

Consolidated Non-financial Statement for the 2019 Financial Year

The core business of IMMOFINANZ is the management and development of retail and office properties in selected Central and East European countries. The portfolio comprised 213 properties with a total value of EUR 5.1 billion as of 31 December 2019. Activities in the office sector are focused on the international myhive brand as well as other office buildings – e.g. for occupancy by single tenants – in the capital cities of the core countries and the major office locations in Germany. The office portfolio was responsible for 63.8% of the total portfolio value and 53.3% of the rental income from the standing investments at the end of the 2019 financial year. The expansion of the retail portfolio is based on the STOP SHOP and VIVO! brands which are designed, above all, for secondary and tertiary cities. The retail portfolio was responsible for 33.6% of the total portfolio value and 46.0% of the rental income from the standing investments at year-end 2019. IMMOFINANZ's goal is to compile and maintain a high-quality, profitable portfolio of commercial properties. Additional details are provided under "Portfolio report".

About this report

IMMOFINANZ has not been required to issue a consolidated non-financial statement/consolidated non-financial report in accordance with § 267a (1) of the Austrian Commercial Code since the 2019 financial year. However, as company of interest to the general public, IMMOFINANZ is voluntarily issuing a non-financial statement in accordance with § 267a of the Austrian Commercial Code.

Non-financial performance indicators

The consolidated non-financial statement provides information on the non-financial performance indicators (in acc. with § 267 (2) of the Austrian Commercial Code).

The following table presents an overview of the pages in this annual report which include the non-financial performance indicators, including data on environmental and employee-related issues, required by § 267 (2) of the Austrian Commercial Code. It also indicates where the corresponding information can be found on the voluntary non-financial statement prepared according to § 267a of the Austrian Commercial Code. Recognised frameworks were used to meet legal requirements. Additional information on these frameworks is provided in the section on Reporting standards (see page 93)

IMMOFINANZ				
Key non-financial performance indicators incl information on the following subject areas ¹	Material topics for IMMOFINANZ	Reference	EPRA Code	GRI Code
Environmental issues	Responsibility towards the environment	96–101, 113	Elec-Abs, DH&C-Abs, Fuels-Abs, Energy-Int, GHG-Dir-Abs, GHG-Indir-Abs, GHG-Int, Water-Abs, Water-Int, Cert-Tot	302-1, 302-2, CRE1, 305-1, 305-2, 305-3, CRE3, 303-1, CRE2, CRE8
Employee-related issues	Responsibility towards employees	104–108	Diversity-Emp, Emp-Training, Emp-Dev, Emp-Turnover	102-41, 401-1, 403-2, 404-1, 404-3, 405-1
Social issues ²	Responsibility towards tenants and customers	102–104	Comty-Eng, H&S-Asset, H&S-Comp	413-1, 416-2
Respect for human rights ²	Responsible business practices	108–110		204-1, 406-1
Fight against corruption and bribery ²	Responsible business practices	109–111	Gov-Board, Gov-Select, Gov-Col	205-2, 205-3, 206-1, 418-1, 415-1

¹ Management report in acc. with § 267 (2) of the Austrian Commercial Code

² Voluntary non-financial statement in acc. with § 267a of the Austrian Commercial Code

Reporting limits & coverage

This report covers IMMOFINANZ AG and all consolidated subsidiaries (see section 8 in the Consolidated financial statements). The portfolio comprised 213 properties as of 31 December 2019, whereby 170 properties formed the basis for NFI reporting due to the availability of a monitoring system. The properties were included in the report based on the financial control principle.

Reporting standards

The reported indicators are based on the EPRA (European Public Real Estate Association) Sustainability Best Practices Recommendations Guidelines (2017); the selected indicators are listed in an index on page 111 of the non-financial report. The report was also prepared in line with the GRI Standards for sustainability reporting which were issued by the Global Reporting Initiative. The GRI reporting option "GRI referenced" was applied; the GRI Standards were therefore only used selectively for specific disclosures. The selected indicators can be found in the GRI Index (see page 112).

Performance indicators

Environmental indicators – portfolio

The portfolio presentation is based on asset classes (office and retail). The indicators cover 68 office properties with approximately 1.2 million sqm of rentable space in total and 102 retail properties with approximately 980,000 sqm (thereof 85 STOP SHOPS and 10 VIVO!). Due to the different availability of data, the comprehensive presentation of consumption indicators is not possible at the present time. The number of included buildings and the coverage rate of the rented space are therefore noted on the respective indicator tables. The consumption data for energy and water is based on utility company invoices. The applicable data was, in part, not available as of 31 December, and the calculation of the energy indicators for 2019 was therefore estimated with prior year values in some cases. The share of estimated values is indicated in the respective tables.

IMMOFINANZ reports on the water and energy consumption of the owner (IMMOFINANZ). When tenants purchase energy and/or water directly from a utility company, the related amounts are not included in this consumption because there is no access to the necessary data. In order to permit comparability, the consumption levels are presented as intensity values. Rented space is used in this report since it represents a standardised factor for the different types of building use.

Environmental indicators – own office buildings

The indicators for the operation of office buildings used directly by IMMOFINANZ are presented separately. Most of these commercial buildings are owned by IMMOFINANZ and used together with tenants. Statistics on IMMOFINANZ's energy consumption are not collected separately at the present time, and this data is therefore extrapolated on the basis of tenant consumption. Buildings rented externally cannot be included in the presentation at the present time because there is no access to the consumption data. Activities are currently in progress to extend monitoring. IMMOFINANZ's own consumption is shown separately in the appendix beginning on page 113. The total office space used by IMMOFINANZ forms the basis for the presentation of intensity values.

CO₂ footprint

The calculation of the CO₂ footprint is based on the GHG Protocol Corporate Standard. Emissions are presented as CO₂-equivalents. The emissions from the combustion of natural gas are calculated using national emission factors. Electricity emissions are based on the applicable country mix or, when available, the supplier mix. Regional data from the utility company is used for district heating; average values are used if this data is not available. For the motor vehicle pool, the current emission factors published by the Austrian Federal Environmental Agency are used.

Employee indicators

The indicators in the section Employees are based on the headcount (HC) of all fully consolidated companies as of 31 December (excluding the Executive Board, employees on parental or military leave, students, trainees and young professionals). Indicators calculated on a different basis are designated by a footnote. The underlying data for the calculation of the indicators was generated by IMMOFINANZ's human resources administration software.

External audit

This report was not subjected to an external audit.

Sustainability at IMMOFINANZ

Our understanding of sustainability

IMMOFINANZ is one of the leading commercial real estate specialists in Central and Eastern Europe and an active portfolio manager for more than 210 office and retail properties. The size of this portfolio creates a responsibility towards our stakeholders, the environment and society in economic, social and ecological respects.

A corporate code forms the basis for the awareness of our responsibility as well as all entrepreneurial activities and decisions within the company. It defines the decisive attitude and values for responsible management at IMMOFINANZ.

IMMOFINANZ views itself as a partner for its stakeholders and is closely connected, above all, with its tenants and their customers through its quality and safety promise. Sustainability aspects are integrated in the planning, construction and operation of our properties in order to meet the needs of our stakeholders and minimise the environmental impact of business activities. Through the use of environmentally friendly technologies and the systematic improvement of the energy efficiency of the portfolios, we are working to reduce the CO₂ footprint of our standing investment portfolio.

The fundamental pillar for our actions is formed by our employees. We are committed to creating a working environment throughout the entire company which is characterised by openness and mutual respect. At IMMOFINANZ, the Executive Board is responsible for the strategic orientation and sustainable development of the company. The Supervisory Board accompanies and advises the Executive Board. Future plans include the stronger integration of sustainability issues in management.

The strategic focal points of sustainability management are based on the materiality analysis which was carried out in 2017 (also see page 95–96). The operational implementation of measures represents an integral part of the daily responsibilities of the department and country heads and their staffs. They report to their supervisors and/or to the Executive Board on the progress and results of their activities and monitor goal attainment. In addition, important information, issues and data are exchanged on a regular basis at the department head level. Corporate Communications & Investor Relations is responsible for transmitting the relevant information to shareholders and the general public – and is also responsible for the preparation of this non-financial report.

One strategic goal for the coming years is the further development of our sustainability management. In line with the increased monitoring of consumption data in our portfolio, the focus for 2020 will be placed on the continued implementation of measures currently in progress. A separate project group has also been tasked with the preparation of a climate neutrality strategy for IMMOFINANZ.

Our stakeholders

The core business of IMMOFINANZ covers the rental and management of office and retail properties as well as project development and the sale of real estate. On the one hand, these activities touch basic human needs and, on the other hand, they are also connected with an impact on the environment and society. The continuous exchange and acceptance of our business by our various stakeholders is very important for the economic success of our business model. Consequently, we actively include their viewpoints and concerns in the focus of our business and the further development of our offering.

Our most important stakeholders are our tenants, their employees and the people who visit our retail properties, potential tenants, employees, shareholders, investors and analysts, the buyers and sellers of commercial properties and politics at the local and national level. Other interest groups include suppliers and service providers, banks and the media.

We maintain regular contact with our tenants, conduct annual surveys and include tenants' concerns and wishes in the further development of our offering. The continuous dialogue with our employees involves surveys, annual employee assessments, various workshops, a lively intranet platform and an active open-door policy throughout the Group. Real estate buyers and sellers can expect fast decision processes as well as reliable and prudent actions from IMMOFINANZ. These groups are treated as dependable partners. We supply our shareholders, investors, analysts, rating agencies and financing banks with transparent and comprehensive

information and are committed to an open and constructive dialogue. We believe in extensive public relations, hold regular meetings with the press and always work to answer inquiries as quickly as possible.

Close contacts with our suppliers and service providers are an important issue, above all in the design and processing of contracts. Politics, above all at the local level, are an important partner for the realisation of construction works and development projects. Our focus here is on a professional exchange with all involved parties, where we also attempt to address the concerns of the population and the needs of urban development.

Membership in associations – support for external initiatives

IMMOFINANZ is actively involved in numerous initiatives, associations and organisations in the real estate branch and business sector which are dedicated to the advancement of the branch, research and teaching as well as the representation of interests.

We are a member, among others, of the following organisations: Aktienforum, Austrian Council of Shopping Centers, Austrian PropTech Initiative, Cercle Investor Relations Austria, EPRA European Public Real Estate, Handelsverband Retail Association Austria, Industriellenvereinigung, Institut für interne Revision, LBA Leitbetriebe GmbH, Austrian Controller Institute, Polish Council of Shopping Centers, PRVA – Public Relations Verband Austria, RICS – Royal Institution of Chartered Surveyors and Vereinigung österreichischer Projektentwickler.

Materiality analysis

The selection of the focal points for sustainability management, the monitoring of the performance indicators and the content of reporting are based on a materiality analysis which was carried out in 2017 and was also valid for 2019. The subject areas also reflect the specific EPRA recommendations for the real estate branch.

Identification and review of material topics

The preselection of potential material topics for IMMOFINANZ resulted from the analysis of tenant and employee surveys as well as criteria that represent a focal point for investors and service providers in the ESG area (Environmental Social Governance). Also addressed were subject areas which are regularly reviewed by various rating agencies.

Analysis and prioritisation

The preselected potential material topics were analysed and prioritised in an internal workshop with managers and staff from the following corporate areas: Asset Management Office and Retail, Project Development, Group Procurement, IT, Human Resources, Controlling, Consolidation, Corporate Legal Affairs & Compliance, Research and Corporate Communications & Investor Relations. The first step involved the identification and assessment of the impact of IMMOFINANZ's products and services on the environment and society. It covered the importance not only for the company, but also for its internal and external stakeholders (shareholders, tenants, employees, suppliers and business partners).

The list of material topics covered the following: energy efficiency and resource conservation in the standing investments and development projects as well as the related savings, sustainable investments in the quality of the standing investment portfolio, sustainability certifications, tenant satisfaction and the related attainment/protection of a high occupancy rate, human resources development and employee satisfaction, diversity in the workforce, responsible procurement policies and compliance and anti-corruption.

The topics identified as material were then assigned to four areas – the environment, tenants/customers, employees and responsible business practices – which form the structure for this sustainability report.

Validation

The results of the workshops were validated by management.

Implementation

The results of the materiality analysis flow into the further development of concepts and measures related to the material topics and set the focal points for sustainability monitoring and reporting.

The following individual areas of responsibility were defined:**Environment**

IMMOFINANZ is committed to the responsible use of natural resources, the utilisation of climate-friendly technologies, a systematic energy savings strategy, the refurbishment of building substance which is worth preserving and the construction of efficient new buildings. The expansion of sustainability certification, sustainable energy management and the development of a climate-neutral strategy are three of the most important issues in this area.

Customers/tenants

Central strategic focal points are the creation and protection of tenant loyalty through high customer satisfaction and the acquisition of new tenants. The IMMOFINANZ brands represent a service and quality promise which support these efforts. Investments in the quality of the properties and strong customer orientation with a wide variety of services are further important issues.

Employees

The expertise and commitment of its employees are key requirements for IMMOFINANZ's long-term success. Numerous activities in the area of human resources create an environment in which talents can optimally develop and cooperation is promoted at all levels.

Responsible business practices

IMMOFINANZ is committed to business practices that are based on integrity, honesty, fairness, transparency and responsibility. Compliance and the fight against corruption, a sustainable procurement policy and human rights represent the basis for all activities.

Detailed information on the individual areas, the underlying goals and measures as well as potential risks is provided in the following sections.

Responsibility towards the environment

Respect for the environment is an important element in the management and development of our portfolio. We take a proactive approach, use environmentally friendly technologies and work continuously and systematically to improve our company's environmental efficiency. That not only reduces operating costs and emissions, but also contributes to environmental protection and tenant satisfaction.

Our corporate goals include the steady reduction of energy consumption as well as an increase in the energy efficiency of the standing investment portfolio and the related energy savings. Prior to the start of new activities or projects, the related environmental impact is estimated, and the results are integrated in the decision process. Plans also include the gradual expansion of sustainability certification for development projects and standing investments. These certifications reduce environmental risks and help to improve the environmentally friendly use of space as well as increase efficiency.

Potential risks for the environment and society

Buildings are a source of greenhouse gas emissions. IMMOFINANZ is therefore working continuously on comprehensive measures to safeguard and improve the energy efficiency in its standing investments. For development projects, energy efficiency becomes an important issue as early as the planning phase. Development projects or modernisation activities can also have an impact on the environment through the use of harmful building materials. Here IMMOFINANZ makes sure construction is sustainable with highly standardised specifications for buildings and furnishings as well as the careful selection of business partners.

Sustainable energy management

Energy efficiency is not only a function of the building itself. On the contrary, the energy consumption in the properties managed by IMMOFINANZ is heavily dependent on tenant behaviour and, to a large extent, lies within tenants' responsibility. IMMOFINANZ supports efficient behaviour in this area through numerous measures, including communications.

As a means of optimising energy efficiency, energy auditing was introduced in 2017. Energy consumption in the standing investments is reviewed at regular intervals and appropriate countermeasures are defined. The audits of 33 standing investment properties in 2017 were followed by similar inspections at ten standing investments in 2018 and 15 buildings in Germany, Slovenia, Hungary and Slovakia (approximately 181,000 sqm of rentable space in total) during 2019. Structural and building technology optimisation measures were then implemented with the support of energetic analyses. The goal for 2020 is to carry out energy audits at a minimum of 15 standing investment buildings.

Opportunities for energy savings are regularly developed in cooperation with the property and facility managers. Examples of the results are the conversion to LED lighting and the replacement of cooling equipment. The facility managers are instructed to implement energy optimisation measures as defined in standardised contracts which call for regular energy management and controlling. The goal is to steadily reduce resource consumption, while improving the building quality through energy savings measures and the reasonable use of natural resources.

The expansion of the portfolio led to a year-on-year increase of 1.7% in the total energy consumption during 2019. However, the energy consumption per square meter of rented space was reduced by 10% below the previous year – above all due to substantial savings in the office properties. The total energy consumption in 2019 consisted of 64% electricity, 18% district heating and 19% natural gas. Details on energy consumption are also provided in the table on pages 98–99.

IMMOFINANZ installed its first photovoltaic system in 2019 on the roof of a STOP SHOP retail park in Austria. Pilot projects are also planned in other countries, among others a STOP SHOP in Bratislava, to prepare for the installation of large-scale photovoltaic equipment. IMMOFINANZ is also continuously evaluating additional opportunities for energy reduction and the use of alternative, less CO₂-intensive energy sources.

EXAMPLE

With the photovoltaic equipment at the STOP SHOP in Stockerau (Austria), vacant roof areas are now used for sustainable energy generation. A total of 1,008 photovoltaic modules were installed on roughly 4,000 sqm. The system started operations in the second half of 2019 and delivers alternative energy. The roof of this retail park can generate up to 400,000 kWh of electricity per year at peak performance. That represents the yearly energy consumption of 115 households. IMMOFINANZ wants to increase the share of renewable energy with this project: surplus electricity is fed into the Vienna grid and made available to the general public. This sustainable solar energy can save up to 155 tonnes of CO₂ per year – which represents the CO₂ emissions of roughly 1.2 million motor vehicle kilometers. Other opportunities are currently under evaluation. This project puts vacant roof areas to practical use and also makes a positive contribution to the carbon footprint.



CO₂ footprint

The real estate sector contributes to the emission of greenhouse gases, above all through energy consumption during the construction and operation of properties. At the same time, climate change has changed the requirements on the technical features and construction of buildings. Current construction must master the effects of global warming, while also minimising the building's own CO₂ emissions.

Contracts have already been concluded for IMMOFINANZ's entire standing investment portfolio in Austria (office as well as retail) which require the purchase of green electricity (100% hydropower and green energy). Compared with the average Austrian electricity mix, this will prevent more than 2,000 tonnes of CO₂ emissions per year in Austria.

The portfolio's CO₂ footprint can be seen on pages 98–99. The calculation of the CO₂ emissions is based on the energy consumption measured by the meter and charged to the tenants. Therefore, the related emissions are classified as indirect (Scope 3). This data shows that the increase in the portfolio led to 7.1% more CO₂e compared with the previous year, but an analysis of the CO₂e emissions per square meter shows a reduction of 5.2%.

Sustainable energy management

EPRA/GRI Code	Unit	Indicator	Scope
Total energy consumption			
GRI 302-2 (2016)	kWh	Energy	Total energy provided by landlord
		<i>Coverage rate rented space (%)</i>	
Electricity consumption			
Elec-Abs	kWh	Electricity	Total electricity provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
Elec-LfL	kWh	Electricity	Total electricity provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
District heating/cooling consumption			
DH&C-Abs	kWh	District heating	Total district heating provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
DH&C-LfL	kWh	District heating	Total district heating provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
Fuel consumption			
Fuels-Abs	kWh	Natural gas	Total natural gas provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
Fuels-LfL	kWh	Natural gas	Total natural gas provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
Energy intensity			
Energy-Int CRE1	kWh/sqm	Energy per square meter of rented space	Total energy provided by landlord
		<i>Rented space (sqm)</i>	

CO₂ footprint

EPRA/GRI Code	Unit	Indicator	Scope
Greenhouse gas emissions			
GHG-Indir-Abs GRI 305-3 (2016)	tCO ₂ e	Scope 3 emissions	Total energy provided by landlord
GHG-Int CRE3	kg CO ₂ e/sqm	Scope 3 emissions per square meter of rented space	Total energy provided by landlord
		<i>Rented space (sqm)</i>	

Total portfolio consumption			Office			Retail		
2019	2018	Change	2019	2018	Change	2019	2018	Change
371,682,239	365,407,379	1.7%	291,693,270	284,460,805	2.5%	79,988,969	80,946,574	-1.2%
67.6%	65.9%		97.8%	93.3%		31.7%	33.8%	
236,248,060	228,682,736	3.3%	173,439,970	164,316,559	5.6%	62,808,090	64,366,177	-2.4%
67.6%	65.9%		97.8%	93.3%		31.7%	33.8%	
99/170	90/156		66/68	58/64		33/102	32/92	
14.5%	3.4%		14.2%	5.1%		15.2%	0.5%	
194,871,625	204,995,444	-4.9%	135,439,823	143,185,878	-5.4%	59,431,802	61,809,566	-3.8%
67.6%			98.8			36.1%		
76/128			45/46			31/82		
11.4%	3.9%		15.6%	6.3%		15.6%	0.5%	
66,080,442	64,884,799	1.8%	62,077,504	61,040,088	1.7%	4,002,938	3,844,711	4.1%
67.6%	65.9%		97.8%	93.3%		31.7%	33.8%	
99/170	90/156		66/68	58/64		33/102	32/92	
26.1%	1.7%		27.8%	0.8%		18.8%	5.2%	
52,886,456	53,943,326	-2.0%	48,883,518	50,098,615	-2.4%	4,002,938	3,844,711	4.1%
67.6%			98.8%			36.1%		
76/128			45/46			31/82		
27.1%	2.1%		18.8%	1.0%		18.8%	5.2%	
69,353,737	71,839,844	-3.5%	56,175,796	59,104,158	-5.0%	13,177,941	12,735,686	3.5%
67.6%	65.9%		97.8%	93.3%		31.7%	33.8%	
99/170	90/156		66/68	58/64		33/102	32/92	
14.6%	11.1%		10.6%	9.9%		20.4%	12.5%	
57,629,511	60,604,079	-4.9%	44,451,570	47,868,393	-7.1%	13,177,941	12,735,686	3.5%
67.6%			98.8%			36.1%		
76/128			45/46			31/82		
11.8%	6.5%		20.4%	9.1%		20.4%	3.8%	
256	284	-10.0%	255	291	-12.3%	258	264	-2.0%
1,452,580	1,284,880		1,142,957	977,893		309,623	306,988	

Total portfolio consumption			Office			Retail		
2019	2018	Change	2019	2018	Change	2019	2018	Change
111,033	103,646	7.1%	87,437	80,098	9.2%	23,596	23,549	0.2%
76	81	-5.2%	77	82	-6.6%	76	77	-0.7%
1,452,580	1,284,880		1,142,957	977,893		309,623	306,988	

Water consumption

EPRA/GRI Code	Unit	Indicator	Scope
Water consumption			
GRI 303-1 (2016) Water-Abs	Liter	Water from municipal sources	Total water provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
Water-Lfl	Liter	Water from municipal sources	Total water provided by landlord
		<i>Coverage rate rented space (%)</i>	
		<i>Number of buildings</i>	
		<i>Share of projections (%)</i>	
Water intensity			
CRE2 Water-Int	Liter/sqm	Liter per square meter of rented space	Total water provided by landlord
		<i>Rented space (sqm)</i>	

Sustainability certifications

EPRA Code		LEED		BREEAM	
		2019	2018	2019	2018
Cert-Tot CRE8	Number of certified buildings	9	7	19	13
	Certified area (sqm)	143,923	96,237	450,277	341,716
	Share of certified area in the standing investment portfolio ¹	7.0%	5.2%	22.0%	18.6%

¹ The above certified area also includes the space in properties held for sale, in contrast to the data provided in the portfolio report.

Water consumption

The water consumption in buildings is heavily dependent on tenant behaviour and, consequently, largely outside IMMOFINANZ's control. However, measures to reduce consumption have been identified together with the property and facility managers. One example is the upgrading of washbasins with aerators which reduce the waterflow.

The total water consumption rose by 2.1% year-on-year due to the increase in the portfolio, but the consumption per square meter of supply area was reduced by 10% (for details see pages 100–101).

Mobility

IMMOFINANZ is working to meet the rising demand by tenants for sustainable mobility offerings. Activities include, for example, the installation of e-charging stations and weatherproof bicycle parking areas at all myhive office locations. Cooperation agreements have also been reached at individual locations with companies that provide car sharing, scooters, e-bikes and e-scooters. A survey was conducted during the past year at the myhive am Wienerberg office location in Vienna – which has a total of 3,400 employees – and will be used to optimise the current mobility offering.

Sustainability certifications

Certification according to environmental standards is currently planned for development projects and standing investments in the office and VIVO! portfolios. Office buildings are generally certified according to BREEAM and LEED, while shopping centers are generally certified under BREEAM.

BREEAM (BRE Environmental Assessment Method) is the leading and most frequently used certification method for buildings. It defines the highest standards for sustainable design and has become the de facto benchmark for describing the environmental impact of a building. In 2019 several IMMOFINANZ office buildings received BREEAM or LEED certification, including the FLOAT in Düsseldorf as well as the myhive Crown Point, myhive Crown Tower and myhive Park Postepu in Warsaw.

Total portfolio consumption			Office			Retail		
2019	2018	Change	2019	2018	Change	2019	2018	Change
699,082,226	684,862,823	2.1%	544,549,786	520,395,703	4.6%	154,532,440	164,467,120	-6.0%
67.6%	65.9%		97.8%	93.3%		31.7%	33.8%	
99/170	90/156		66/68	58/64		33/102	32/92	
27.5%	5.4%		31.9%	6.9%		20.1%	2.9%	
639,815,107	626,233,763	2.2%	492,922,577	476,167,643	3.5%	146,892,530	150,066,120	-2.1%
67.6%			98.8%			36.1%		
76/128			45/46			31/82		
24.1%	7.5%		18.6%	10.5%		18.6%	3.1%	
481	535	-10.0%	476	532	-10.5%	499	544	-8.2%
1,452,580	1,280,484	13.4%	1,142,957	977,893	16.9%	309,623	302,591	2.3%

Greenbuilding		Total certified buildings		Change in total (%)
2019	2018	2019	2018	
0	1	28	21	33.3%
0	34,022	594,200	471,975	25.9%
0,0%	1.8%	29.0%	25.7%	3.3%

The certified area totalled approximately 594,200 sqm at the end of 2019, which represents 29.0% of the space in the standing investment portfolio (year-end 2018: 472,000 sqm, resp. 26.0%). That represents a year-on-year increase of 3%. A further eight properties with 220,000 sqm in total were in the certification process or preparing for certification at year-end 2019. In the IMMOFINANZ office portfolio, nearly 68% of the rentable space were certified or preparing for certification at the end of 2019.

Summary and outlook

The IMMOFINANZ portfolio has been the focus of an optimisation and concentration process in recent years, which has led to a focus on two asset classes and three brands as well as the sale of properties that no longer fit with the corporate strategy. The next step began in 2017 with the development of a Group-wide, standardised recording process for energy consumption data.

The goal is to continuously reduce resource consumption, while maintaining or improving the quality of building use through energy savings measures. This will help to realise energy savings and reduce the portfolio's CO₂ footprint. Since the beginning of the 2020 financial year, a separate project group has been dealing with measures to make the IMMOFINANZ property portfolio climate-neutral over the long term.

Another objective is to expand the space in the standing investments which is covered by sustainability certifications. Compliance with project development and refurbishment standards is guaranteed by a development process guideline. It applies to all companies in the IMMOFINANZ Group and regulates all construction-related activities.

Responsibility towards tenants and customers

The satisfaction of IMMOFINANZ's tenants is an essential factor for achieving and maintaining high occupancy levels and strong tenant loyalty. This, in turn, is the guarantee for efficient property management. Tenant loyalty through high customer satisfaction and the acquisition of new tenants therefore represent a strategic focus of activities. IMMOFINANZ has issued an asset management process guideline to regulate all processes involving rentals, from the initial contact with the tenant to ongoing tenant support.

Potential risks

The loss of a dissatisfied anchor tenant in the retail sector or difficulties in re-letting and the resulting reduction in visitor frequency could have an impact on other tenants or reduce the offering. IMMOFINANZ minimises this risk with a strong customer orientation and proactive rental management. Moreover, IMMOFINANZ is responsible for compliance with legal construction and safety regulations for the protection of building users.

Brand policy and investments in quality

The IMMOFINANZ property portfolio follows a clearly defined brand policy: myhive represents the offices of the future, STOP SHOPS are retail parks and VIVO! are full-featured shopping centers. These brands are a quality promise to tenants and create security and trust. A high degree of standardisation based on extensive criteria catalogues for presentation, furnishings and design also supports a sustainable procurement policy.

myhive offices are characterised by a pleasant atmosphere in the public areas, a wide range of services and top infrastructure and provide space for communicative and lively interaction between tenants and their employees – for example through attractive communication zones, tenant lounges and regular events like after-work get-togethers, business breakfasts with expert discussions and the organisation of sport activities (also see the detailed description in the brand section).

Networking between tenants is given particularly high priority. Designated community managers are responsible for supporting exchanges between tenants, identifying possibilities for cooperation, brokering the necessary contacts and organising events (among others, sport activities). A specially designed, international myhive office app was also introduced. It provides a wide range of information on the latest events in the respective office building and in the myhive community, promotes communication between experts in different companies at the same location and also supports IMMOFINANZ's central services, for example through a direct feedback tool. In this way, tenants can register for events, submit suggestions and requests, and also file damage reports quickly and easily.

EXAMPLE

Nine "200minutes" after-work events with more than 2,800 guests in total were held at the myhive am Wienerberg in 2019. The themes included, among others, Carnival, Lent, Spring Awakens, a Retro-Party, a Summer Special, an Oktoberfest, a Halloween party and a concluding Christmas event. This myhive community was also very successful from an athletic standpoint, as can be seen in eleven sporting events and 335 medals. Whether indoors at badminton, soccer, bowling and curling or outdoors at beach volleyball, football, golf or tobogganing – fun and action were always guaranteed. The nine expert breakfasts dealt with subjects like cybersecurity and success strategies and formed the supporting programme for discussions and networking.

In order to hold the occupancy rate and customer satisfaction at a high level over the long term, IMMOFINANZ makes targeted investments in the quality of its properties.

The VIVO! Cluj and VIVO! Bratislava underwent extensive modernisation in 2019. At the VIVO! Bratislava, the renovation of 15,000 sqm of rentable space in a former supermarket led to the acquisition of an attractive mix of different retailers for these areas. The new positioning of the shopping center included the redesign of many exterior and interior areas, for example: the facade and lighting concept, an improvement in parking facilities, quiet zones, the installation of additional escalators and the introduction of a new culinary concept – the so-called "VIVO! Market", which expands the shopping center's gastronomic offering. In the VIVO! Cluj, the modernisation covered roughly 22,000 sqm as well as the addition of new anchor tenants, such as Peek & Cloppenburg, as well as an improved recreational and entertainment offering. The location-specific improvements were made in close coordination with tenants and reflect any special local shopping habits.

The further development of the myhive brand also continued during 2019 to give tenants greater flexibility and support the more sustainable and resource-conserving fit-out of rental space. Modular office layouts and standardised fittings allow for shorter contract terms and eliminate the need for extensive renovation on tenant turnover. A separate myhive office design with partition wall systems and high-quality, functional furniture was created for this purpose. The office areas can also be rented together with all-inclusive service, i.e. including infrastructure and IT support as well as cleaning and plant care. This expanded myhive concept will be rolled out gradually to the myhive locations beginning in 2020.

Evaluation of customer satisfaction

In addition to one-on-one meetings with tenants, IMMOFINANZ has carried out regular tenant surveys in its office properties for many years to evaluate customer satisfaction. Based on the results, individualised optimisation measures are then implemented at the respective locations. The design and expansion of the myhive office brand also reflects the suggestions and requirements defined by these surveys. The tenant survey in 2019 was carried out in all IMMOFINANZ office markets. The focal points included an evaluation of the customer orientation, the assessment of IMMOFINANZ's image and the satisfaction with employees' understanding of tenants' needs. This last point shows the greatest improvement compared with the 2017 survey.

Tenant satisfaction in the retail segment is measured by two different survey methods – qualitative and quantitative. We meet our most important anchor tenants regularly to evaluate past and future cooperation. At regular intervals, we also survey all our tenants: The analysis conducted in late autumn 2019 also focused on customer orientation, the assessment of IMMOFINANZ's image and the satisfaction with employees' understanding of tenants' needs. These surveys covered 680 office tenants and 1,700 retail tenants as well as 320 IMMOFINANZ employees in 2019 and will be continued in the coming years.

In the retail sector, visitor surveys are carried out at regular intervals in the shopping centers and retail parks. The focal points include the catchment area, demographic data, purchasing behaviour and the brand recognition of the respective property, satisfaction with the offering and branch mix as well as ideas and suggestions for improvement. These results and conclusions from the frequency counts in the individual retail properties are shared with the tenants and flow into measures to optimise the branch mix, improve the arrangement of tenants and increase frequency.

Customer orientation

"Triple 90", an internal initiative, was launched in 2018 to increase customer orientation throughout the organisation. IMMOFINANZ employees were invited to register for participation in innovation groups, which then developed suggestions to strengthen the focus on customers. The best concepts were announced at the end of 2018 and gradually implemented during 2019. The recommendations include a regular newsletter for tenants with information on progress and developments in the individual IMMOFINANZ brands as well as an internal quiz for employees to increase the knowledge of the portfolio and customers.

Building safety

The IMMOFINANZ buildings must meet the individual needs of tenants and their customers, but also guarantee their health and safety. These properties are built and operated in accordance with the applicable legal regulations and adapted whenever necessary, to meet new legal requirements. Building safety directives can include, for example, fire protection measures and emergency exits.

In rented buildings, the tenants carry out regular reviews of compliance with legal requirements in their rented areas as part of occupational safety inspections. Any deviations are reported, where necessary, to the facility manager who is responsible for correction of the deficiencies.

H&S-Asset; H&S-Comp; GRI 416-2

Summary and outlook

In addition to the above-mentioned measures which include the integration of additional properties in the myhive brand and refurbishments in the VIVO! shopping centers, plans include the strengthening of customer orientation, among others through digitalisation. A mobile application will also be developed to digitalise the accounting process for the expanded myhive office concept.

Responsibility towards employees

The expertise and commitment of its employees are key requirements for IMMOFINANZ's long-term success. Numerous activities in the area of human resources create an environment where talents can optimally develop and cooperation is promoted at all levels. These activities are directed, in particular, to underscoring IMMOFINANZ's attractiveness as an employer and to retaining and further developing employees. Risks associated with qualifications and expertise are addressed and minimised with the measures described below.

Potential risks

IMMOFINANZ minimises the risks arising from negative effects on employees' health, a lack of motivation or continuing education through targeted measures for human resources development and health management.

Employee structure

IMMOFINANZ had a total workforce of 311 as of 31 December 2019 (31 December 2018: 333), which represents an annual average* of 306 (2018: 345). Employees from 20 nations currently work for IMMOFINANZ. Their average age is 37.3 years (2018: 36.6 years). The percentage of women reflected the previous year and equalled 59% as of 31 December 2019.

Total number of employees by employment type	2019	2018	Change
Full-time	277	302	-8.3%
thereof female	154	167	-7.8%
thereof male	123	135	-8.9%
Part-time	34	31	9.7%
thereof female	28	28	0.0%
thereof male	6	3	100.0%

IMMOFINANZ had employees on site in nine countries during 2019. Austria is the main location for roughly half these employees, while the others work in Central and Eastern Europe. Most (2019: 89%) of our employees work on a full-time basis. IMMOFINANZ wants to give its employees stability and planning security, and nearly all employment contracts are unlimited. Temporary employees represented less than 1% of the total workforce in 2019.

Employees by region	2019		2018		
	Total number	Share	Total number	Share	Change in total
Austria	158	50.8%	163	48.9%	-3.1%
Romania	41	13.2%	34	10.2%	20.6%
Poland	38	12.2%	38	11.4%	0.0%
Hungary	21	6.8%	28	8.4%	-25.0%
Czech Republic	18	5.8%	24	7.2%	-25.0%
Germany	13	4.2%	19	5.7%	-31.6%
Slovakia	13	4.2%	21	6.3%	-38.1%
Other ¹	9	2.9%	6	1.8%	50.0%

¹ Locations with less than ten employees (Croatia, Serbia)

* Excluding the Executive Board and parental leave; the calculation is based on the absolute number of employees at the end of the month/number of months.

Social dialogue

The employment relationships with the workforce in Austria are governed by the collective agreement for salaried employees in property management companies. The compensation for non-tariff employees is based on national and standard branch salary schemes. IMMOFINANZ has also concluded several agreements with the Works Council, which provided added improvements for the workforce. A corporate code confirms the company's commitment to respect the rights of employees and the freedom of assembly. IMMOFINANZ works to achieve and maintain a long-term, constructive dialogue with the Works Council.

GRI Code		2019	2018
GRI 102-41	Percentage of total employees covered by collective bargaining agreements	50.8%	48.9%

IMMOFINANZ places high value on the application of uniform standards in dealing with employees. The Executive Board and the Works Council meet at least once each quarter to discuss the current development of the company, and additional meetings are organised on short-term notice to consider important issues.

Continuous human resources development

In the area of human resource development, training is focused on technical as well as social and methodological skills. An important instrument for management is the annual appraisal discussion between employees and their supervisors, which includes the definition of clear goals and individual training activities. As in previous years, appraisal discussions were held with all employees in 2019. These meetings also provide an opportunity to obtain feedback from employees on issues related to personal well-being, development and cooperation as well as suggestions for improvement.

Emp-Dev; GRI 404-3

Training

As in previous years, IMMOFINANZ made a wide range of training and continuing education programmes available to its employees in 2019. The human resources department is responsible for ongoing personnel development as well as the preparation of a succession plan for key positions in the core areas. A total of 9,453 training hours were completed in 2019, which represent 30.4 hours per employee (HC). Language courses accounted for roughly 39% of these hours (2018: 46%), followed by external training courses and seminars. The number of training hours per employee was higher in 2018, above all due to stronger demand for language courses.

Average hours of training per year and employee

EPRA/ GRI Code	Training hours	2019		2018		Change in hours/HC
		Total hours	Hours per employee	Total hours	Hours per employee	
		9,453	30.4	11,427	34.3	-11.4%
	By gender					
	Female	6,776	37.2	8,090	41.5	-10.3%
	Male	2,677	20.8	3,337	24.2	-14.2%
	By age group					
Emp- Training GRI 404-1	< 30 years	2,073	34.0	2,908	38.8	-12.3%
	30-50 years	7,142	30.4	8,282	34.5	-11.9%
	> 50 years	238	15.9	237	13.2	20.5%
	By employee category					
	Management	1,479	31.5	1,389	29.5	6.6%
	Non-management	7,974	30.2	10,038	35.1	-13.9%

IMMOFINANZ Academy

The IMMOFINANZ Academy is the corporate institution for training and continuing education, with individual instruction in the form of specific courses and group programmes serving as important elements. Internal courses led by IMMOFINANZ experts are also part of the curriculum. Examples include workshops on the brand strategy and the IMMOFINANZ Real Estate Training series.

Training programmes

With the apprenticeship programme started in 2016, IMMOFINANZ offers ambitious young men and women training opportunities as real estate agents ("Immobilienkaufmann") and finance/accounting assistants. The "Young Professional" talent promotion programme, which was established in 2017 and successfully continued in 2019, is directed to students and recent university graduates. It follows a rotation scheme and concentrates on knowledge transfer in the operating business and finance departments.

The Leadership Curriculum represents the Group-wide training series for managers, in which individual modules deal with various management issues. The internal exchange and transfer of know-how provide support for employees in management functions. In this way, IMMOFINANZ creates optimal development opportunities for managers.

Health management and work-life balance

As a real estate manager and developer, IMMOFINANZ's operations are primarily office-based and the risk of work accidents is therefore comparatively low. Health management is, consequently, based on healthcare and sport offerings.

Employees can take advantage of flexible and semi-flexible working hours and part-time working models which include a flexible working time regulation. The flexible time frame basically ranges from 6:00 am to 8:00 pm. There is no general core time, and employees can independently determine the beginning and end of their workday. These rules help employees to balance private needs with full-time employment, which leads to an increase in satisfaction and better performance and also supports IMMOFINANZ's attractiveness as an employer.

IMMOFINANZ also provides wide-ranging support for its employees outside the workplace: teambuilding and promotion for the work-life balance represent key elements. Included here are a sixth holiday week after three years with the company, sport offerings like participation in the Vienna City Marathon or Business Run, coaching vouchers and various voluntary employee benefits.

As support for our employees' health, a company physician holds regular office hours at the headquarters in Vienna. Her responsibilities include, among others, compliance with legal requirements as well as vaccination drives, preventive medical check-ups and eye examinations as well as consultations on healthcare issues – all of which are intended to address typical office medical problems on a timely basis. The number of days lost to illness declined slightly to 2.29% in 2019.

Health and safety inspections are held once at year at IMMOFINANZ's own office locations with the participation of the safety officer, company physician and Works Council representatives. These inspections are designed to evaluate occupational safety risks and compliance with legal work and safety regulations. The results are evaluated by HR management and the Executive Board, and measures for improvement are approved. In addition to this annual meeting, IMMOFINANZ has specially trained employees who serve as safety ombudspersons and can address any problems on an ad-hoc basis.

GRI Code	Occupational health and safety employees ¹	2019	2018
H&S-Emp GRI 403-2 (2016)	Number of work-related injuries	1	2
	Injury rate (in %) ²	<0.01%	<0.01%
	Total lost days ³	3	1
	Lost day rate (in %) ⁴	0.01%	<0.01%
	Absences in days ⁵	795	1.022
	Absentee rate (in %) ⁶	2.29%	2.85%
	Work-related fatalities	0	0

¹ Based on employees in Austria (51% of the total workforce).

² Plans include the collection of occupational safety data for all employees beginning in 2020.

³ Number of occupational accidents / total hours worked

⁴ Number of days lost due to occupational accidents

⁵ Number of days lost due to occupational accidents / total hours worked

⁶ Number of absence days (work-related accidents and illness)

⁷ Number of absence days / total days worked

Attractive employer

The many initiatives in the area of human resources have received considerable attention: On kununu, the largest employer ranking platform in Europe with roughly 4.0 million ratings on more than 930,000 companies (as of February 2020), IMMOFINANZ received above-average gradings which have improved steadily in recent years.

KUNUNU Scores in comparison	As of: February 2020			As of February 2019		
	Ranking	Points	Gradings	Ranking	Points	Gradings
IMMOFINANZ	★★★★	4.19	197	★★★★	4.16	166
Branch average (Properties/Facility Management)	★★★	3.35	39,311	★★★	3.33	29,727
kununu average	★★★	3.39	3,985,000	★★★	3.36	3,187,000

More information under www.kununu.com/at/immofinanz

In the study “BEST RECRUITERS 2018/19” (carried out by BEST RECRUITERS | CAREER Verlag, Vienna), IMMOFINANZ was ranked second in the real estate segment and awarded the BEST RECRUITERS seal in bronze. The issues analysed here included the company's online recruiting presence, online job advertisements and interaction with candidates. Positive factors included, among others, the speed and efficiency of the application process.

EPRA/ GRI Code	New employees ¹ New employee hired	2019		2018		Change in total
		Total number	Rate of new hires	Total number	Rate of new hires	
		60	19.3%	68	20.4%	-11.8%
	By gender					
	Female	33	18.1%	41	21.0%	-19.5%
	Male	27	20.9%	27	20.0%	0.0%
	By age group					
	< 30 years	23	37.7%	33	44.0%	-30.3%
	30-50 years	37	15.7%	34	14.0%	8.8%
	> 50 years	0	0.0%	1	6.0%	-100.0%
	By region					
Emp-Turnover GRI 401-1 (2016)	Austria	30	19.0%	30	18.0%	0.0%
	Germany	5	38.5%	4	21.0%	25.0%
	Czech Republic	4	22.2%	4	17.0%	0.0%
	Hungary	2	9.5%	4	14.0%	-50.0%
	Poland	3	7.9%	6	16.0%	-50.0%
	Romania	13	31.7%	15	44.0%	-13.3%
	Serbia	2	25.0%	0	0.0%	100.0%
	Russia	0	0.0%	1	17.0%	-100.0%
	Croatia	1	100.0%	0	0.0%	100.0%
	Slovakia	0	0.0%	4	19.0%	-100.0%

¹ Excl. employees returning from parental leave, trainees, students and young professionals; the calculation is based on the number of employees in the respective category at the end of the year.

IMMOFINANZ ranks among the “Top 1 Per Cent” of employers in Austria. This was confirmed by the independent “Leading Employers” study in an extensive analysis and IMMOFINANZ was recognised as a “Leading Employer 2019”. The study evaluated more than 40,000 companies from different branches and regions regarding their attractiveness as employers. It was based on the evaluation of publicly available data including, among others, the following criteria: employee offering, employee satisfaction, CSR, talent communication and image. The objective was to take a comprehensive view of employer qualities instead of focusing on individual approaches.

The number of employees leaving the company declined substantially in 2019 and led to a reduction of four percentage points in the turnover rate.

EPRA/ GRI Code	Employee turnover	2019		2018		Change in total
		Total number	Turnover rate	Total number	Turnover rate	
Emp- Turnover GRI 401-1 (2016)	Employee departures ¹	64	17.0%	93	21.0%	-31.2%
	By gender					
	Female	36	16.0%	40	16.0%	-10.0%
	Male	28	18.0%	53	27.0%	-47.2%
	By age group					
	< 30 years	21	22.0%	16	17.0%	31.3%
	30-50 years	43	16.0%	67	21.0%	-35.8%
> 50 years	0	0.0%	10	36.0%	-100.0%	

¹ Departures excl. parental leave; turnover as per Schlüter formula: Departures / (Number as of 1.1. + additions)

Diversity

Equal opportunity and the equal treatment of employees without differentiation according to gender, age or national/ethnic origin are part of IMMOFINANZ's corporate DNA. As stated in the Corporate Code, we are committed to creating a group-wide working environment which is characterised by openness and mutual respect. The HR department considers diversity to be very important, in particular with regard to age, gender, national/ethnic origin, religion, education and professional background. Accordingly, specific appointments or recommendations are based not only on criteria like expertise, individual requirements, experience, availability but also on the above aspects.

A compliance officer is available as an independent ombudsperson to answer questions and deal with potential conflicts. No discrimination incidents were reported in 2019.

GRI 406-1

EPRA/GRI Code	Diversity of governance bodies and employees	2019		2018		Change in total number of employees
		Total number of employees	Share	Total number of employees	Share	
Diversity- Emp GRI 405-1	Employees in governance bodies¹					
	By gender					
	Female	0	0.0%	0	0.0%	0.0%
	Male	3	100.0%	3	100%	0.0%
	By age group					
	< 30 years	0	0.0%	0	0.0%	0.0%
	30-50 years	2	66.7%	2	66.7%	0.0%
	> 50 years	1	33.3%	1	33.3%	0.0%
	Employees with management responsibility²					
	By gender					
	Female	16	34.0%	17	36.2%	-5.9%
	Male	31	66.0%	30	63.8%	3.3%
	By age group					
	< 30 years	0	0.0%	0	0.0%	0.0%
	30-50 years	44	93.6%	43	91.5%	2.3%
	> 50 years	3	6.4%	4	8.5%	-25.0%
	Non-management employees³					
	By gender					
	Female	166	62.9%	178	62.2%	-6.7%
Male	98	37.1%	108	37.8%	-9.3%	
By age group						
< 30 years	61	23.1%	75	26.2%	-18.7%	
30-50 years	191	72.3%	197	68.9%	-3.0%	
> 50 years	12	4.5%	14	4.9%	-14.3%	

¹ Executive Board

² All managers, e.g. team leaders, head of, country boards; excl. Executive Board

³ Employees without management responsibility

Responsible business practices

IMMOFINANZ is committed to business practices that are based on integrity, honesty, fairness, transparency and responsibility. Mutual trust as a fundamental understanding forms the basis for constructive cooperation within the company and with business partners. All activities are based on compliance and the fight against corruption, a sustainable procurement policy and human rights.

The Executive Board has approved several corporate guidelines for these areas, which are binding for all employees and member companies of the IMMOFINANZ Group:

The **Corporate Code** serves as the basis for all business activities and decisions in the IMMOFINANZ Group. In particular, it includes guidelines for respecting fundamental rights, integrity and fairness, a ban on discrimination as well as for relations with competitors, customers and associations.

The **Anti-corruption Guideline** is based on the UN Convention against Corruption and summarises the principles and rules of conduct for dealing with corruption.

The **Compliance Guideline** covers the legal prohibitions on the use of insider information through insider transactions and the unlawful disclosure of insider information. In addition, an e-learning tool for training on capital market compliance was introduced in 2017. A compliance officer is also available to answer employees' questions at any time. Further details are provided in the consolidated Corporate Governance Report (beginning on page 41).

Potential risks

The acceptance of gifts, corruption, bribery, discrimination and conflicts of interest carry an inherent risk of damage to the company's reputation as well as the risk of detrimental transactions for the IMMOFINANZ Group. These guidelines are intended to prevent such consequences. There are currently no indications of risks of corruption, and the ongoing measures will ensure added training for and create a greater awareness among employees.

IMMOFINANZ's wide range of business relationships is accompanied by a risk that a company with lower ethical standards could be involved. IMMOFINANZ minimises this risk with the careful and responsible selection of business partners. The risk of human rights violations is considered low because nearly all of our suppliers (> 99%) are located in Europe.

Compliance training

IMMOFINANZ employees receive regular training on the principles of the compliance guidelines. An interactive e-learning programme on dealing with insider information was introduced in 2019. It includes several case studies with accompanying questions. Another e-learning tool introduced during the past year covers Group-wide anticorruption training; its goals are to provide practical examples for reviewing behavioural principles and requirements and create a greater awareness among employees for potential conflicts of interest. All IMMOFINANZ employees and the Executive Board received compliance training in both 2018 and 2019. Anti-corruption training is mandatory for all employees and is held according to an annual schedule. GRI 205-2

Sustainable procurement policy

The development of long-standing business relationships based on sustainability and continuity represents the focal point for relations with suppliers and business partners. As an international corporation, IMMOFINANZ worked with suppliers from 28 countries in 2019. In order to ensure sustainability in procurement and maintain long-term cooperative relationships, 95% of all suppliers come directly from IMMOFINANZ's operating markets. The support for local suppliers and contribution to added value in the operating markets is, therefore, a central concern.

IMMOFINANZ's suppliers

Origin



¹ The following operating markets were classified as "significant locations of operations": Austria, Germany, Czech Republic, Slovakia, Romania, Hungary, Poland and Serbia. GRI 204-1

The selection of business partners is based on the corporate **Procurement Guideline**, which specifies the rules and procedures for all purchasing activities at IMMOFINANZ. This guideline reflects the principles defined by the Corporate Code and requires the careful and responsible selection of suppliers. A central objective is to minimise the supplier risks arising from child labour, forced labour and compulsory labour and from an insufficient social assessment of suppliers.

In addition to the responsible selection of suppliers, IMMOFINANZ works continuously to intensify the communication with its business partners. The medium-term goal is the implementation of a supplier relationship management tool (SRM), whereby the starting point for this interactive platform will be formed by the newly planned Enterprise-Resource Planning System (ERP).

Respect for human rights

The respect for and compliance with human rights, and above all the dignity of the individual, has high priority for IMMOFINANZ. In addition to compliance with national constitutional and legal requirements, IMMOFINANZ places special importance on compliance with the conventions of the International Labour Organisation (ILO) for the freedom of assembly, the abolition of forced labour and child labour and discrimination. Violations of human rights – above all forced labour and child labour – are strictly rejected and IMMOFINANZ's business partners are expected to observe these ethical standards. Information on diversity and discrimination can be found on page 108.

Fight against corruption and bribery

The Anti-Corruption Guideline issued by IMMOFINANZ is based on the UN Convention against Corruption and summarises the principles and rules of conduct for dealing with corruption. Its goals are to ensure legally compliant behaviour by employees, business partners and customers; to prevent conflicts of interest from arising; to sensitise employees for potential conflicts of interest and thereby protect them from criminal offenses; and to prevent damage to IMMOFINANZ's reputation as a result of improper practices. The guideline includes, among others, rules for the acceptance and granting of advantages, donations and sponsoring, the use of intermediaries and the prevention of money laundering. IMMOFINANZ does not make any political donations. No incidents of corruption were identified in 2019.

GRI 205-3; GRI 415-1

Data security

IMMOFINANZ started at an early point in time to address the extended requirements for the protection of personal data which are required by the Data Protection Regulation ("Datenschutzgrundverordnung", DSGVO) which took effect in May 2018. This regulation significantly expands the obligations of responsible organisations and the rights of involved parties, but also brings a massive increase in the sanctions for violations of data protection. Consequently, compliance with the applicable data protection rules is a legal requirement and an essential goal for the IMMOFINANZ Group.

The measures and investments required to apply the Data Protection Regulation were defined and implemented by corporate legal affairs und compliance, legal and IT together with all other business areas.

A **Data Protection Guideline** regulates the processing of personal data in accordance with legal regulations and defines the related obligations for all employees of the IMMOFINANZ Group. It also requires the creation of a register which lists all processing activities. Compliance with this guideline is mandatory and is intended to make certain the Group's behaviour complies with data protection regulations, in particular the protection of involved persons' rights. Other objectives include the definition of processes for dealing with these personal rights, the prevention of data protection violations and the avoidance of fines.

The organisational measures to protect data and comply with data protection regulations include mandatory training for employees by the data protection coordinator. An interactive online training programme on cybersecurity was introduced during 2019 in cooperation with Kaspersky Labs. It covers a number of modules, for example on the “principles of cybersecurity” and “passwords and accounts” and was completed by all employees. In addition, several recommendations from the ISO 27002 standards were implemented on control mechanisms and operating measures for the monitoring and reaction to data violations and cyberattacks. Internal and external reviews were conducted in cases where extensive changes to existing systems were involved or new applications were introduced.

IMMOFINANZ is unaware of any justified complaints by third parties or the supervisory authorities over the protection of customer data in 2018 or 2019.

GRI 418-1

EPRA index

This sustainability report was prepared in accordance with the principles and criteria defined by the EPRA Sustainability Best Practices Recommendations Guidelines – Third Version September 2017, a reporting framework issued by the European Public Real Estate Association (EPRA). A description of the overall recommendations is provided in the section “About this report” on page 92.

EPRA Code		Page number	Comment
Responsibility towards the environment			
Elec-Abs	Total electricity consumption	98–99	
DH&C-Abs	Total district heating & cooling consumption	98–99	
Fuels-Abs	Total fuel consumption	98–99	
Energy-Int	Building energy intensity	98–99, 113	
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	113	The reported emissions are based on the energy consumption charged to tenants, therefore they are classified as indirect emissions (Scope 3).
GHG-Indir-Abs	Total direct greenhouse gas (GHG) emissions	98–99	
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	98–99	
Water-Abs	Total water consumption	100–101	Water is drawn exclusively from municipal utility companies.
Water-Int	Building water intensity	100–101	
Cert-Tot	Type and number of sustainably certified assets	100–101	
Responsibility towards tenants and customers			
Comty-Eng	Community engagement, impact assessments and development programmes	103	IMMOFINANZ carries out regular tenant surveys (see page 103). The related reporting is under development.
H&S-Asset	Asset health and safety assessments	103–104	There is no standardised recording of assessments at the present time; the reporting is under development. A description is provided on pages 103–104.
H&S-Comp	Asset health and safety compliance	103–104	There is no standardised recording of non-compliance incidents at the present time; the reporting is under development. A description is provided on pages 103–104.
Responsibility towards employees			
Diversity-Emp	Employee gender diversity	108	
Emp-Training	Training and development	105	
Emp-Dev	Employee performance appraisals	105	
Emp-Turnover	Employee turnover and retention	107, 108	
Responsible business practices			
Gov-Board	Composition of the highest governance body	41–45	
Gov-Select	Nominating and selecting the highest governance body	45–46	
Gov-Col	Process for managing conflicts of interest	48–49	

GRI Index

This sustainability report was prepared in accordance with the principles and criteria defined by the GRI Standards issued by the Global Reporting Initiative, an internationally recognised framework for sustainability reporting. IMMOFINANZ applies the reporting option “GRI-referenced”, therefore GRI only applies for specific content. This document refers to the selective disclosures on the GRI Standards in the following index:

GRI Standard	Disclosure	Page number	Comment/Omission
GRI 101: Foundation: 2016			
GRI 102: General Disclosures: 2016			
102-41	Collective bargaining agreements	105	
Responsibility towards the environment			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	113	
	302-2 Energy consumption outside of the organisation	98–99	
	302-3 Energy intensity	113	
G4 Sector Disclosures: Construction and Real estate	CRE1 Building energy intensity	98–99	
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	113	
	305-2 Energy indirect GHG emissions (Scope 2)	113	
	305-3 Other indirect GHG emissions (Scope 3)	98–99	
	305-4 GHG emissions intensity	113	
G4 Sector Disclosures: Construction and Real estate	CRE3 Greenhouse gas emissions intensity from buildings	98–99	
GRI 303: Water 2016	303-1 Water withdrawal by source	100–101, 113	Water is drawn exclusively from municipal utility companies.
	CRE2 Building water intensity	100–101	
G4 Sector Disclosures: Construction and Real estate	CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	100–101	
Responsibility towards tenants and customers			
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	103	The data is not available at the present time; the reporting is under development. A description of the tenant survey is provided on page 103.
GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	103–104	The data is not available at the present time; the reporting is under development. A description is provided on pages 103–104.
Responsibility towards employees			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	107, 108	
GRI 403: Occupational health and safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	106	
	404-1 Average hours of training per year and employee	105	
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	105	
	GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	108
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	108	
Responsible business practices			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	109	
	205-3 Confirmed incidents of corruption and actions taken	110	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	110	
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		There were no legal proceedings in 2019 based on anti-competitive behaviour, cartel- or monopoly building.
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	110–111	
GRI 415: Public policy 2016	415-1 Political contributions	110	

Environmental indicators for IMMOFINANZ locations

The consumption of water and energy and the related environmental impact at IMMOFINANZ's own office locations represent only a very limited component in relation to the entire portfolio. The indicators are therefore collected and reported separately for the monitoring and management of the direct impact.

Energy			Own office locations		
EPRA/GRI Code	Unit	Indicator	2019	2018	Change
Total energy consumption					
GRI 302-1 (2016)	kWh	Total energy	2,745,749	2,926,313	-6.2%
Fuel consumption					
GRI 302-1 (2016)	kWh	Natural gas	354,466	381,578	-7.1%
		Petrol	80,366	79,741	0.8%
		Diesel	487,737	614,445	-20.6%
Electricity consumption					
GRI 302-1 (2016)	kWh	Electricity	1,275,341	1,301,140	-2.0%
District heating/cooling consumption					
GRI 302-1 (2016)	kWh	District heating	547,840	549,408	0.3%
Energy intensity					
GRI 302-3 (2016)	kWh/sqm	Energy per square meter	339	319	6.3%
		Coverage rate (%)	88.0%	75.1%	
		Number of buildings	8/11	7/11	
		Share of projections (%)	100.0%	100.0%	

Water				Own office locations		
EPRA/GRI Code	Unit	Indicator	Scope	2019	2018	Change
Water consumption						
GRI 303-1 (2016)	Liter	Water from municipal sources	Total water	4,423,953	4,419,571	0.1%
	Liter/sqm	Water from municipal sources/ Total space	Total water	547	482	13.4%
		Coverage rate (%)		90.7%	90.4%	
		Number of buildings		8/11	7/11	
		Share of projections (%)		100.0%	100.0%	

Emissions				Own office locations		
EPRA/GRI Code	Unit	Indicator	Scope	2019	2018	Change
Total energy consumption						
GRI 305-1 (2016)	tCO ₂ e	Scope 1	Total energy	253	298	-15.1%
GRI 305-2 (2016)	tCO ₂ e	Scope 2	Total energy	380	381	0.2%
	tCO ₂ e	Scope 1+2	Total energy	633	678	-6.7%
GRI 305-4 (2016)	kgCO ₂ e/ sqm	Scope 1+2/Total space	Total energy	78	74	5.7%
		Coverage rate (%)		90.7%	90.4%	
		Number of buildings		8/11	7/11	