, a special onboarding event was held for the employees of the newly established HOWOGE Reinigung GmbH. New employees must complete the annual compliance training alongside training on compliance and the company's values. In 2023, 182 managers, project leads and other interested employees were able to take part in the "Integrity Now!" compliance simulation game in which participants, usually from different divisions and functions, discuss various compliance-related issues and learn to correctly assess critical situations and develop suitable mitigation measures.

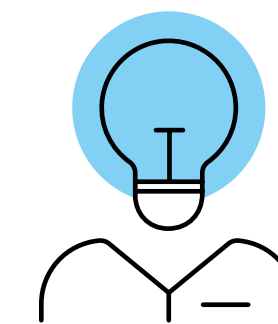
<sup>1</sup> Does not include the employees of HOWOGE Reinigung GmbH.

### Risk management

HOWOGE has implemented a risk management system and an internal control system based on, among other things, the Corporate Governance Code of the State of Berlin. Since 2018, we have applied a uniform risk inventory process and corporate risk matrix. The Risk Management unit is assigned to the Governance, Risk and Compliance (GRC) function and reports directly to the Management Board which ensures that any risks identified are communicated immediately and can be assessed for their impact and monitored.

The key element of the risk management system at HOWOGE is the risk strategy, which defines clear risk targets and the company's risk culture. The non-financial statement is required to disclose the material risks associated with the group's operating activities if the occurrence of these risks is very likely (> 75 %) and the resulting negative impacts would be severe. HOWOGE has set itself the target of obtaining certification for the risk management system in accordance with IDW 981 by the end of 2025.

Since 2021, we have also examined the impact of non-financial sustainability risks on HOWOGE's risk situation (outside-in perspective). These are reviewed, analyzed and assessed every six months on the basis of risk inventories. In 2023, the risk workshops examined specific transitional risks. Over the next three years, HOWOGE is planning to add transitional risks to the risk catalog and expand them successively.



More than

**95%**

of our employees<sup>1</sup> have completed compliance training

In the fourth quarter of each year, the risk inventory is conducted during a risk workshop involving the company's risk officers, risk management and compliance. These did not reveal any risks that, taking account of the risk mitigation measures, are material to HOWOGE and would be very likely to have severe negative impacts on HOWOGE. In the course of the risk workshops, the participating managers receive risk management training. Moreover, in order to reduce data protection risks, all relevant employees are required to complete online data protection training.

Based on the results of the half-yearly risk inventory, the central Risk Management function compiles internal risk reports for the Management Board. The risk report as of December 31, 2023, also included information about risk-bearing capacity. In agreement with the Management Board, half-yearly reports as of December 31 and June 30 are prepared for submission to the Supervisory Board meetings in March and September. You can find details in our [→ group management report](#).

### Respect for human rights

Respect for human rights is relevant for HOWOGE, especially in light of the global procurement processes for maintenance, modernization and new construction. In August 2023, the Management Board of HOWOGE published a [→ declaration on respect for human rights](#) (German only) on the company's website. This was updated at the start of 2024 to reflect the requirements of Germany's Act on Corporate Due Diligence in Supply Chains (LkSG). Respect for human rights is one of the criteria we also consider when awarding contracts. The requirements of the LkSG have applied to HOWOGE since January 1, 2024. To this end, a working group made up of employees from the Governance, Risk and Compliance, Sustainability, Investor Relations and Legal and Procurement functions was established and has been meeting regularly since October 2022. The working group is developing a concept for ensuring respect for human rights in our supply chain. Its work also includes a human rights risk analysis, which began with the abstract and then more specific analysis of our suppliers. The associated grievance mechanism was established at the end of 2022. The existing whistleblower system explicitly excludes grievances associated with possible human rights violations. Since August 2023, as part of the procurement process, potential contractors must undertake to ensure human rights due diligence within their own supply chains.

### Dialog through membership of industry associations

We meet and maintain a regular dialog with the relevant housing industry stakeholders. As a stakeholder in the housing industry in Berlin and in Germany as a whole, we are a member of the Association of Berlin/Brandenburg Housing Companies (Berlin-Brandenburgischer Wohnungsunternehmen e.V. – BBU) and of the National Association of Housing Companies (Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. – GdW). Since October 2023, HOWOGE Wärme GmbH has been a member of CO<sub>2</sub>Zero e. V. and is responsible for the topic of geothermal energy. HOWOGE is also a member of the Wohnen 2050 housing initiative. Our [→ website](#) (German only) shows our membership of other associations. Together with the State of Berlin, represented by the Senate Administration for the Economy, Energy and Enterprise, HOWOGE will also conclude a partnership agreement on a master plan for Berlin as a solar city, a project aimed at implementing Berlin's energy and climate protection program (BEK) for 2030.

## Regulations and legislative amendments

In 2017, with the aim of continuing to be able to charge affordable rents for its portfolio properties and of creating further housing, HOWOGE and its sister companies concluded the → [cooperation agreement](#) (German only) on affordable rents, new residential construction and the supply of social housing with the Berlin Senate. Since then, this agreement has been updated with three supplementary agreements, most recently in December 2022, and its validity extended to December 31, 2023. In 2023, a follow-on agreement on housing policy cooperation and partnership was negotiated in the place of all existing agreements and resolutions and superseded all of these. It applies from January 1, 2024, to December 31, 2027, for the portfolio of rental apartments belonging to Berlin's housing companies.

We apply the State of Berlin's tender and procurement law when awarding contracts to and working with service providers. Moreover, we satisfy the requirements of Germany's Whistleblower Protection Act (HinSchG) and have implemented regulations to ensure our compliance with all tax obligations.

Since 2021, HOWOGE has increasingly concerned itself with capital market regulation. The company has prepared extensively and taken all measures necessary to ensure compliance with applicable legislation. Starting in 2021, our Investor Relations function has been providing support to our investors, monitoring capital market requirements and ensuring timely compliance with reporting obligations. The Sustainability function concerns itself with ESG (environmental, social and governance) regulations, with a focus on reporting in compliance with the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy. We provide more details about our approach to implementing the requirements of Germany's Act on Corporate Due Diligence in Supply Chains (LkSG) in → [Respect for human rights](#).

# Long-term economic stability ✓

Our → [sustainability targets](#) contribute to the company's long-term economic stability, which we aim to ensure by taking a holistic view of sustainability in our business decisions, taking account of cost-effectiveness, the carbon footprint and social impact. To this end, at the start of 2023, we developed a concept for achieving this aim and implemented it over the course of the year. An operational project team drawn from various HOWOGE divisions and functions worked on integrating sustainability aspects – especially those relating to the environment – into the template for submission to the Management Board. As well as revising the template, a guide was produced to help with its completion. The new template must be used for all transactions since January 2024.

The goal of our financing strategy is to ensure the company's economic stability. We achieve this through balanced loan management, long-term interest rates and a diversified creditor base.

Sustainability plays an important role in our financing activities which is why we are looking closely at the issue of sustainable financing and are seeking access to finance sources that meet ESG criteria as well as issuing bonds and taking out loans secured by property. In July 2023, we published our → [Social Finance Framework](#). This defines social criteria for selecting a portfolio for which HOWOGE's issue proceeds could be used and therefore represents an important step toward ensuring a sustainable and diversified financing structure.

In addition to investments based on social aspects, due especially to our public mandate, energy optimization also plays a key role in our financing decisions, enabling us to access funding and thus obtain financing at more favorable conditions. In the new construction segment, alignment with the requirements for climate-friendly new construction (KFN) is contributing to a further increase in climate-friendly housing. For existing building stock, we are successively improving our climate balance by way of suitable measures to upgrade energy performance (section → [New construction and portfolio](#)).

For each refurbishment and new construction project, HOWOGE checks whether funding is available to finance these investments. HOWOGE uses federal and/or state funding in all cases where it satisfies the respective criteria. Wherever possible, measures to upgrade energy performance are financed with KfW loans because their refinancing is already “green” or with investment subsidies. We regularly review the option of including new funding to finance energy-related and social measures. In addition, we are examining the ESG requirements of the banks that finance our activities.

HOWOGE also intends to conclude a loan agreement for EUR 100 million with the Council of Europe Development Bank in order to further increase its offering of affordable housing for broad sectors of the population. This activity will focus on the eastern districts of Berlin.



# Procurement and supply chain management

HOWOGE's procurement and contract award processes are based on the provisions of public procurement law. This means that our service providers must disclose the following information, for example:

- Measures taken for the advancement of women and to ensure work-life balance (we require three measures in these areas for service providers with more than 250 employees)
- Statement on compliance with the core labor standards of the International Labour Organization (ILO) when using certain products (the standards also apply to our own employees)
- Statement on the payment of a minimum salary that is higher than the statutory minimum wage
- Statement on compliance with human rights and environmental requirements in the supply chain
- Commitment to refrain from using certain construction materials and to ensure the proper disposal of both non-hazardous and hazardous waste

HOWOGE expects all its suppliers, partners and contractors to operate in accordance with values, regulations and legislation. We ensure this by way of our contract award processes, among other things. When suppliers and service providers submit an offer to us, they commit to complying with the contract award criteria. An external service provider makes random checks of whether companies do comply with these criteria, which also include information about subcontractors, thus indirectly imposing obligations on the second level of the value chain.

In preparation for the entry into force of Germany's Act on Corporate Due Diligence in Supply Chains, we agreed a process for complying with its requirements from January 2024. As a preventive measure, we established a supplier code of conduct in 2023, thereby achieving one of our prior-year sustainability targets. As part of the procurement process, our potential contractors must commit to complying with human rights and environmental requirements. In 2024, risk analyses will examine the appropriateness of other preventive and remedial measures and establish corresponding control mechanisms.

Due to our regional focus, we mainly use suppliers that operate in Germany or the European Economic Area. We use small and medium-sized enterprises and local construction companies for maintenance, modernization and small construction projects in particular.

In order to give greater consideration to sustainability criteria in all construction projects, whether in the area of new construction or portfolio, we always explore options for purchasing goods and services from companies with high social standards. In the reporting year, to satisfy environmental criteria as well, we commissioned a LCA (in accordance with BS EN 15978:2011 – Sustainability of construction works) for all new buildings with a gross surface area of 5,000 m<sup>2</sup> or more in order. The LCA is also required by the functional specification (FLB).

We are additionally seeking to make the procurement of products for our offices more sustainable. Since 2020, we have been gradually switching purchasing for our in-house services to ecologically sustainable products. In June 2021, we began purchasing organic coffee that is certified in accordance with Fairtrade and Rainforest Alliance standards. Also since 2020, we have focused on eco-friendly office products that contain at least 50% recycled materials. As a way of avoiding waste, we order office materials in reusable crates. In 2023, together with the Sustainability team, we compiled a list of measures for a more sustainable office and have already implemented the first of these measures. At meetings, for example, we have replaced water bottles with glass carafes that are refilled from a water dispenser.

### **Company standards exceed legal requirements**

Especially in respect of construction, we go beyond what is required by law when it comes to sustainability. We define our standards in the functional specifications (FLBs) for new buildings and in the bills of quantities for modernization, maintenance and repair projects. These focus on environmental and climate protection, the preservation of resources and the use

of environmentally compatible and health-friendly construction materials. For planning and construction, this means that we dispense with unnecessary surfaces, components and details. We critically examine whether maintenance services meet our requirements and whether buildings really are designed to ensure their maximum service life. We have continued this approach in FLB 4.0.

### **Making events more sustainable**

In 2023, we assessed compliance with our sustainable event standards for the first time. Developed on the basis of the Federal Environment Agency's "Guidelines for the Sustainable Organization of Events", these standards have been adapted to meet HOWOGE's needs. We have already achieved over 90 % compliance with seven of the ten standards and implemented them at 13 events organized by HOWOGE. Requirements include on-site waste separation, choosing regional suppliers and service providers and utilizing reusable tableware and recycled paper serviettes. In the year ahead, we intend to continue complying with these seven standards and will focus more strongly on the remaining three standards, for example, by making catering predominantly vegetarian/vegan.

One standard concerns the analysis of CO<sub>2</sub> emissions and their subsequent offsetting. In 2023, we decided to offset CO<sub>2</sub> emissions by supporting the production of humus on agricultural land in Germany. We will be exploring other regional offsetting options in 2024.

Since 2021, we have been using sustainable give-aways at our events and other occasions. The criteria defined for these include the materials used and the value added. In 2023, we reviewed our selection by way of an internal questionnaire and updated the give-away range on the basis of the findings.

# Reporting in line with the EU Taxonomy ✓

In fiscal year 2023, HOWOGE reported for the second time fully on its contributions to the EU's climate-related environmental objectives and the four other environmental objectives in line with the provisions of Regulation (EU) 2020/852 and the associated delegated regulations (hereinafter referred to collectively as the "EU Taxonomy").

The EU Taxonomy is a classification system that uses uniform terms to define ecologically sustainable economic activities. The goal is to ensure the comparability of the contributions made by companies' various economic activities. On this basis, finance streams can be steered more toward sustainable activities. In this regard, the EU Taxonomy contains detailed technical screening criteria relating to the six environmental objectives. Having reported on environmental objectives I and II – climate change mitigation and climate change adaptation – in fiscal year 2022 (Delegated Regulation 2021/2139, Annex I and II), the four other environmental objectives – the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems – were also relevant to the analysis in accordance

with the EU Taxonomy in fiscal year 2023 (Delegated Regulation 2023/2486, Annexes I to IV; hereinafter referred to as the "new environmental objectives"). Moreover, new delegated acts defined additional activities and criteria for the first two environmental objectives. These were also considered in the analysis.

If an economic activity that falls under the EU Taxonomy (taxonomy-eligible activity)

- is proven to make a substantial contribution to an environmental objective,
- does not have a significant negative impact on the remaining environmental objectives and
- complies with the minimum safeguards,

then this economic activity is taxonomy-aligned.

The business activity and associated economic activities in the construction and leasing of residential property contribute to CCM<sup>1</sup> 7.7 Acquisition and ownership of buildings under environmental objective I.

## Procedure for determining taxonomy eligibility

In 2023, the analysis established in 2022 was used as the basis for identifying taxonomy-eligible revenues (turnover), investments (CapEx) and operating expenses (OpEx). The data were taken from the HOWOGE consolidated financial statements prepared in accordance with IFRS.

The consolidated financial statements were prepared in accordance with IFRS as applied in the EU and the supplementary statutory German requirements in accordance with Section 315e (1) HGB, including the specific requirements for the housing industry. The notes to the consolidated financial statements list the German consolidated companies in which HOWOGE held a direct or indirect interest on the reporting date and whose business purpose is described in more detail in the "Group structure" section of the group management report. In July 2023, the scope of consolidation of HOWOGE Wohnungsbaugesellschaft mbH grew with the establishment of HOWOGE Reinigung GmbH as a subsidiary. You will find more information in the → [IFRS Consolidated Financial Statements 2023](#).

<sup>1</sup> CCM stands for climate change mitigation, the first of the six environmental objectives of the EU Taxonomy.

Potentially taxonomy-eligible economic activities are identified and monitored by the Sustainability and Controlling functions. All potentially taxonomy-eligible economic activities are allocated to HOWOGE cost centers.

As in 2022, almost all HOWOGE's turnover, CapEx and OpEx are taxonomy-eligible. Exceptions are some minor proceeds from services that are not directly related to HOWOGE's core business and some investments in software, for example.

In the 2023 fiscal year, HOWOGE performed a substantive analysis of the new environmental objectives. The activities of the construction and real estate sector are relevant in principle to the transition to a circular economy objective. However, HOWOGE has no activities of its own in this sector. The

construction of apartments by HOWOGE is not allocated to the new construction economic activity as defined by the EU Taxonomy. The EU Taxonomy defines new construction as the development and realization of building projects for later sale. However, because HOWOGE holds its own portfolio, it does not sell the new buildings it constructs but lets them itself. For this reason, new buildings and capital expenditures in respect of such buildings are directly related to the revenue-generating activity of letting and activity CCM 7.7 Acquisition and ownership of buildings. As a result, HOWOGE does not contribute directly to one of the new environmental objectives.

The following economic activities were identified in the analysis of taxonomy eligibility and determination of taxonomy alignment:

### Economic activities within the meaning of the EU Taxonomy

CCM 4.1 Electricity generation using solar photovoltaic technology

CCM 7.7 Acquisition and ownership of buildings

### Description of the economic activity at HOWOGE

Electricity generation using the company's own photovoltaic units

Letting of housing and operation of school buildings

### Determining taxonomy-eligible turnover

The basis for determining taxonomy-eligible turnover is the consolidated net revenue in accordance with IAS 1.82(a) (denominator). Mapping HOWOGE's revenue-generating economic activities against the economic activities within the meaning of the EU Taxonomy yields the numerator for calculating the taxonomy-eligible turnover. You will find details regarding the presentation of our consolidated net revenue (denominator) in the consolidated income statement and consolidated statement of comprehensive income in the [→ IFRS Consolidated Financial Statements 2023](#).

As a municipal housing company, HOWOGE's core business is letting apartments and the associated maintenance and refurbishment activities. It also includes residential services and the construction and purchase of apartments. All revenues generated by these activities are allocated to activity CCM 7.7 Acquisition and ownership of buildings. This figure also includes revenue from operating and heating costs because these are inseparable from rental revenue.

In fiscal year 2023, activity CCM 7.7 generated taxonomy-eligible turnover of EUR 532.7 million, equivalent to a rate of 98.5 %.

To a small extent, HOWOGE also generates revenue from selling electricity generated by photovoltaic units (landlord-to-tenant electricity) operated by HOWOGE Wärme GmbH (see → [Use and generation of renewable energy](#)). This could be allocated to activity CCM 4.1 Electricity generation using solar photovoltaic technology. However, not all landlord-to-tenant electricity is generated by photovoltaic units. In the event of low output, electricity must be purchased from other sources. Moreover, not all the electricity generated by photovoltaic units is sold to tenants. At times of particularly high output, some of it is fed into the main electricity grid. As a result, it was not possible to evaluate the 2023 revenues generated only by electricity from photovoltaic units. For this reason, no turnover was reported as being taxonomy-eligible in connection with activity CCM 4.1 in 2023.

### Determining taxonomy-eligible CapEx

The taxonomy-eligible share of capital expenditures (CapEx) is defined as the quotient of taxonomy-eligible capital expenditures (numerator) and total capital expenditures (denominator) in the fiscal year. Capital expenditures cover expenditures for additions to property, plant and equipment and intangible assets before amortization, depreciation and value adjustments,

excluding changes in fair value. They include items such as expenditures for the acquisition of property, plant and equipment (IAS 16), intangible assets (IAS 38), leases (IFRS 16) and investment property (IAS 40). Total capital expenditures are calculated from the sum (additions and acquisitions in fiscal year 2023) of the amounts reported under 8.1 Investment property, 8.2 Property, plant and equipment and 8.5 Intangible assets in the IFRS Consolidated Financial Statements. The additions recognized under 8.2 Property, plant and equipment amounted to EUR 48.2 million. Due to the reclassifications to 8.1 they contain, the additions reported under 8.2 have been adjusted for the additions that are already reported under 8.1 to avoid any duplication.

The proportion of capital expenditures relating to assets or processes associated with potentially environmentally sustainable economic activities as defined by the EU Taxonomy is considered taxonomy-eligible. As there is already a substantive link to taxonomy alignment, the definition for determining taxonomy-aligned CapEx should be introduced at this point:

a) Expenditures relating to assets or processes associated with taxonomy-aligned economic activities

- b) Expenditures that are part of a plan to extend taxonomy-aligned economic activities or to transition economy activities from taxonomy-eligible to taxonomy-aligned (CapEx plan)
- c) Expenditures relating to the acquisition of production facilities for taxonomy-aligned economic activities and individual measures for reducing the carbon emissions of the target activities or reducing greenhouse gas emissions.

As in the previous year, HOWOGE's statement of changes in fixed assets describes the additions to property, plant and equipment and intangible assets. Additions relating to economic activities defined by the EU Taxonomy were allocated to CapEx categories a), b) or c). In this way, the catalog of taxonomy-eligible capital expenditures was updated.

Most of HOWOGE's capital expenditures are directly related to residential property management and include complex maintenance projects for portfolio buildings, investments in new buildings and facilities in and around buildings. Therefore, all these capital expenditures are allocated to activity CCM 7.7 although some measures may relate to other activities.

Another large part of HOWOGE's capital expenditures goes into the construction of new residential buildings in order to provide safe and affordable housing in Berlin and Brandenburg.

To a lesser extent, capital expenditures concern the generation of (landlord-to-tenant) electricity by photovoltaic systems. However, as the associated revenues could not be quantified (see above), this report does not include any taxonomy-eligible CapEx of category a) in connection with activity CCM 4.1.

Since 2023, as part of its photovoltaic campaign, HOWOGE has been investing systems that feed PV electricity (not landlord-to-tenant electricity) in its entirety into the grid. As a result, revenues in connection with economic activity CCM 4.1 are anticipated in the near future. The investment plan for these systems is spread over a period of ten years from 2023 to 2033 to form clusters<sup>1</sup> that facilitate the creation of standards, the leveraging of potential cost savings and an economic approach to expansion overall. It qualifies as a CapEx plan which is why the investments are reported as eligible CapEx of category b).

In line with IFRS accounting regulations, investments in the construction of new schools are reported as inventories and are therefore not a part of the CapEx indicator.

Overall, 99.8 % – or EUR 248.6 million – of the capital expenditures examined were taxonomy-eligible.

#### **Determining taxonomy-eligible OpEx**

The taxonomy-eligible operating expenses (OpEx) are defined as the quotient of taxonomy-eligible operating expenses (numerator) and the total operating expenses eligible in accordance with the EU Taxonomy (denominator) in the fiscal year. These include direct, non-capitalized operating expenses relating to research and development, the refurbishment of buildings, short-term leases, maintenance and repair. At HOWOGE, they include:

- the costs of maintenance and repair for the company's leased and own buildings and the associated (building) technology, and
- non-capitalized services for the periodic maintenance of our own buildings.

In analyzing taxonomy eligibility, HOWOGE's operating expense accounts were allocated to the aforementioned operating expenses within the meaning of the EU Taxonomy. The OpEx for the relevant cost types was then allocated to the economic activities and to categories a), b) or c), which are applied in a similar way as to CapEx. This OpEx is allocated to CCM 7.7.

Overall, EUR 58.4 million, or 99.5 %, of the operating expenses examined were taxonomy-eligible.

#### **Procedure for determining taxonomy alignment**

In fiscal year 2023, it was necessary to report the taxonomy alignment of the economic activities that contribute to environmental objectives I and II – climate change mitigation and climate change adaptation. The new economic activities for these two environmental objectives and the four new environmental objectives were examined for their taxonomy eligibility and are therefore not covered in this section.

<sup>1</sup> Four clusters are planned: new construction projects; WBS 70 portfolio (the prefabricated high-rise buildings constructed by the GDR in line with uniform construction standards); flat roofs; 11 stories.

Turnover, CapEx and OpEx are considered taxonomy-aligned if they satisfy the respective technical screening criteria. These are the substantial contribution to be made by an activity to an environmental objective and the avoidance of significant harm (DNSH) to other environmental objectives, which must be ensured. In addition, compliance with minimum safeguards must be ensured.

If possible, the requirements of the technical screening criteria are always applied to the asset or service level, i.e., usually at the building level in the case of HOWOGE. Compliance with minimum safeguards was assessed at company level and confirmed for each activity examined.

HOWOGE's business model is the letting of housing in the Berlin/Brandenburg region (→ [Group management report](#), 2.2.4 Information on the financial performance, assets, liabilities and financial position). This means that the construction characteristics of the leased housing are potentially crucial to the assessment of alignment.

### **DNSH/climate risk and vulnerability analysis**

DNSH criteria must be satisfied if the calculated turnover and associated CapEx and OpEx are to be considered as taxonomy-aligned. In the case of activity CCM 7.7, only one DNSH criterion has been defined for environmental objective II (climate change adaptation) and requires the performance of a climate risk and vulnerability analysis. HOWOGE performed this analysis for all its buildings in fall 2022 using a uniform multistage process which included workshop formats and third-party data on climate risks. The climate projections applied (RCP2.6, RCP4.5, RCP6.0, RCP8.5) and the subsequent assessments are based on proven processes and existing guidelines. The underlying data and approaches represent the best available knowledge regarding the vulnerability and risk analysis on the basis of the climate risks listed in the Taxonomy Regulation.

The results were documented and are being used in the company's risk management work. The procedure is described in detail in the reporting for fiscal year 2022.

The analysis revealed nine minor and two medium risks relating to HOWOGE's business activity. However, these risks are not material. In the case of minor risks, it can be assumed that they will not occur or will hardly occur. In the case of medium risks, it can be assumed that they might occur under certain circumstances and could have a negative impact on individual system components. HOWOGE takes measures to adapt to climate change. These are described in the → [New construction and portfolio](#) chapter and include the application of high energy efficiency standards in new buildings and portfolio modernization measures, both of which result in the better insulation of the company's apartments. Therefore, the turnover, CapEx and OpEx associated with activity CCM 7.7 satisfy the DNSH criteria for that activity.

### **Compliance with minimum safeguards**

The EU Taxonomy Regulation defines minimum safeguards in respect of anticorruption, bribery prevention, taxation, fair competition and respect for human rights. Taxonomy alignment requires compliance with these minimum safeguards. HOWOGE complies with the minimum safeguards required by the EU Taxonomy.

In respect of anticorruption, bribery prevention, taxation and fair competition, we have developed comprehensive internal management systems that include the company's compliance and group taxation policies. The compliance officers and the Finance and Accounting function are the points of contact for these matters. Anticorruption and taxation are also aspects of HOWOGE's risk management approach. The provisions of German procurement law additionally ensure non-corrupt conduct when it comes to awarding contracts.

We make an active contribution to respecting human rights. Contracts for construction, supply and other services are awarded on the basis of German procurement law (GWB – Competition Act, VgV – Ordinance on the Award of Public Contracts, UVgO – Lower Threshold Public Award Regulation) and the company's own regulations. In particular, HOWOGE applies the State of Berlin's tender and procurement law and generally makes its social and environmental provisions the basis of its requests for tender, even if application of this law is not mandatory. Since January 1, 2024, HOWOGE has also been required to comply with Germany's Act on Corporate Due Diligence in Supply Chains (LkSG). Some of the associated measures have already been implemented since August 2023 → [Respect for human rights](#).

Section 8 of the State of Berlin's tender and procurement law states that efforts must be made to ensure that the service does not include any goods obtained or manufactured in conditions that do not comply with ILO core labor standards. Moreover, measures must be taken to ensure the payment of a specific minimum wage<sup>2</sup>, the advancement of women and compliance with collective pay agreements. This must be confirmed by our suppliers on the basis of a self-declaration. Internal audit steers random external audits of the company's business partners.

Pursuant to legal requirements, the compliance of potential contractors with the law is investigated by way of a query to the competition registry.

HOWOGE operates in accordance with German labor and social law. We are committed to ensuring fair working conditions, the equal treatment of all employees and occupational safety. HOWOGE has a works council and elected employee representatives make up one third of its Supervisory Board. We implement dialog with employee representatives and support our employees' endeavors to defend their interests.

HOWOGE's values serve to provide guidance to our employees, shape our corporate culture and set clear rules for communication and conduct, e.g., fairness and prohibition of discrimination. Our approach to human rights compliance is described in the non-financial report.

HOWOGE has addressed the do-no-significant-harm principle contained in the Sustainable Finance Disclosure Regulation. The indicators for the main negative impacts in the areas of social and employment, respect for human rights and combating corruption and bribery are:

1. Violations of the UNGC Principles and the OECD Guidelines for Multinational Enterprises
2. Lack of processes and compliance mechanisms to monitor compliance with the UNGC Principles and the OECD Guidelines for Multinational Enterprises
3. Unadjusted gender pay gap
4. Gender diversity in management and governance bodies
5. Involvement in controversial weapons (antipersonnel mines, cluster munitions, chemical and biological weapons)

<sup>2</sup> Minimum wage specified by the State of Berlin's tender and procurement law: EUR 13; statutory minimum wage specified by Germany's Act Regulating a General Minimum Wage: EUR 12 (as at: December 31, 2023)



HOWOGE reports the PAIs (principal adverse impacts) as defined by the Sustainable Finance Disclosure Regulation. The company is not involved in the manufacture or sale of weapons. Information about indicators one through four can be found in the above-mentioned references and in the “Corporate governance” and “Teamwork” chapters. The basis for calculating the gender pay gap disclosed in the non-financial statement (see the “Teamwork” chapter for further information) complies with the requirements of the Sustainable Finance Disclosure Regulation (SFDR).

### **Determining taxonomy-aligned turnover**

In 2023, 25.0% of HOWOGE’s revenues (turnover) were taxonomy-aligned. As these revenues are derived from just one activity, a further quantitative breakdown of the revenues is not expedient. HOWOGE had no significant requirements for its own use during the reporting period.

All the revenues assessed for their taxonomy alignment were derived from activity CCM 7.7. Requirements for the substantial contribution from the energy efficiency of buildings have been defined for this activity. Residential buildings for which construction permits were issued prior to December 31, 2020, must have a class A or A+ energy performance certificate (EPC). Alternatively, the building must be in the top 15 % of

the national or regional building stock in terms of energy consumption. Since there had been no full assessment of all EPCs for German residential buildings as at the end of 2023, this requirement was operationalized on the basis of a [→ study by the German Pfandbrief Banks and Drees & Sommer](#). According to this, the primary energy demand and energy consumption may not exceed 74 kWh and 70 kWh, respectively, per square meter in order to satisfy the substantial contribution criteria.

HOWOGE did not derive any revenue in 2023 from buildings whose construction was commissioned after December 31, 2020, because they are not yet available for letting.

Energy certificates are available for all HOWOGE buildings. Some of these are requirement certificates while others are consumption certificates. If available, we used the primary energy demand for our calculations. However, we mostly used data from the energy consumption certificates.

The revenue achieved with the buildings comprises the net rent (excluding service costs) and the operating expenses. HOWOGE records the latter at the economic entity level and not at the building level. An economic entity may consist of several buildings. The net rent (excluding service costs) is recorded for each building and thus serves as the basis for defin-

ing the allocation key for determining the relevant total revenues. This is done by defining the share of the total net rent (excluding service costs) that is achieved by buildings in the top 15 % in terms of the EPC (see above). Alongside the calculation of the total revenues, this allocation key is also used to determine the operating expenses ([→ Determining taxonomy-aligned OpEx](#)).

### **Determining taxonomy-aligned CapEx**

A total of 22.7 % of HOWOGE’s CapEx in 2023 was taxonomy-aligned. IAS 40 additions for taxonomy-aligned CapEx were recognized at the carrying amount.

As the investments in portfolio acquisitions declined significantly compared with the previous year, there has been a correspondingly significant decrease in total investment and thus in the denominator used to calculate CapEx. Due to the significant year-on-year reduction in total investment, the numerator for calculating CapEx also decreased. The decline was largely due to the unusually high investment in acquisitions in 2022. As a result of the lower investment in acquisitions, the proportion of total investment accounted for by investment in new construction and portfolio refurbishment increased. As the energy standards in new construction and refurbishment tend to be higher, the rate of taxonomy-aligned investment

compared with the previous year (2022: 8 %) also increased, which resulted in a substantial improvement in the rate.

A large proportion of the taxonomy-aligned CapEx was used in HOWOGE's core business, which is covered by activity CCM 7.7. Compliance with the substantial contribution was analyzed and recorded at the building level. To determine the taxonomy-aligned CapEx, the revenues per building were determined (see above) and then allocated to the investments made in 2023 (CapEx category a)). The challenge here was that HOWOGE documents most of its investments at the economic entity level, which may cover several buildings. As the buildings within an economic entity often have the same energy characteristics, there were very few deviations when it came to the CapEx allocation. In these few cases, the taxonomy-aligned CapEx was determined on the basis of the taxonomy-aligned revenues for the respective economic entity. When assessing the alignment, building CapEx follows the assessment of the associated revenues because CapEx is always directly connected to the building itself, the characteristics of which are key to complying with energy efficiency requirements and are the focus of the climate risk analysis.

In 2023, CapEx of category b) related to economic activity CCM 4.1 under environmental objective I (climate change mitigation) and concerned the photovoltaic campaign to expand the use of photovoltaic systems. Investment in the 2023 fiscal year amounted to EUR 1.8 million. The CapEx plan envisages further investment of EUR 69.2 million through 2033. This plan covers a period of ten years to ensure that it can be implemented economically. Through the investment covered by the CapEx plan, HOWOGE is planning to increase its taxonomy-aligned activity.

CapEx of category b) in photovoltaic systems can be deemed taxonomy-aligned if the systems are used to generate solar power (substantial contribution) and the DNSH criteria are met.

→ DNSH 2 requires a climate vulnerability analysis. At HOWOGE (see above), this analysis covers the entire portfolio including rooftop installation and remained valid in 2023. The analysis did not identify any material risks for HOWOGE.

→ DNSH 4 "Transition to a circular economy": The activity includes assessing the availability of long-lasting and recyclable equipment and components that are easily removed and recycled and, if possible, their use. HOWOGE has product guarantees of 15 to 20 years. At their end of use, the modules are disposed of properly. Modules that are replaced in the course of maintenance work are disposed of by specialist companies.

→ DNSH 6 "Protection and restoration of biodiversity and ecosystems": The activity complies with the criteria listed in Annex D which require an environmental impact assessment or an assessment in accordance with Directive 2011/92/EU. The rooftop installation of photovoltaic units does not have a negative impact on ecological assets such as soil, water, air and climate. The photovoltaic units are not installed close to biodiversity-rich areas.

The DNSH criteria are considered in line with the plan.

### Determining taxonomy-aligned OpEx

Overall, 25.3 % of HOWOGE's OpEx in 2023 was taxonomy-aligned, all of which was allocated to activity CCM 7.7 and was used almost exclusively in maintenance. As this OpEx is related to just one activity, a further quantitative breakdown is not expedient.

When analyzing the alignment of the operating expenses, a distinction is made between categories a), b), and c) as is the case for CapEx (see above). Operating expenses are very heterogeneous and fragmented which is why it is almost impossible to analyze the technical screening criteria at the asset or service level.

That is why the revenue-based approach was applied for category a) OpEx associated with activity CCM 7.7. In this respect, it is assumed that the necessary operating expenses correlate strongly with the revenue achieved with the respective building.

The allocation key described under "Determining taxonomy-aligned turnover" is used here and is determined on the basis of the net rent (excluding service costs) and the energy certificates. This approach was chosen for all relevant operating expenses because these are always connected with residential property management and thus with activity CCM 7.7.

HOWOGE is not involved in any economic activity in connection with energy generation from fossil gas or nuclear energy. We therefore do not use the specific templates for these activities.



taxonomy-aligned turnover



taxonomy-aligned CapEx



taxonomy-aligned OpEx

# New construction and portfolio

Through our portfolio of buildings, we aim to contribute to achieving the climate protection targets set by the State of Berlin and Germany's federal government. Our goal is for our portfolio to be climate-neutral by 2045, which we aim to achieve by focusing on energy efficiency, sustainable construction and renewable energy, aspects that will go into developing a holistic climate strategy.

# Energy and emissions ✓

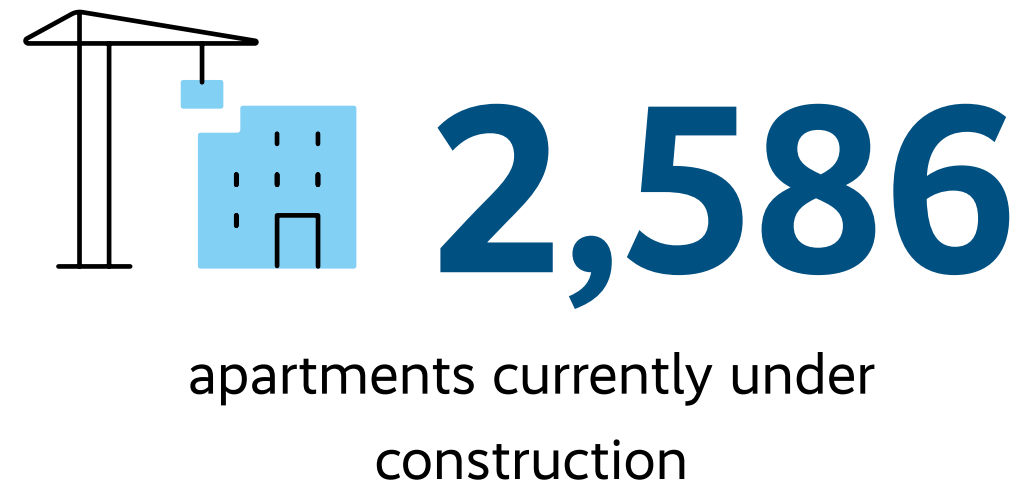
HOWOGE is pressing ahead with the construction of affordable housing. We have set ourselves the target of consistently reducing the CO<sub>2</sub> intensity in our residential buildings to achieve a climate-neutral building portfolio by 2045. The big challenge to our growth target is that we are continuing to provide affordable housing and aim to reduce pressure on the climate at the same time.

By 2035, our aim is for the buildings in our portfolio to emit less than 10 kg CO<sub>2</sub> per square meter per year. In order to achieve our goal of a climate-neutral building portfolio by 2045, we began developing a climate strategy in 2022. We have reviewed our existing definition of a climate-neutral portfolio in 2045 (7 kg CO<sub>2</sub> per square meter per year) and adjusted this to reflect current state and federal regulations. HOWOGE now defines a climate-neutral portfolio as less than 3 kg CO<sub>2</sub> per square meter per year.

In the course of developing the new target value, we examined the emission reduction potential of energy optimization, innovative system technology and switching to different forms of energy. For HOWOGE, energy optimization has a rather low potential for reducing CO<sub>2</sub> emissions compared with the high potential of innovative system technology. The highest reduction in CO<sub>2</sub> emissions is achieved by increasing the proportion of green energy used. In the future, HOWOGE will develop further options for action to achieve the new climate target. In 2023, for example, we began planning the Zerbster Strasse pilot project where we aim to reduce primary energy consumption by at least 75 % compared with current levels by applying the “Energiesprong” principle of upgrading energy performance using prefabricated components and renewable energy. The pilot project will be implemented in 2024. We are also applying the findings of current research projects. For example, → [the KoWa project relating to the heating transition in communal energy supply](#) (German only) showed that climate-neutral heating is possible by using the heat from waste water and solar electricity units. In 2023, we launched the STABLE research project in collaboration with RWTH Aachen University and TU Dortmund University to develop a climate-friendly and socially compatible energy concept for Germany’s existing apartment buildings.

The climate strategy is being developed through close collaboration between the relevant HOWOGE functions, e.g., Finance and Controlling, Technical Management and Portfolio Management. HOWOGE Wärme GmbH has an important role in this process because it is responsible for managing the climate strategy alignment. The management boards of HOWOGE Wohnungsbaugesellschaft mbH and HOWOGE Wärme GmbH regularly discuss the annual emissions balance sheet, landlord-to-tenant electricity and plans for expanding the use and generation of renewable energy, for example, at monthly joint meetings. Energy and emissions are also included on the agenda of Supervisory Board meetings and in Management Board documents.

Within the context of our climate strategy, we are not only working to achieve the climate neutrality of our buildings but also of our vehicle fleet. In 2023, we acquired further electric vehicles so our fleet now includes five hybrid and 21 electric vehicles.



In recent years, we demonstrated that we can combine social, economic and ecological aspects and continue growing on this basis. In the medium to long term, we will grow our portfolio to around 100,000 apartments. Since the start of the new construction campaign in 2013, our portfolio has grown by around 7,651 apartments, including those created by the vertical enlargement of our own buildings and by the acquisition of turn-key project developments. Around 1,000 new apartments were added in 2023 and we estimate that our portfolio will grow by some 900 new-build apartments in 2024. Our new construction ratio in the reporting year stood at 1.27 % (2022: 2.14 %) because we built around 1,000 apartments. A total of 2,586 apartments are under construction (December 31, 2023).

### High efficiency standards

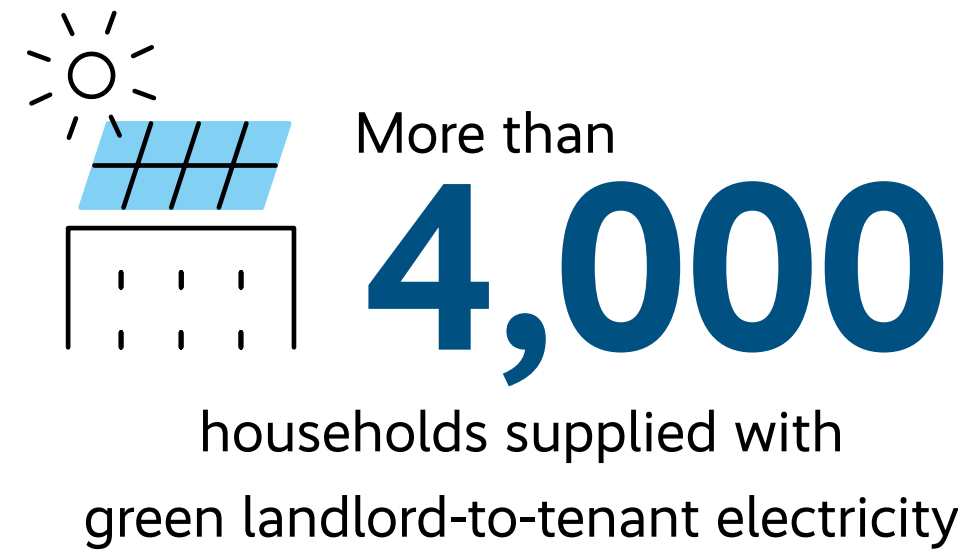
On the political level, the KfW funding models were adapted in 2023 with the introduction of the climate-friendly new construction (KFN) requirements and new energy standards. We remain committed to our energy target and plan our new construction projects in accordance with the requirements for KFN funding. The financing of the projects is also aligned with these requirements. Many factors are important here, such as the way heat is generated or the use of sustainable construction materials to the greatest extent possible. We explore whether we can use resource-friendly timber or hybrid timber construction. Due to the challenging market conditions in the reporting year, implementing our new construction projects was possible only in part by deviating from these requirements in certain cases in order to continue fulfilling our mandate of creating housing. In this connection, we consider the requirements of Germany's Building Energy Act (GEG), which came into force in 2020. Our goal is to outperform GEG requirements wherever possible.

If we are to meet our climate target, we must reduce energy consumption for heating and hot water in HOWOGE buildings by 2045. We aim to achieve this by increasing our use of renewable energy and improving energy efficiency in our existing building stock. In this connection, having switched one of our six utility centers from oil to natural gas in 2022, we switched two more from oil to natural gas and one to district heating when they were refurbished in 2023. We are planning to switch the remaining two oil-fired utility centers to natural gas or district heating in 2024. Further steps will include the installation of heat pumps and the optimization of heat distribution.

### Use and generation of renewable energy

HOWOGE purchases green electricity for the spaces it uses for its own operations – such as customer centers, service points and janitors' offices – and shared electricity for staircase and elevator lighting. However, we have only a limited influence on the electricity supply chosen by our tenants. Wherever possible, HOWOGE offers landlord-to-tenant electricity supply options.

HOWOGE Green Electricity, the landlord-to-tenant electricity from HOWOGE Wärme GmbH, enables tenants to contribute to the energy transition. We intend to substantially increase this offering. The roof-top photovoltaic units allow the decentral production of electricity that we can sell to our tenants at lower prices than those offered by comparable competitors.



In 2023, we installed photovoltaic units with a total output of 1,003 kilowatt peak (kWp), enabling a further 600 households to benefit from landlord-to-tenant electricity. As a result, more than 4,000 households are already supplied with HOWOGE’s own landlord-to-tenant electricity product. In this way, we generated a total of around 1,524 megawatt hours of CO<sub>2</sub>-free electricity in 2023, a saving of around 632 tonnes of

CO<sub>2</sub>. Our goal is, wherever possible, to install photovoltaic units on all new buildings in the future and to equip suitable buildings in our portfolio with landlord-to-tenant electricity units. HOWOGE Wärme GmbH is constantly looking for suitable new locations for landlord-to-tenant electricity systems in our existing building stock.

In March 2023, HOWOGE launched its photovoltaic campaign so that it would be able to offer climate-neutral electricity to its entire portfolio of some 76,400 apartments within the next ten years.

**Output of photovoltaic units<sup>1</sup>**

Existing units	3,073.00 kWp
Units operated by Berliner Stadtwerke	453.00 kWp
Units under construction	around 700.00 kWp
Planned units	around 2,300.00 kWp

<sup>1</sup> As at December 2023, unconfirmed

**Making better use of consumption data thanks to digitalization**

Digitalization is making it possible to improve our consumption data and the way we steer devices in order to enhance sustainability. We are using state-of-the-art measuring technology and networks in our properties to help monitor and reduce energy consumption. In 2017, HOWOGE Wärme GmbH began developing its own measurement service which is equipping almost all the households in our properties with digital and wireless water meters, heat meters and heating cost allocators. These are connected wirelessly with data collectors and gateways that transmit tenants’ current meter readings anonymously. The data should provide us and our tenants with the basis for potential savings and efficiency gains.

### Portfolio modernization

With a total of 76,392 apartments, we were again one of Germany’s largest housing companies in 2023. Three quarters of our portfolio is located in Berlin’s Lichtenberg district. However, our new construction projects and acquisitions are spread across the city.

Since 1990, just under 95% of our total portfolio has been refurbished extensively. One focus of our work is to ensure that our buildings and systems are as efficient as possible. In recent years, this has enabled us to greatly reduce energy consumption. We aim to ensure that all our apartments are and remain modern. This is also being achieved by the maintenance and modernization measures in newly acquired apartments, an important aspect and a major challenge given the varied condition of many acquisitions. Due to the acquisitions made in 2021, the share of fully or partially modernized apartments decreased because we deemed all the apartments acquired to be unrenovated. In the past fiscal year, we were able to refine our knowledge of the structural condition

of the apartments acquired, resulting in an adjustment in the share of fully or partially modernized apartments. In the years ahead, HOWOGE will therefore focus on refurbishing its portfolio of acquired apartments in order to increase their residential quality and achieve our climate targets.

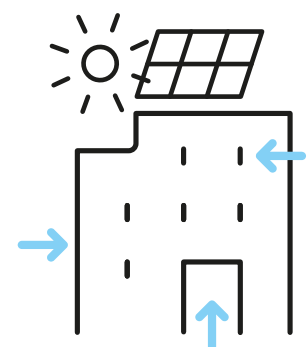
### CO<sub>2</sub> and energy intensity in the building portfolio

As most of the HOWOGE apartment portfolio consists of prefabricated high-rise buildings which are efficient to manage, we can build on a solid basis to achieve our ambitious targets. We exceeded the requirements of the Berlin Senate’s last climate protection agreement from 2020. In 2022, our emissions remained stable.

### Apartments owned by HOWOGE



### Share of apartments fully or partially modernized since 1990

The energy performance of around

# 95 %

of our apartments has been upgraded in full or in part since 1990



**CO<sub>2</sub> intensity of building portfolio** (kg CO<sub>2</sub>/m<sup>2</sup> per year) (Scope 1 and 2)<sup>1</sup>

The CO<sub>2</sub> intensity of the building portfolio of 17.45 kg CO<sub>2</sub>/m<sup>2</sup> per year in fiscal year 2022 was mainly determined in a Carnot method because most of our portfolio is supplied with district heating. Our climate target is in harmony with our emissions balance sheet.

**Emission factors and calculation methods by energy source**

	2022 <sup>2</sup> ✓	2021 ✓	2020
District heating: 152.0 g CO <sub>2</sub> /kWh Actual value determined in a Carnot method (AGFW FW 309–6) (Source: contract between Vattenfall Wärme Berlin and HOWOGE)	<b>17.45</b>	17.10	17.15
Natural gas: 201.6 g CO <sub>2</sub> /kWh (Source: nEHS – Germany’s national emission trading system) <sup>3</sup>			
Calculated by other methods, the CO <sub>2</sub> intensity of our portfolio is as follows:			
District heating: 5.6 g CO <sub>2</sub> /kWh Value defined by Germany’s Building Energy Act 2020 (Source: certificate from Vattenfall Europe Wärme AG, Berlin, 2022 – 2025)	<b>10.90</b>	5.60	n/a
Natural gas: 240.0 g CO <sub>2</sub> /kWh (Source: Germany’s Buildings Energy Act 2020)			
Data from the Office for Statistics District heating: 380 g CO <sub>2</sub> /kWh Natural gas: 201 g CO <sub>2</sub> /kWh Electricity: 238 g CO <sub>2</sub> /kWh for shared electricity (Source: Berlin-Brandenburg Office for Statistics)	<b>26.18</b>	n/a	n/a

<sup>1</sup> The emissions result from heating and hot water for rented residential and commercial space and for space used by the company itself. All data are climate-adjusted.

<sup>2</sup> The figures for 2023 were not available at the time of publication because the billing period ends in mid-2024. They will be disclosed in the next report.

<sup>3</sup> For comparison: In fiscal year 2022, our non-financial statement no longer included the following values that we had reported in 2021: Planned value determined in a Carnot method (AGFW FW 309–6; source: certificate from Vattenfall Europe Wärme AG, Berlin 2017–2024), Emission factors: district heating: 129.3 g CO<sub>2</sub>/kWh, natural gas: 211.0 g CO<sub>2</sub>/kWh (source: climate protection agreement of the State of Berlin, 2010) The corresponding value for fiscal year 2020 was 15.13 kg CO<sub>2</sub>/m<sup>2</sup> per year. We will no longer perform this calculation. n.a. = not provided

**Energy intensity of building portfolio** (kWh/m<sup>2</sup> per year)<sup>1</sup>

	2022 <sup>2</sup> ✓	2021 ✓	2020
Final energy consumption for heating and hot water in kWh/total living space in m <sup>2</sup> per year	<b>100.57</b>	101.40	101.92

<sup>1</sup> The data include the energy consumption for rented residential and commercial space and for space used by the company itself. All data are climate-adjusted.

<sup>2</sup> The figures for 2023 were not available at the time of publication because the billing period ends in mid-2024. They will be disclosed in the next report.

**Responding to the effects of climate change**

In 2022, we performed a site-specific climate risk analysis (climate vulnerability assessment) (→ [Reporting in line with the EU Taxonomy](#)). On the basis of scientific data and climate scenarios RCP2.6, RCP4.5, RCP6.0 and RCP8.5, we analyzed the potential climate risks for the buildings in our portfolio from the current climate (2011–2030) and the future climate (2031–2050). Application of RCP8.5 revealed nine minor risks and one medium risk, none of which poses a threat to the portfolio. The portfolio has grown by around 1,000 apartments and the results of the analysis are deemed still valid. The choice of climate

scenarios used in the analysis, the timeline for the assessment, and other information can be found in the “EU Taxonomy” chapter in the non-financial statement for 2022.

Nevertheless, in order to mitigate these risks and ensure that our buildings can deal with the already tangible effects of climate change, we are already implementing various measures. In preparation for heavy rainfall, for example, we are installing retention roofing systems, planning retention areas and exploring alternatives to large basements that are a barrier to ground water. Wherever possible, we seek to ensure that all rainwater

can percolate into the ground in outdoor spaces, evaporate, or be used. We aim to protect all our buildings from the effects of heat with light-colored facades, by sealing as little surface area as possible and by greening vacant areas wherever possible.

In our new construction projects, we are making increasing use of electricity-only houses. Whereas only three projects of this type were being planned in 2022, the number increased to 14 projects with a total of some 2,600 apartments in 2023. We will continue to apply this sustainable energy supply concept in suitable projects. In electricity-only houses, the warmth for the underfloor heating is provided by a rooftop reversible air-to-water heat pump. In summer, a reversible heat pump can be used to cool to a maximum of 2 to 3 degrees below room temperature. The underfloor system can be used to distribute both heating and cooling. Warm water in the individual apartments is delivered by electric-powered instantaneous water heaters. The electricity for the heat pumps and water heaters is to be generated by a rooftop photovoltaic unit.

# Land use and biodiversity protection

HOWOGE aims to seal as little surface area as possible.

In our urban construction projects, we are actively committed to increasing density by using every possibility to build upward rather than outward. In this connection, we set ourselves the target of creating more apartments by vertical enlargement in 2023. This can be seen on our projects in Genslerstrasse, Heiligenstadter Strasse and Liebenwalder Strasse, where a total of 52 new apartments are currently being constructed. We are also proceeding with the contract award process for developing standard hybrid timber high-rise building. Unfortunately, the neighborhood concept developed in 2022 could not be implemented due to the late issue of a funding guideline. However, three overarching neighborhood concepts were developed in 2023 as the basis for future measures. A further overarching concept for the development of an existing neighborhood was commissioned in 2023 and will be completed in 2024.

In 2023, an interdisciplinary dialog was initiated to foster the optimization and reassignment of surfaces in urban planning. Here, for example, neighborhood parking garages, the efficient use of surfaces, the provision of necessary parking and supplementary uses play a key role in neighborhood and project development.

Against this backdrop, HOWOGE organized a kick-off event for the members of the HOWOGE Advisory Board in December 2023 to initiate a sustainable life cycle analysis and standard definition. These workshops are to be continued in 2024.

Another approach is multicoding, which allows the multiple use of surfaces, for example, as parking spaces for fire trucks and pathways as well as for water percolation and children's play areas. Near-natural solutions in this context are green spaces adapted to climate factors such as drought and heavy rainfall and the avoidance of all surface sealing that is not absolutely necessary. We are also implementing the sponge concept, an urban planning approach whereby any rainwater is collected locally for use or for storage in the soil and ground water rather than being routed into the sewer system. When planning new construction projects and setting up construction sites, we aim to preserve as many existing trees as possible. For new planting, we use native climate-adapted deciduous trees and, where possible, pollinator-friendly flower meadows and trees that yield edible fruit.

# Life cycle analysis and preservation of resources ✓

Our goal is to take greater account of sustainability criteria when planning and implementing new construction and refurbishment projects and to examine the entire life cycle. We use long-lasting, robust and low-maintenance building materials that also satisfy construction requirements relating to fire, noise, moisture and thermal protection and have no negative impacts on the environment or health. Our criterion is “low-emission” which satisfies the requirements of Germany’s Blue Angel ecolabel.

Forward-looking planning also includes considering the reuse of the resources utilized and ensuring the ease of dismantling. In new construction projects, we aim to further increase the proportion of long-lasting renewable raw materials and recycled materials. Among our measures for minimizing the use of fossil raw materials is the planning of our new construction projects as electricity-only houses (→ [Responding to the effects of climate change](#)). In 2023 again, mineral insulating materials were the HOWOGE standard for every newly planned refurbishment project.

Since 2023, the sustainability concept has been a component of the specification for the construction of new buildings. For this reason, we require a life cycle analysis as part of all ongoing planning projects. Moreover, each new project is reviewed to see whether it can be implemented using hybrid-timber construction systems.

When choosing materials, we also consider their disposal and give priority to a minimal hazardous substance content. In the case of price parity, we will always give preference to more environmentally friendly materials with lower emissions. If possible, we avoid products with a large carbon footprint or a high content of solvents, plasticizers or complex composite materials. Our new construction projects remain fundamentally open to the use of various technologies. In other words, we use different construction methods provided they permit a high degree of standardization as well as time-saving and low-cost building. We seek to avoid the use of materials containing PVC in technical equipment. However, it is not yet possible to do without these materials entirely, either for cost reasons or because there are still no alternative materials.

Sustainable materials play a major role in refurbishment as well. At the planning stage, we already specify the selection of materials that will require no maintenance work in the next 15 to 20 years. Moreover, we are replacing conventional materials with a number of ecologically viable alternatives such as mineral insulating materials, energy-saving lighting and roof tiles that absorb nitrogen oxide.

**Modernization and maintenance intensity<sup>1</sup>** (in EUR/m<sup>2</sup> per year)

	2023 ✓	2022 ✓	2021
Modernization intensity	3.75	1.04	2.93
Maintenance intensity	11.89	12.10	11.09

<sup>1</sup> During the reporting period, expenses were related to modernization, repair and maintenance measures for the total area.

We are also working consistently to reduce our consumption of resources and waste and to implement circular economy processes. At present, we are laying the groundwork for taking greater account of conversions at the planning stage.

**Timber construction**

Since 2022, all HOWOGE's new construction projects have been reviewed for possible implementation with sustainable building materials, especially hybrid timber construction. The main criteria are economic parameters in the individual project context. Since 2019, seven new construction projects were completed using hybrid timber construction. They included

two pilot projects for the vertical enlargement of standard prefabricated WBS 70 buildings. Moreover, HOWOGE plans to use hybrid timber high-rise buildings in a flexible system-built method. In 2023, we initiated the contract award process with the goal of concluding a corresponding framework agreement.

**Waste management**

Our waste management efforts also aim to preserve resources and avoid environmental impacts. Asset and Portfolio Management is responsible for developing our waste management strategy and negotiating the relevant contracts while Operational Portfolio Management handles the implementation.

The focus is on separating waste and the avoidance of littering. In 2022, we began developing an overarching concept based on the aforementioned focus issues and an assessment of the status quo by our customer centers and contract management. In 2023, in order to continue developing this concept, we began exploring whether our own services could improve the quality of waste management by preserving resources and avoiding waste.

In accordance with legal requirements, we avoid, reclaim or dispose of hazardous waste from construction and refurbishment measures. Together with our waste disposal service providers, we ensure the correct handling and disposal of waste including polycyclic aromatic hydrocarbons (PAH), asbestos, synthetic mineral fibers and wood treated with Hylotox. This is monitored transparently using the ZEDAL electronic waste management system. We comply with Germany's Commercial Waste Ordinance and Substitute Building Materials Ordinance in reclaiming, reusing and disposing of non-hazardous waste. In support of recycling, we systematically separate the waste produced in HOWOGE's administrative buildings. We have also digitalized most communication with our tenants, partners and employees, thus further reducing the use of paper and office materials.

Due to a change of service provider in the current fiscal year and the resulting shift in the buildings supported, the waste-related KPIs reported in the prior year can no longer be accessed. We expect the contracted service providers to deliver more informative KPIs for 2024 and will integrate these into the next report once we have reviewed the specific ESRS<sup>1</sup> requirements in this respect.

### Water management

We work closely with Berlin's water companies on water management issues. We aim to ensure the responsible use of drinking water in both refurbishment and new construction projects. To this end, a sustainable water management system is already included in project planning. We avoid any unnecessary water

extraction points to reduce drinking water consumption. Generally speaking, HOWOGE installs water-saving faucets, showers with flow control devices and lavatories with dual-volume flushing as standard. HOWOGE concentrates on ensuring good water quality, for example, by testing for Legionella as stipulated by law. Germany's Ordinance on the Quality of Water Intended for Human Consumption has been revised and now requires sampling from every supply system. Each time the technical action value is exceeded, employees are deployed to ensure the problem is rectified as quickly as possible. HOWOGE will continue to prioritize this issue and will therefore increase the number of employees assigned to it from 2024.

<sup>1</sup> The next sustainability report will be produced in accordance with the requirements of the European Sustainability Reporting Standard (ESRS).

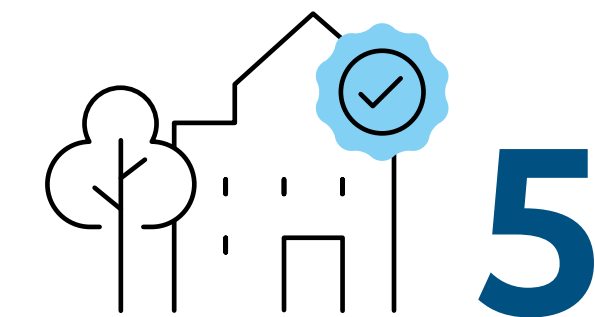
# School building ✓

Within the context of the → [Berlin School Building campaign](#) (German only), we are acting as the construction service provider to the State of Berlin. The project is underpinned by Berlin's uniform → [Standards for New School Building](#) (German only) and the catalog of criteria provided by Germany's → [Assessment System for Sustainable Building](#) (BNB). All new school buildings are to be planned, constructed and certified in accordance with the BNB silver standard. This certification covers criteria in various categories such as ecology, economy, process design and technology.

Our internal organizational structure enables us to work on a large number of school construction projects (new construction, refurbishment and modular timber construction) at the same time. In all projects, we involve the various stakeholders and users at an early stage in preparing a list of requirements – even before the actual draft design is produced. This participation process ensures that all expectations and requirements of the future users are considered as the basis for planning, facilitating the construction of user-friendly school buildings.

In 2023, a participation process was performed for the existing Pankstrasse community school. This defined how a school could be dismantled and a new building constructed simultaneously on the same site without interrupting school operations. Moreover, a three-stage process was used to determine the special needs of the school with its integrated autism support center and translated into recommendations for action in the future planning process.

Moreover, we already integrate sustainability criteria in the architectural competitions for these projects and, we apply SNAP, a → [system for sustainability requirements in planning competitions](#) (German only) developed by Germany's Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR). This tool is a practical aid for considering sustainability aspects in public competitions at an early stage. From the start, SNAP enables us to define our own preliminary design criteria that are used to assess sustainable building design in all phases of the competition: from its launch through the assessment to the jury meeting.



schools are currently under construction

When planning new school buildings, we apply the → [compartments school approach](#) (German only).

In 2020, alongside our work to build and refurbish school buildings, we were commissioned by the State of Berlin to develop a concept for using hybrid timber construction in school construction. Two modular timber construction projects are currently being implemented. One of our milestones has been achieved with the signing of the project agreement with the district and the Senate Administration for Education, Youth and Family for the new construction of an elementary school on Rosenfelder Ring. As things stand at present, the project is to be completed in summer 2027. Alongside the use of standardized modular timber construction, the new construction project for an elementary school on Rheinpfalzallee was put out to tender with the goal of achieving a high level of prefabrication. The project is currently in the competition phase.

The tender for each new project is issued with no preference for a particular construction technology. Wherever it makes economic sense, we give preference to timber construction. The new school buildings that are currently being planned and

constructed are partly finished with a hybrid timber facade made from certified timber from sustainable forestry and weather-resistant cladding. Moreover, the new school buildings are being equipped with a photovoltaic system and a retention roof. An integrated water reservoir stores rain that is used to water the roof greening.

Five schools are currently under construction. The two schools in the construction project on Allee der Kosmonauten that was started in 2021 will be completed in spring 2024 and handed over to the district. We are building an integrated secondary school with 725 places on Am Breiten Luch. In a further project, we have begun the construction of an 830-place secondary school on Erich-Kästner-Strasse. In addition, construction of the Adlershof community school with more than 1,300 places started in 2023. Alongside the construction of five schools, seven further new construction and refurbishment projects are in the planning phase, with the construction of four new schools scheduled to start in 2024.

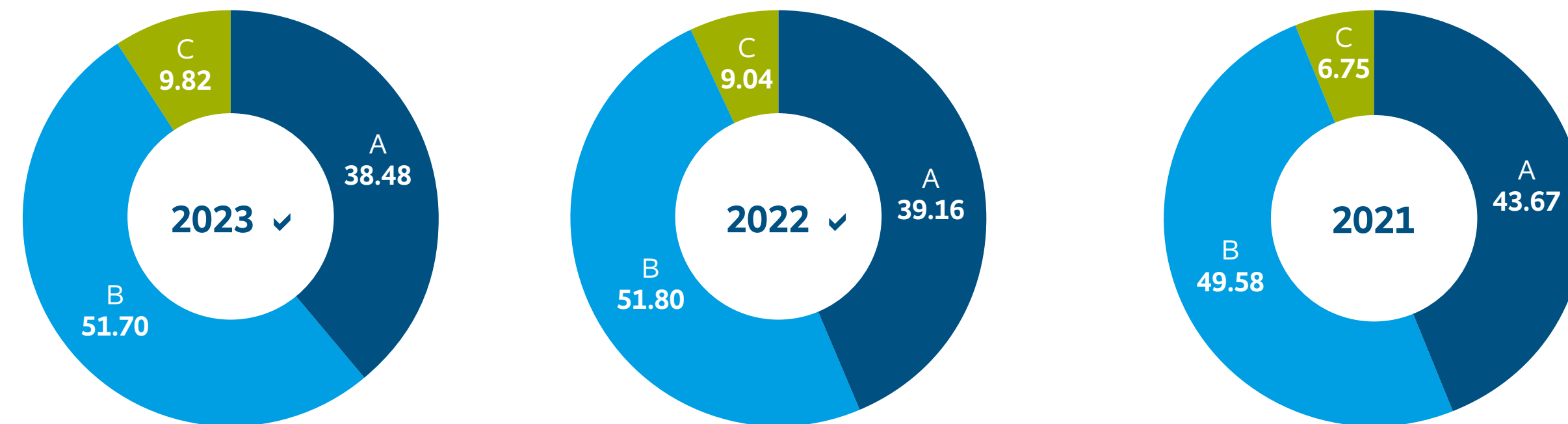


## Socially responsible rents ✓

HOWOGE has the mandate to create affordable housing. This is defined in our shareholder's requirements, which stipulate that we offer housing at rents that are affordable to any Berlin resident.

Socially responsible rents are an issue for the entire company and all its divisions and functions. Asset and Portfolio Management has primary responsibility for rents and rent development. Under the leadership of an authorized representative, this function coordinates a broad spectrum of strategic issues for HOWOGE ranging from acquisition planning and the integration of new buildings and acquisitions into our portfolio through to organization and support for the management of our residential and commercial units. The challenge of maintaining economic stability is especially evident here because, despite increasing returns and substantially higher expenses, the company's cost-effectiveness and stability must be ensured in order to perform the many necessary tasks. HOWOGE will continue to ensure socially responsible rents, although this remains a challenge overall.

### Rent structure (apartments by monthly rent, % of the portfolio)



A = % residential units below EUR 5.99/m<sup>2</sup>, B = % residential units between EUR 6.00 and EUR 7.99/m<sup>2</sup>, C = % residential units above EUR 8.00/m<sup>2</sup>

In September 2023, we concluded a new cooperation agreement with the Berlin Senate. Effective December 31, 2023, this replaced the existing cooperation agreement on affordable rents, new residential construction and the supply of social housing. In light of the continuing energy crisis and to provide relief for tenants, the shareholders decided a one-year rent cap in September 2022 that HOWOGE has implemented accord-

ingly. This rent cap became invalid with the entry into force of the new cooperation agreement on January 1, 2024. HOWOGE will implement the specific provisions of the new cooperation agreement (see also the → [Corporate governance](#) chapter: Regulations and legislative amendments) so that it can offer secure homes to Berlin residents in all income groups.

**Average lease duration in years<sup>2</sup>**



Our rents remain consistently below the average for Berlin. In 2023, the average rent<sup>1</sup> for our portfolio properties was EUR 6.11 per square meter (2022: EUR 6.11). The average rent for new leases was EUR 9.31 per square meter (2022: EUR 9.18).

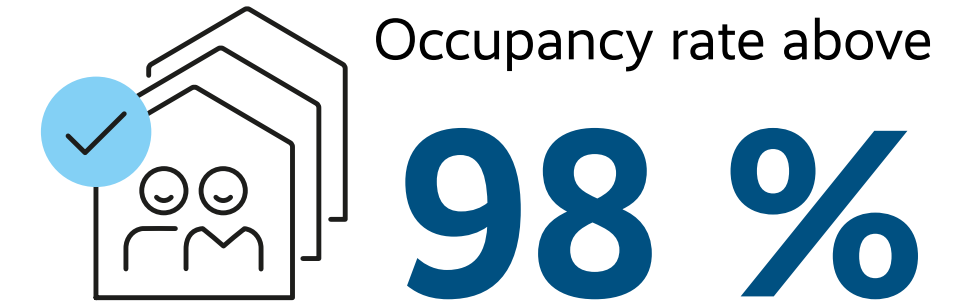
**Tenant fluctuation<sup>3</sup>**



Energy-efficient measures can be implemented so that they have a minimal impact on rents. In this way, HOWOGE is fulfilling its promise of ensuring that rents remain affordable in the long term.

HOWOGE makes every effort to ensure the satisfaction of its tenants and aims for long lease durations. In recent years, the average lease duration has increased slightly.

Our ambition is to ensure we have no vacancies, as far as this is possible. We have been successful in this – our occupancy rate was 98.2 % in 2023 (2022: 98.2 %).



<sup>1</sup> Calculated in accordance with the GdW definition, excluding new buildings

<sup>2</sup> In the case of acquired apartments, the date of transfer is normally used as the start of the lease.

<sup>3</sup> Lease termination (adjusted for demolition)/total number of leased apartments

# Tenant satisfaction and communication

We aim to ensure HOWOGE's economic strength in the future as well. We are laying a foundation that enables us to fulfill our social mandate and achieve a very high level of tenant satisfaction. In order to safeguard the quality of our work and communication with our tenants and be able to respond flexibly to special situations, HOWOGE has reorganized its customer centers.

Our portfolio was assigned to three customer centers aligned with Berlin's main traffic routes and our management structures. We have now defined 32 different neighborhoods. We are planning six further service points in addition to the existing service points in the Buch and Kottbusser Tor districts and in the High Deck, Bruseberg and Thermometer housing developments. We can also still be reached via the HOWOGE website, dedicated hotlines like those for our social management and technical customer service teams and via social media.

The aim of this reorganization is to align key processes and workflows so that our company can satisfy the requirements made of a modern service provider.

Since 2022, HOWOGE has used a newsroom concept for its corporate communications, thereby structuring topics more clearly and communicating them to our target groups in a more focused way. We also use a targeted online communications concept which enables us to address topics and stories in a manner specific to our target groups, thereby achieving greater effectiveness. For example, key correspondence is available in various languages on our website, where a dedicated area exists for our "mieteinander" magazine for tenants. This provides users with information from the HOWOGE universe, such as tips on using apartments and important dates.

We have also held tenants' afternoons in various neighborhoods in order to establish direct contact with our tenants and discuss any issues they may have. The tenants' advisory boards also provided opportunities for regular dialog with the customer centers, with the advisory boards actively representing the interests of tenants.

The ongoing tension on the energy markets meant that we continued to raise our tenants' awareness for reducing energy consumption in 2023. Information about high heating and warm water charges was provided in personal letters, a detailed and regularly updated information section on our website, the tenants' magazine, fliers and posters, social media and personal meetings. In certain neighborhoods, we also cooperate with the Caritas energy-saving checkers who provide specific advice on reducing energy consumption.

In order to protect tenants from very high supplementary payments in 2024, HOWOGE adjusted the prepayments for heating-related operating costs in fiscal year 2023. The statement for 2022 showed that there were fewer supplementary payments than expected. This was mainly due to the warm weather conditions and tenants' reduced consumption. Further adjustments will be made for tenants whose current prepayments are not sufficient to cover the calculated cost increases. The invoices for operating costs for 2023 included increases of 30 % for district heating and 70 % for gas. However, these increases did not apply automatically to all tenants.

Our increased communication activities on reducing energy consumption also played a role in raising our tenants' awareness for climate protection. On this basis, we also focused our

communication with our tenants on another topic: the reduction of waste. Our various communication measures included an article in our "mieteinander" magazine for tenants and the publication of relevant content on our website and social media channels. We also held events and campaigns in certain neighborhoods, organized by our Social Management function in collaboration with local stakeholders. Here, the focus was on raising the awareness of children and young people for an environmentally friendly approach to waste. One measure was our "Clean school route" campaign. With support from Berlin's cleaning department, HOWOGE called on elementary school classes to participate in the competition. The students collected waste from the areas around their schools and developed creative ideas for making their routes to school more attractive.

Our outdoor spaces also impact tenant satisfaction. They provide various areas for private, semi-public and public use and are intended as places where people of all ages can meet and play. That is why we ensure the high quality of green spaces, providing play areas, seating and areas for tenants to garden.

HOWOGE has also developed a use concept with tree watering and garden sponsorships that enables tenants to contribute to caring for these green spaces. We ensure that our buildings are kept safe, clean and attractive.

All our new buildings are designed to be suitable for elderly residents, with barrier-free access, age-appropriate fittings and a wheelchair-friendly layout. This also applies to the yards and other outdoor spaces. An interdisciplinary project team is continuously researching solutions for independent senior living in a project on → [virtually assisted living](#) (German only) financed by the German Innovation Fund.

You will find more information in the → [Neighborhoods](#) chapter.

#### Accessible<sup>1</sup> apartments under construction

	2023	2022	2021
Total	973	1,612	517
% of all new buildings	100	100	100

#### Accessible<sup>1</sup> apartments in the portfolio

	2023	2022	2021
Total	5,190	5,170	5,143
in %	7.6	7.5	8.6

<sup>1</sup> Definition of accessibility in accordance with Section 51 of the Berlin Building Code

# Neighborhoods

Our neighborhoods are spaces for collaboration. In order to strengthen the sense of community between tenants and residents, we foster social commitment, develop sustainable solutions and create strong networks that link all our stakeholders.

# Social neighborhood development ✓

As a municipal housing company, HOWOGE has a social mandate from the State of Berlin which also covers its social commitment to sustainable neighborhood development, as reflected in our mission statement. The Social Management function, in collaboration with the local customer centers and service points as well as other functions, is responsible for the company's social commitment. We have set ourselves the goal of creating and maintaining stable and attractive neighborhoods that deliver quality of life and meet future needs. By way of projects and offerings from our partners, we are seeking to strengthen cohesion among residents and cooperation between institutions and networks with the aim of promoting neighborly collaboration and avoiding conflicts.

Our approach is based on various measures. In our neighborhoods, we support our partners with collaborations and donations. We also implement our own neighborhood projects and events. In addition, we offer support and advice especially to tenants who need help via a telephone social support hotline and on site in our → [KIEZCONTAINER](#) (neighborhood container) but also via events such as our tenants' afternoons or our presence at neighborhood parties.

We use a social scoring model and our own neighborhood profiles – updated every two years – to analyze our neighborhoods in order to design targeted measures that meet their needs. We also consider the experience of our customer centers, external experts and other stakeholders in the neighborhoods such as district coordinators or social organizations. In this connection, we analyze each neighborhood individually. Projects that work in one neighborhood may not necessarily be an option for others. That is why our dialog with the stakeholders in our neighborhoods is important. It is the only way we can create a strong network that will help us to respond to developments. Our current focus is on aspects of the “Social cohesion” urban construction program. We regularly speak with the neighborhood management teams, funding external projects and organizing our own projects in collaboration with local partners. In 2023, HOWOGE implemented various measures to strengthen social cohesion in the following five neighborhoods: Kottbusser Tor, Mehringplatz, the High Deck and Thermometer housing developments and Wartenberg.

HOWOGE's social commitment concentrates on six areas: education, research, culture, ecology, social issues and sports.

## Our commitment in 2023 by number of projects<sup>1</sup>

Area of support	Number
Education	20
Research	9
Culture	23
Ecology	16
Social issues	50
Sports	16
<b>Total</b>	<b>134</b>

<sup>1</sup> Projects supported by way of cooperation and donations, unconfirmed

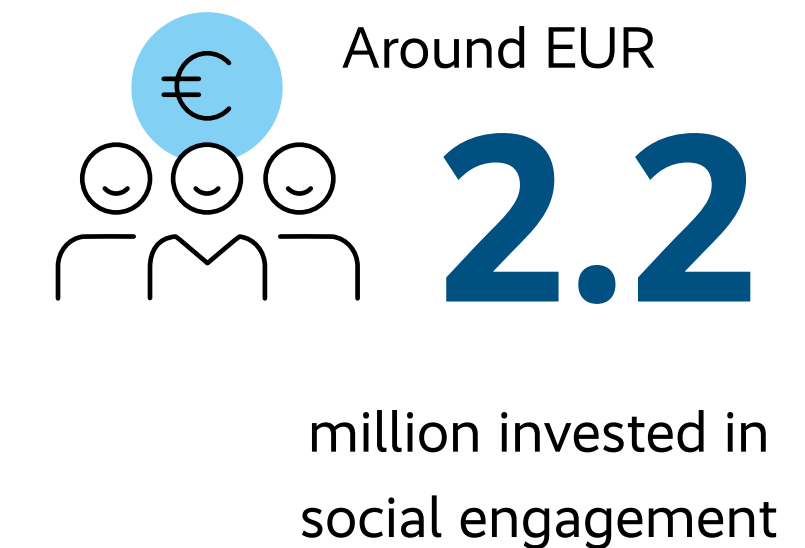
Our approach of being a reliable long-term partner paid off again in 2023. HOWOGE provided financial support to a total of 134 initiatives and institutions during the year. Together with the spending on our own projects and our participation in partnership projects, our social commitment expenditure in 2023 amounted to more than EUR 2.2 million (2022: EUR 2.3 million).

In 2023, environmental education, cleanliness and safety played a key role in HOWOGE's social commitment activities, which ranged from funding a tree-planting campaign in the Buch district through support for garden projects in Hohenschönhausen, for example, to a balcony competition in the Kottbusser Tor neighborhood. In addition, HOWOGE successfully applied for funding from Berlin's program for cleanliness and safety in large neighborhoods, enabling it to deploy a neighborhood janitor in the Fennpfuhl housing development. You can read an article about the neighborhood janitor on HOWOGE's → [website](#) (German only).

At a social level, measures focused on fostering participation formats and neighborhood campaigns to strengthen cohesion. Among the highlights here were the tenants' afternoons organized in certain neighborhoods. In 2023, the "Klingeling" electric cargo bike was used for the first time to transport the materials needed for the events. Since September 2023, it has been seen at tenants' afternoons throughout the city. Also in 2023, the focus was on transitioning the "komşu" cabin and cellar in the Kottbusser Tor neighborhood to HOWOGE's neighborhood venues concept. The word "komşu" is Turkish and means neighbor. The neighborhood venues are intended to serve our tenants as places where they can meet and enjoy joint events. HOWOGE provides these venues to the neighborhood free of charge.

The company's commitment in the cultural and social areas especially is complemented by the work of the Stadkultur (City Culture) foundation established by HOWOGE in 2018. Among other things, the foundation seeks to strengthen social, inter-

generational and intercultural dialog. One highlight in 2023 was the "A room for you" project which resulted in a three-day cultural festival in Hohenschönhausen. In addition, projects such as the Lichtenberg Children's University and smartphone and tablet PC workshops were continued successfully.



# Stakeholder participation and dialog

We at HOWOGE seek to align our activities with the needs of our stakeholders and their expectations of financial, social and environmental conduct. We maintain a constant dialog with our core stakeholder groups which include in particular:

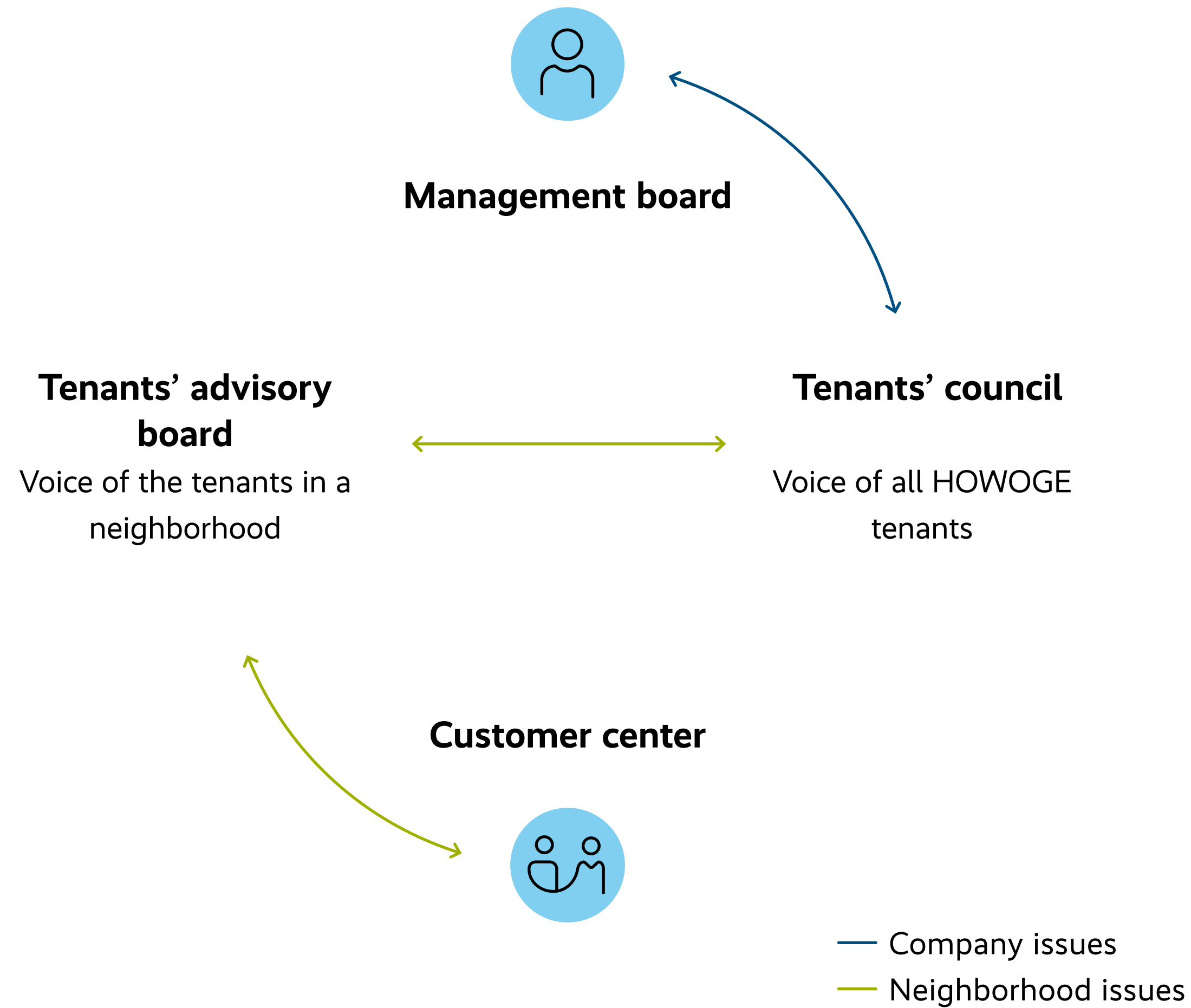
- State of Berlin (Senate administrations)
- Parliaments (the German Parliament, Berlin House of Representatives and their parliamentarians)
- District and local politicians
- Local authorities (for example, Berlin's Housing Coordination Office, the city's district councils)
- Industry associations (BBU, GdW, etc.)
- Investors
- Urban society (citizens' initiatives, local clubs and associations, etc.)
- Tenants' council and tenants' advisory boards
- Institutions and public facilities (for example, community centers, schools, libraries)

This continuous dialog uses the participation platforms we have established in recent years. Our sustainability reporting is also an element of the dialog with our stakeholders and partners. We update our non-financial report and our → [website](#) (German only) each year to reflect our progress on our chosen course.

Our three customer centers and the service points in our new neighborhoods serve as direct points of contact for our tenants. Dialog is additionally supported by the → [tenants' council](#) (German only) and the → [tenants' advisory boards](#). We also initiated elections for the tenants' advisory boards in 2023, resulting in the formation of 13 such boards, ten of which were new in 2023. We inform our tenants and the general public about the elections in our neighborhoods via our → [website](#) (German only).



**Combining neighborhood interests and corporate governance – HOWOGE tenants’ advisory boards and tenants’ council**

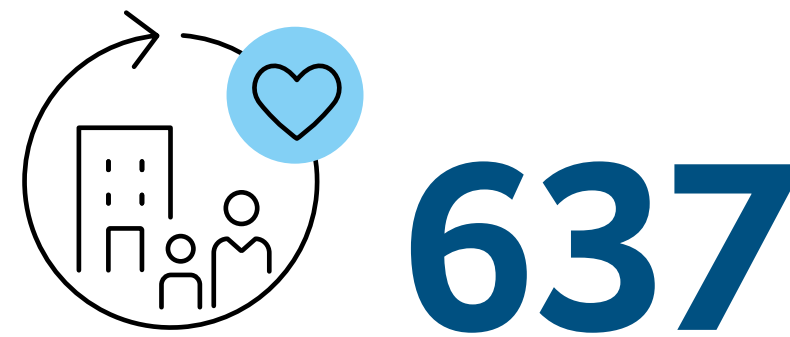


New construction projects and new neighbors often mean change for the residents of our neighborhoods. In 2023, in order to satisfy higher expectations and our own ambitions in respect of good stakeholder participation for our many new construction projects, we concluded framework agreements with four service partners which will support us in developing and implementing participation processes in the years ahead. We will continue to engage in dialog with our stakeholders in our neighborhoods, government and local authorities via project-specific formats aimed at individual target groups.

We also ensured continuous communication with our target groups in respect of our participation processes in 2023. One highlight was the extensive participation in launching the Fennpfuhler Tor urban design competition, which was successfully concluded in 2023. This is a joint project for the development of a sustainable neighborhood involving HOWOGE, a project developer for the State of Berlin and a private-sector contributor. You can find further information on the HOWOGE → [website](#) (German only).

# Sustainable infrastructure and mobility

We aim to ensure → [short distances to amenities](#) (German only) in our neighborhoods, as required by the → [Berlin Senate's urban development plan for 2030](#) (German only) which prioritizes the creation of commercial spaces. That is why, when letting commercial space, we favor a mix of commercial activities that can serve the neighborhood. We lease space to social and childcare facilities, thus fulfilling our social mandate. In 2023, we leased 39 new-build units and 19 units in our existing building stock to social organizations. Last year, no further new space was leased to childcare facilities. The total number of residential units leased to social organizations increased to 637 in 2023.



residential units leased to  
social organizations

Moreover, as a founding signatory of the → [charter for intelligent mobility in residential neighborhoods](#) (German only), HOWOGE is committed to ensuring climate-friendly, socially compatible and resource-friendly mobility in its neighborhoods. In accordance with the German Building Electromobility Infrastructure Act (GEIG), HOWOGE is working actively to expand the charging infrastructure for electromobility. We have laid the cornerstone for leasing charging stations in some of our portfolio and new buildings

In 2023, we successfully established Jelbi shared mobility stations in our Buch and Lindenhof neighborhoods and have registered positive user rates. Also in 2023, HOWOGE became part of the Jelbi network in the Adlershof neighborhood where ten new Jelbi stations were created. We helped to promote their use through a voucher campaign for our tenants. We continued to expand our partnerships with key mobility providers in 2023, working with them to develop project ideas.

We gained valuable experience from our partnership with a cargo bike sharing service for use in future mobility offerings. This year, unfortunately, we had to terminate the ongoing project with the service provider as well as a further project with another electric cargo bike sharing service.

Despite these challenges, we were able to establish three stations with Cargoroo – currently the leading sharing service for electric cargo bikes in Berlin – thus extending its area of operation to Alt-Hohenschönhausen. At the start of 2024, we are planning a collaboration with mobility provider Carré Mobility to provide a pioneering new mobility solution in HOWOGE neighborhoods. The offering consists of an electric car and two electric cargo bikes and is being piloted at a station at Frankfurter Allee 218 – the LIESE high-rise apartment building. The pilot project is being accompanied by a user survey among our tenants aimed at gathering valuable information for delivering future mobility offerings in our neighborhoods. The findings from projects like the one at the LIESE high-rise apartment building are helping us to develop new mobility offerings. In parallel, we are reevaluating existing surfaces – especially sealed surfaces – for use as parking lots, for example.

We are aware that sharing services are often not yet entirely profitable. However, we believe we are at the start of a process to deliver a sustainable mobility offering that must first become established in the neighborhoods before it can achieve profitability. For our new construction projects, we are therefore evaluating concepts that will result in the greater integration of mobility and housing.

Alongside sharing services, we are developing other mobility offerings in our neighborhoods. As some of our new-build neighborhoods on the outskirts of the city are not ideally served by public transport but are very large, we are planning centrally located neighborhood parking garages. Sustainable planning is at the forefront of this concept, which includes gradually closing and repurposing above-ground parking lots. A detailed workshop on parking garages was held in December 2023. At the same time, we are developing concepts for our new projects that reinforce the integration of low-threshold mobility offerings into our neighborhoods.

We are also involved in research projects addressing sustainable mobility. One such mobility study has revealed which forms of transport are used frequently and what the people surveyed expect of the transport infrastructure. The study in the Hohenschönhausen district was designed and conducted with local participation and the scientific expertise of TU Dortmund University. The results can be found on our → [website](#) (German only).

# Teamwork

Teamwork at HOWOGE is built on respect, diversity and trust, values that we live by every day and which characterize us as an employer.

# Corporate culture and values ✓

A modern corporate culture and respectful behavior are important to us and form the basis for good teamwork. We therefore expect all our employees to act in accordance with our values and compliance targets, thus serving as role models in day-to-day operations.

Specifically this means:

- Our managers undertake to comply with HOWOGE's values and compliance targets and serve as role models in their day-to-day conduct.
- Our managers ensure that their teams are aware of the company's values and compliance targets which may be relevant in everyday compliance activities.
- Compliance is a fixed aspect of regular eye-level discussions and employee surveys, providing managers with the information they need for leadership.

HOWOGE's corporate culture and values are overarching in design and our values are anchored in our value-based compliance management. The Governance, Risk and Compliance function is the contact for the compliance management system within the company. The design and implementation of the corporate culture is also ensured by close collaboration with the relevant functions, e.g., HR.

In 2022, HOWOGE conducted an employee survey. Based on the findings, each function formulated measures and implemented most of them in 2023. This was included as an additional company target in the target agreements with our managers. In this way, we aim to ensure that employee satisfaction remains high. A new employee survey is to be conducted in 2024.

The target agreement process for 2024 will strengthen the focus on overarching sustainability targets within the company. In 2023, the Management Board decided that, starting in 2024, at least one of the individual targets in the target agreements with selected employees not covered by the collective agreement should be linked with and explicitly contribute to the sustainability targets defined by the company. The individual sustainability target is to have a weighting of at least 10 %.

### HOWOGE employees



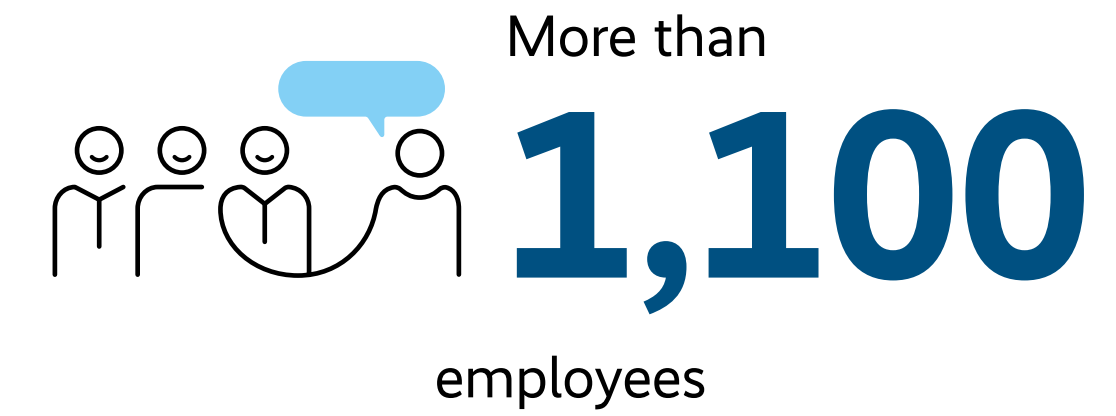
<sup>1</sup> The reporting date for the data was December 31, 2023.

### Codetermination and employee dialog

We are committed to ensuring employee codetermination and participation. The works council represents all employees apart from the members of the Management Board, the company’s authorized representatives and the employees of HOWOGE Reinigung GmbH, 92.9 % of the total workforce. In addition, committees for women, the severely disabled, young people and trainees and an inclusion officer represent the interests of HOWOGE employees. There are three employee representatives on the Supervisory Board.

Direct and individual eye-level discussions take place on a continuous basis. In addition, managers conduct a formal performance review with all their employees – irrespective of their occupation – every one to two years. This is governed by an authoritative provision in our collective agreement. Two face-to-face staff meetings were held in the reporting year. Moreover, we hold other meetings on an ad hoc basis for the Management Board to communicate relevant issues to the entire company or to those areas of the company that are impacted directly. Employees can submit their questions in advance of such meetings or ask them in person during the event.

Other potential contacts and channels for communicating work-related issues to our employees include a company physician, an addiction officer, and an external data protection officer. From January 1, 2024, employees will also be able to consult a human rights officer.



## Diversity and equal opportunities

We aspire to treat our employees equally, irrespective of their gender, age, nationality, origin, religion and sexual orientation. We also want to make our working life diverse and flexible, foster interdisciplinary work approaches and take account of the many different perspectives of our employees.

HOWOGE became a signatory to Germany's diversity charter (Charta der Vielfalt) in 2009. The company undertakes to create a working environment that counteracts prejudice and discrimination. In order to implement this plan, we have appointed a compliance officer and an inclusion officer in addition to the existing employee representation bodies. We have also established an external ombudsperson position. HOWOGE has a full-time women's officer who ensures compliance with Berlin's Equal Opportunities Act (LGG) in all appointment processes. Complaints about work-related discrimination can be submitted by email or by contacting the aforementioned people directly. No such complaints were submitted in the reporting year.

Diversity is an important aspect of our recruiting processes because we are convinced that it harbors considerable added value for the development of our company.

In 2019, HOWOGE initiated a → [plan to promote women by 2025](#) (German only). It is based on our approach and contains more than 30 specific measures. Our main goal is to ensure a balanced gender distribution in all departments and at all management levels, to continue improving work-life balance and to promote women through qualification, training and development. In addition, in 2022 we defined targets for male and female managers at the first and second levels below the Management Board. The minimum target is 40 % each, with 20 % without defined gender. We defined December 31, 2022, as the deadline for attaining this target. As of December 31, 2023, we had 28 female managers and 25 male managers at the first and second levels (53 % to 47 %).



women at the first, second and third management levels

**Employee diversity**

	2023 ✓	2022 ✓	2021
Female	<b>514</b>	457	434
in %	<b>45.85</b>	46.02	46.52
Male	<b>607</b>	536	499
in %	<b>54.15</b>	53.98	53.48
Severely disabled	<b>60</b>	61	63
in %	<b>5.35</b>	6.14	6.75
Women in management positions <sup>1</sup>	<b>29</b>	31	25
in %	<b>52.73</b>	51.67	47.17

<sup>1</sup> This includes women at the first, second and third management levels of the parent company and the subsidiaries. The ratio of women in management positions is based on the total number of management positions.

**Governing bodies<sup>1</sup> by age and gender**

	2023 ✓	2022 ✓	2021
36 – 45 years old	<b>4 (26.67 %)</b>	4 (26.67 %)	3 (18.75 %)
46 – 55 years old	<b>5 (33.34 %)</b>	3 (20.00 %)	4 (25.00 %)
Over 55 years old	<b>6 (40.00 %)</b>	8 (53.33 %)	9 (56.25 %)
Total	<b>15</b>	15	16
Of which male	<b>9 (60.00 %)</b>	11 (73.33 %)	10 (62.5 %)
Of which female	<b>6 (40.00 %)</b>	4 (26.67 %)	6 (37.5 %)

<sup>1</sup> As of the reporting date on December 31, 2023, the governing bodies are the management boards of the parent company and the subsidiaries and the members of the Supervisory Board.

**Employee age structure (% of the total workforce)**

	2023 ✓	2022	2021
Under 25 years old	<b>7.49</b>	7.05	8.15
26–35 years old	<b>18.20</b>	17.62	17.47
36–45 years old	<b>24.44</b>	21.85	20.04
46–55 years old	<b>23.19</b>	24.67	23.58
Over 55 years old	<b>26.67</b>	28.80	30.76



### Fair and transparent remuneration

HOWOGE uses various remuneration models. The fair payment of all employees is ensured by applying a collective agreement. The parent company HOWOGE Wohnungsbaugesellschaft mbH applies the collective agreement for employees in the housing and property industry. This defines their salaries, which rise automatically in line with negotiated increases. The employees of HOWOGE Servicegesellschaft mbH are paid under a collective agreement for the company. The salary increases negotiated for the entire industry are also applied to the company agreement in line with a resolution taken by the HOWOGE Supervisory Board.

There is no difference in average gross income for male and female employees who perform the same role. In 2022, there was a gender pay gap<sup>1</sup> of 28.3% in favor of female employees. This is explained by the fact that the women employed by HOWOGE tend to hold commercial roles while the male employees are mostly in technical positions.

HOWOGE Reinigung GmbH was established in 2023 with the aim of ensuring better management of cleaning services and improved working conditions for employees compared with the market. These include family-friendly working hours and a workplace that is closer to employees' homes. Fair payment is

ensured by applying a collective agreement for the technical employees engaged in cleaning buildings.

In addition to our remuneration models based on the collective agreement, we have implemented a small number of remuneration models for managers and specialists that are not based on the collective agreement. We also seek to ensure fair pay for those employees who are not covered by the collective agreement. HOWOGE Wärme GmbH and Kramer+Kramer Bau- und Projektmanagement GmbH likewise pay their employees appropriately and in accordance with their performance. However, no collective agreement is applied. Their pay is reviewed regularly against market benchmarks for comparable positions. In addition, any negotiated increases in the collective agreement on pay for employees in the housing and property industry are taken as an indication for reviewing and, if necessary, adjusting the remuneration of employees who are not covered by the collective agreement and the employees of Wärme GmbH and Kramer + Kramer Bau- und Projektmanagement GmbH. Independent of this, it is customary to discuss potential salary adjustments with employees as part of their annual performance review. We also ensure that our subsidiaries profit from the extensive benefits offered by the parent company. These include long-service awards, budgets for team events and a company pension co-financed by HOWOGE.

We also ensure that the national minimum wage is applied to all positions. However, this refers only to our technical employees. All other positions are paid above the minimum wage. In addition, we conduct compensation studies on an ongoing basis to gauge our position in the market. Both the works council and the women's representatives monitor remuneration as part of their function. Our recruiting activities provide us with further useful market information. Lastly, we gain information via corresponding questions in the employee survey. In principle, the collective agreements on existing social benefits apply to the entire group. The exception is HOWOGE Reinigung GmbH, which is in the development phase. In the future, it is planned to integrate HOWOGE Reinigung GmbH into the organization with application of the relevant collective agreements.

We aim to reward our employees' work with financial benefits that are not part of their salary. That is why, in 2023, in recognition of the additional work performed in the areas of inclusion, fire safety and occupational safety, we again paid a bonus for the official functions in the affected business areas.

HOWOGE and its subsidiaries ensure that employees are able to freely exercise their rights, especially the right of assembly and the right to collective bargaining. In 2023, there were no work stoppages due to strikes.

<sup>1</sup> The reporting date for the figure was December 31, 2022. For this reason, it does not include HOWOGE Reinigung GmbH.

### Family-friendly HR policy

We seek to deploy a family-friendly HR policy. Since 2014, HOWOGE has been certified by “audit berufundfamilie” and has been working with → [pme Familienservice Group](#) since 2015.

We were recertified for the fourth time in 2023. Our employees are able to contact pme Familienservice Group anonymously at any time to obtain support for various challenging life situations. The focus of the offering includes home care and the care of family members, childcare, life coaching and household services. Also in 2023, the Mein Familienservice portal gave employees free access to digital offerings. Alongside direct queries via the hotline, online childcare, specialist presentations and online yoga were popular services. Our offering makes no distinction between full-time and part-time employees. We see family friendliness as a management issue.

Our offering includes sabbaticals and mobile working options. We have evolved our teamwork model to facilitate mobile working which is now part of our daily working life. Since 2021, therefore, we have been developing our collective agreement on mobile working. We completed and communicated our guideline on hybrid working in 2022. We offer support to ensure effective mobile working. Our employees are also able to draw on the advice and support of pme Familienservice.

At the end of 2023, 703 employees had a mobile working agreement. In 2023, one employee was on a sabbatical and a further 13 were in the saving phase of a sabbatical. In the reporting year, the proportion of part-time employees decreased slightly to 10.3 %.

#### Part-time employees

	2023 ✓	2022 ✓	2021
Part-time employees	116	109	95
Part-time employees in %	10.30	10.98	10.18

# Digital working

Like other companies, we have seen a surge in digitalization in recent years due to the coronavirus pandemic and are pursuing a cloud-first approach that focuses on data security. To facilitate mobile working and working from home, employees are equipped with mobile end devices, such as smartphones and tablet PCs. Alongside the internet, we use Microsoft Teams as our central communication platform. We have continued to invest in process digitalization, which enables us to work more efficiently because data are recognized and parked in the system, thus reducing many sources of error. We have also digitalized all tenant, property and business partner files and migrated them to our document management system (DMS). We will be successively adding more files to the system so that all relevant data are located in the same place. Together with a service provider commissioned in 2023, we are developing a tenant app.

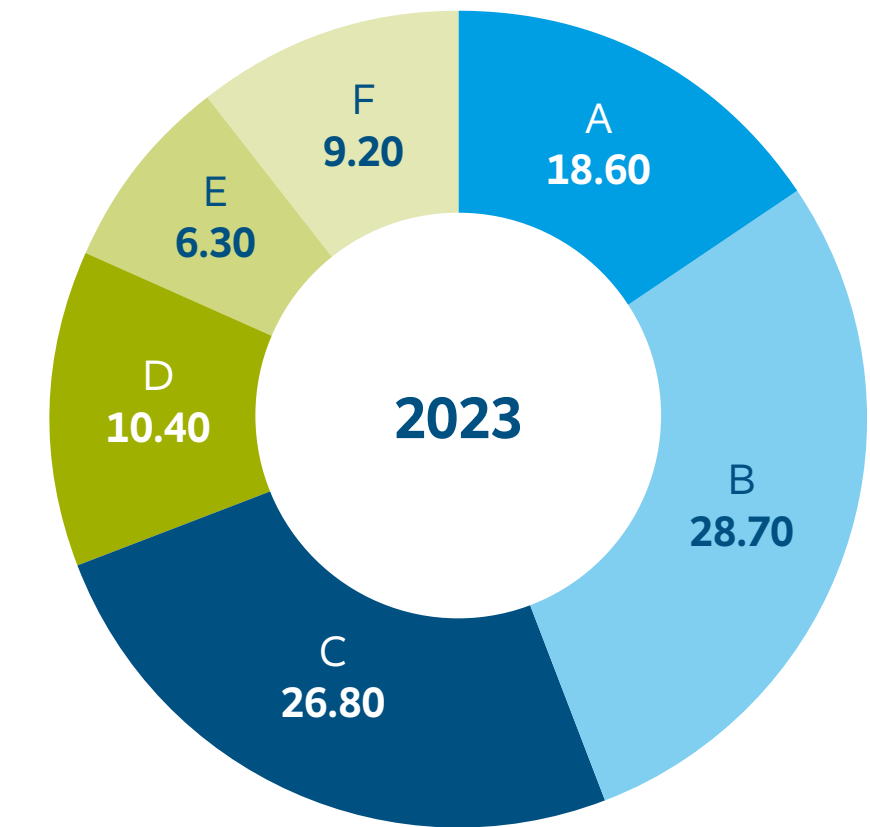
In recent years, we have invested in data security and creating awareness for the fact that information security is becoming increasingly important in the context of digitalization. We are currently working on establishing an information security management system in accordance with the ISO 27001 standard and based on IT-Grundschutz, the methodology developed by Germany's Federal Office for Information Security (BSI). In 2023, the focus was on developing an overarching authorization concept in collaboration with the specialist functions. We will continue this work in 2024. The company established the position of information security officer (ISO) who reports directly to the Management Board.

# Training and development

Many employees have been with HOWOGE for a long time. Our fluctuation rate is 9.55 %. In the near future, a number of our long-serving employees will reach retirement age. This is why we have made personnel development and the recruitment of talents a central aspect of our HR strategy. A fixed training and development budget is part of our personnel development planning and applies to both part-time and full-time positions. In the reporting year, 1,119 employees took part in development measures. We currently have not set any quantitative targets for training and development.

Development measures may be provided in face-to-face, digital or e-learning formats. This flexibilization resulted in average development hours per employee rising from 7.63 to 10.96. Generally speaking, there is no cap on the number of development days per employee. Last year, some employees spent up to 18 days on development activities.

**Years of service** (% of the total workforce)



- A = > 0–1 year: 18.60
- B = > 1–3 years: 28.70
- C = > 3–10 years: 26.80
- D = > 10–20 years: 10.40
- E = > 20–30 years: 6.30
- F = > 30 years: 9.20

## Development hours of employees

	2023	2022	2021
Total	<b>10.96</b>	7.63	6.48
Of which male	<b>8.24</b>	5.56	6.30
Of which female	<b>14.17</b>	10.07	6.59

We are relying on hiring new talents and specialists and providing solid training ourselves. Half of our employees came to HOWOGE via vocational training. In the reporting year, we gave permanent employment contracts to 90.9 % of our trainees on completion of their programs. The 2023 training ratio of 3.1 % was not quite as high as in previous years (around 4 %) because the number of trainees increases only at the start of programs. The absolute number of trainees has remained stable but the ratio has decreased because of the increase in total headcount.

In a recertification in 2023, we were again awarded the chamber of industry and commerce (IHK) seal for excellent training quality. HOWOGE has therefore been a pioneer of professional training in the Berlin housing industry. The certificate is valid until 2025. We are working constantly to further improve the quality of our training. For example, with the involvement of our trainers, we developed a guideline for training and mobile working.

### Trainees

	2023	2022	2021
Employees in training	35	36	35
Training ratio in %	3.10	3.63	3.75

# Health management and occupational safety

Within the context of occupational health and safety, we have appointed occupational health and safety, fire safety, addiction counseling and occupational health management (OHM) officers. OHM is planned on the basis of interdisciplinary dialog and implemented by the OHM officers. The fire safety and occupational health and safety officers meet with the company physician and an external expert in the occupational safe-

ty committee once per quarter. OHM provides anti-smoking courses, spinal training, relaxation techniques, first aid courses and flu and Covid vaccinations, for example. We ensure new employees' awareness for health and work-life balance during the onboarding process. Moreover, we collaborate with health insurance funds and a health platform to provide the broadest possible additional offering to meet our employees' needs.

In 2023, the illness rate decreased slightly to 7.8 %<sup>1</sup> (2022: 8.8 %). The number of work-related accidents rose slightly but the associated days lost and sick days decreased. Most of the accidents were commuting accidents.

## Work-related accidents and illness

	2023	2022	2021
Work-related accidents with sick leave	26	24	23
Number of days lost to work-related accidents	339	497	513
Accident rate <sup>2</sup>	2.77	2.88	2.95
Occupational illnesses	0	0	0
Total work-related fatalities	0	0	0

<sup>1</sup> The illness rate is the total number of days absent due to illness for all employees (incl. long-term absences) in relation to the sum of employees' target working days.

<sup>2</sup> Number of work-related accidents/target working hours x 200,000; the factor of 200,000 is derived from GRI 3.1 (50 working weeks of 40 hours per 100 employees) and was reused to ensure comparability with previous reporting years.

# Annex

# Tables:

## Reporting in line with the EU Taxonomy



## Template: Proportion of turnover from products or services associated with taxonomy-aligned activities – disclosure covering 2023 ✓

Fiscal year 2023	Year		Criteria for a substantial contribution							DNSH criteria (do no significant harm)									
	Code (2)	Turnover (3)	Proportion of turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) turnover, 2022 (18)	Enabling activity <sup>1</sup> (19)	Transitional activity <sup>2</sup> (20)
<b>Economic activities (1)</b>		EUR thousand	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

### A. Taxonomy-eligible activities

A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Acquisition and ownership of buildings	CCM 7.7	135,468	25.0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	24 %			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		135,468	25.0 %	25.0 %	0 %	0 %	0 %	0 %	0 %	N/A	Y	N/A	N/A	N/A	N/A	Y	24 %			
Of which enabling activities		0	0.0 %	0.0 %	0 %	0 %	0 %	0 %	0 %	N/A	Y	N/A	N/A	N/A	N/A	Y	0 %	E		
Of which transitional activities		0	0.0 %	0.0 %						N/A	Y	N/A	N/A	N/A	N/A	Y	0 %		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Acquisition and ownership of buildings	CCM 7.7	397,276	73.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								75 %			
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		397,276	73.4 %	73.4 %	0 %	0 %	0 %	0 %	0 %								75 %			
A. Turnover of taxonomy-eligible activities (A.1+A.2)		532,744	98.5 %	98.5 %	0 %	0 %	0 %	0 %	0 %								99 %			

### B. Taxonomy-non-eligible activities

Turnover of taxonomy-non-eligible activities	8,334	1.5 %
Total	541,078	100.0 %

<sup>1</sup> Enabling activities are those activities that facilitate key climate-friendly economic activities (example: construction of wind turbines for the low-emission generation of renewable energy).

<sup>2</sup> Activities which are permitted in the transition to a more climate-friendly structure of the economic sector (example: cement industry)

**Template: Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure covering 2023** ✓

Fiscal year 2023	Year		Criteria for a substantial contribution							DNSH criteria (do no significant harm)									
	Code (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution(14)	Circular economy (15)	Bio-diversity (16)	Minimum safe-guards (17)	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) turnover,2022 (18)	Enabling activity <sup>1</sup> (19)	Transitional activity <sup>2</sup> (20)
	EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

**A. Taxonomy-eligible activities**

A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	CCM 4.1	1,799	0.7 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	Y	Y	0 %			
Acquisition and ownership of buildings	CCM 7.7	54,765	22.0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	8 %			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		56,565	22.7 %	22.7 %	0 %	0 %	0 %	0 %	0 %	N/A	Y	N/A	N/A	N/A	N/A	Y	8 %			
Of which enabling activities		0	0.0 %	0.0 %	0 %	0 %	0 %	0 %	0 %	N/A	Y	N/A	N/A	N/A	N/A	Y	0 %	E		
Of which transitional activities		0	0.0 %	0.0 %						N/A	Y	N/A	N/A	N/A	N/A	Y	0 %		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (g)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Acquisition and ownership of buildings	CCM 7.7	192,013	77.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								91 %			
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		192,013	77.1 %	72.5 %	0 %	0 %	0 %	0 %	0 %								91 %			
A. CapEx of taxonomy-eligible activities (A.1+A.2)		248,578	99.8 %	99.8 %	0 %	0 %	0 %	0 %	0 %								99 %			

**B. Taxonomy-non-eligible activities**

CapEx of taxonomy-non-eligible activities	451	0.2 %
Total	249,029	100.0 %

<sup>1</sup> Enabling activities are those activities that facilitate key climate-friendly economic activities (example: construction of wind turbines for the low-emission generation of renewable energy).

<sup>2</sup> Activities which are permitted in the transition to a more climate-friendly structure of the economic sector (example: cement industry)

## Template: Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – disclosure covering 2023 ✓

Fiscal year 2023	Year		Criteria for a substantial contribution							DNSH criteria (do no significant harm)									
	Code (2)	OpEx (3)	Proportion of OpEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safe-guards (17)	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) turnover, 2022 (18)	Enabling activity <sup>1</sup> (19)	Transitional activity <sup>2</sup> (20)
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

### A. Taxonomy-eligible activities

A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	14,859	25.3 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	25 %		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		14,859	25.3 %	25.3 %	0 %	0 %	0 %	0 %	0 %	N/A	Y	N/A	N/A	N/A	N/A	Y	25 %		
Of which enabling activities		0	0.0 %	0.0 %	0 %	0 %	0 %	0 %	0 %	N/A	Y	N/A	N/A	N/A	N/A	Y	0 %	E	
Of which transitional activities		0	0.0 %	0.0 %						N/A	Y	N/A	N/A	N/A	N/A	Y	0 %		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	43,576	74.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								75 %		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		43,576	74.2 %	74.2 %	0 %	0 %	0 %	0 %	0 %								75 %		
A. OpEx of taxonomy-eligible activities (A.1+A.2)		58,434	99.5 %	99.5 %	0 %	0 %	0 %	0 %	0 %								100 %		

### B. Taxonomy-non-eligible activities

OpEx of taxonomy-non-eligible activities	321	0.5 %
Total	58,756	100.0 %

<sup>1</sup> Enabling activities are those activities that facilitate key climate-friendly economic activities (example: construction of wind turbines for the low-emission generation of renewable energy).

<sup>2</sup> Activities which are permitted in the transition to a more climate-friendly structure of the economic sector (example: cement industry)

**Template: Extent of taxonomy eligibility and alignment per environmental objective **

	Proportion of turnover/Total turnover		Proportion of CapEx/Total CapEx		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM <sup>1</sup>	25.0 %	98.5 %	22.7 %	99.8 %	25.3 %	99.5 %
CCA <sup>2</sup>	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WTR <sup>3</sup>	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CE <sup>4</sup>	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
PPC <sup>5</sup>	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
BIO <sup>6</sup>	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

<sup>1</sup> CCM stands for climate change mitigation, the first of the six environmental objectives of the EU Taxonomy.

<sup>2</sup> CCA stands for climate change adaptation, the second of the six environmental objectives of the EU Taxonomy.

<sup>3</sup> WTR stands for sustainable use and protection of water and marine resources, the third of the six environmental objectives of the EU Taxonomy.

<sup>4</sup> CE stands for transition to a circular economy, the fourth of the six environmental objectives of the EU Taxonomy.

<sup>5</sup> PPC stands for pollution prevention and control, the fifth of the six environmental objectives of the EU Taxonomy.

<sup>6</sup> BIO stands for protection and restoration of biodiversity and ecosystems, the sixth of the six environmental objectives of the EU Taxonomy.

**Template: Nuclear and fossil gas related activities** ✓

<b>Nuclear energy related activities</b>	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
<b>Fossil gas related activities</b>	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting<sup>1</sup>

To Howoge Wohnungsbaugesellschaft mbH, Berlin

We have performed a limited assurance engagement on the combined separate non-financial report of Howoge Wohnungsbaugesellschaft mbH, Berlin, (hereinafter the "Company") for the period from 1 January to 31 December 2023 which in total comprises the sections in brackets and also marked with a "✓" in the sustainability report of the Company for the financial year 2023 (hereinafter the "Combined Separate Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

### Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the "Combined Separate Non-financial Report" in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE

EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section → [Reporting on the EU Taxonomy](#) of the Combined Separate Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Combined Separate Non-financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore,

the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section → [Reporting on the EU Taxonomy](#) of the Combined Separate Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

### Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements

<sup>1</sup> PricewaterhouseCoopers GmbH WPG has performed a limited assurance engagement on the German version of the combined separate non-financial report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis - IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

### Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Combined Separate Non-financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Combined Separate Non-financial Report, other than the external sources of documentation or expert opinions mentioned in the Combined Separate

Non-financial Report, is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section → [Reporting on the EU Taxonomy](#) of the Combined Separate Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Separate Non-financial Report about the preparation process, about

- the internal control system relating to this process and about disclosures in the Separate Non-financial Report
- Identification of likely risks of material misstatement in the Combined Separate Non-financial Report
- Analytical procedures on selected disclosures in the Combined Separate Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Combined Separate Non-financial Report
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined Separate Non-financial

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

## Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Separate Non-financial Report of the Company for the period from 1 January to 31 December 2023 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section → [Reporting on the EU Taxonomy](#) of the Combined Separate Non-financial Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

## Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Cologne, April 16 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

**Theres Schäfer**      **ppa. Thomas Groth**

Wirtschaftsprüferin  
(German Public Auditor)



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# Imprint

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## **Editorial deadline**

March 28, 2024

## **Image rights**

Cover: HOWOGE/photographer: Alexander Rentsch

Foreword: HOWOGE/photographer: Benjamin Pritzkelei

## **Concept and editing**

Accenture GmbH, Kronberg, Germany

## **Design**

lovetto gmbh, Berlin, Germany