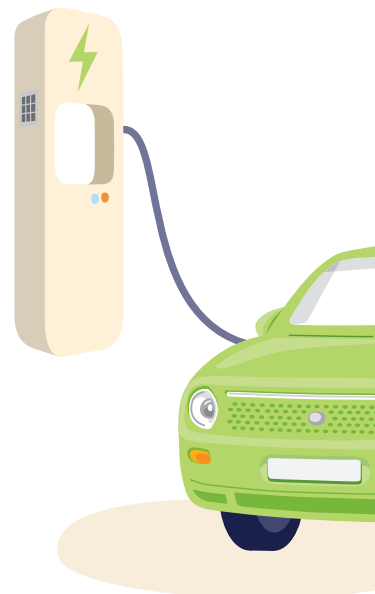


Responsibility

by IMMOFINANZ



IMMOFINANZ
Non-financial Statement 2020

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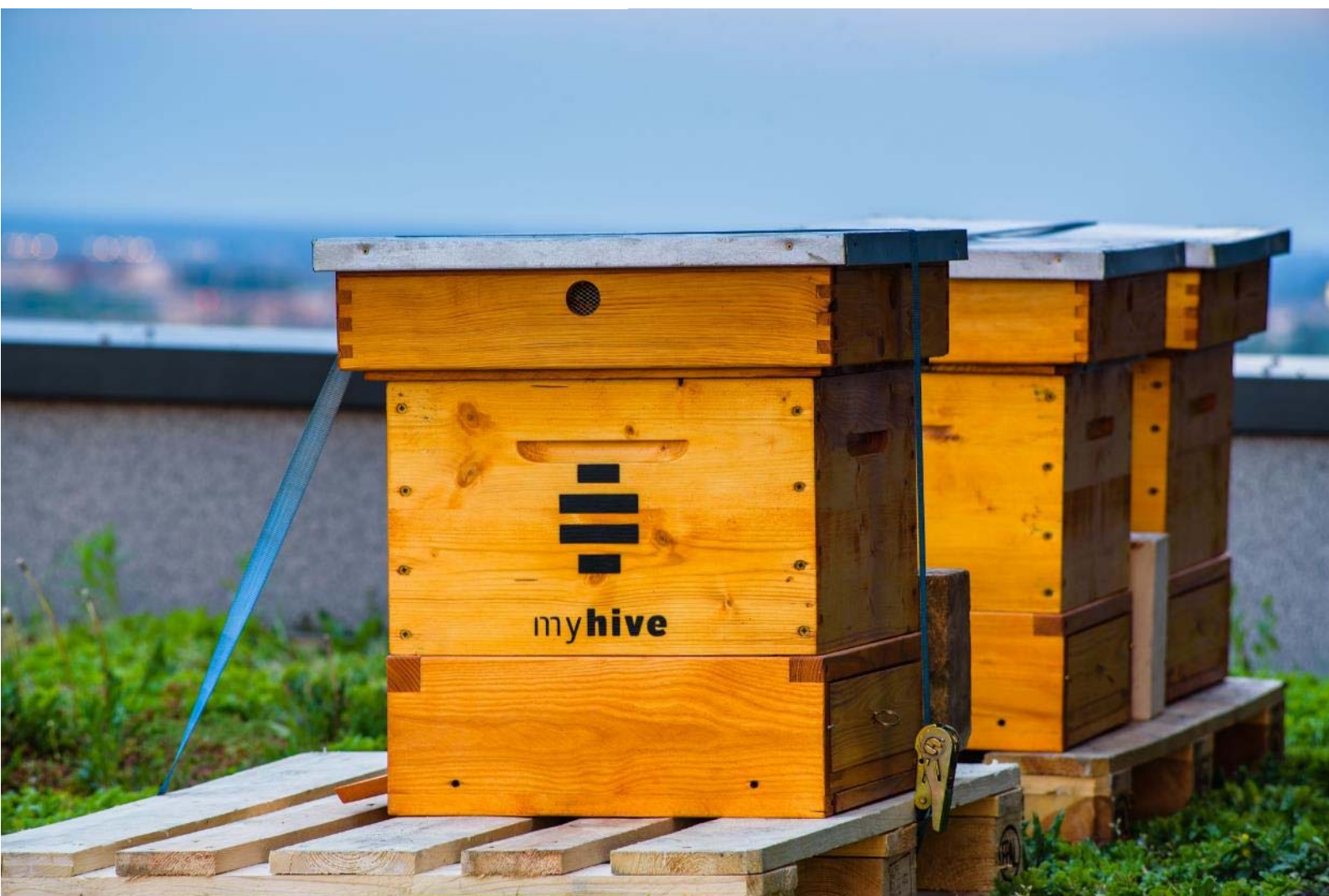
The voluntary non-financial statement was published in the Annual Financial Report 2020.

Voluntary Consolidated Non-financial Statement for the 2020 Financial Year

The core business of IMMOFINANZ comprises the management and development of office and retail properties in selected countries in Central and Eastern Europe. As of 31 December 2020, the portfolio consisted of 208 properties with a total value of EUR 5.0 billion. In the office sector the company focuses exclusively on capital cities in its core countries and the major office locations in Germany, operating under its international myhive brand in addition to its other office properties such as single-tenant buildings. The office portfolio accounted for 64% of the total portfolio value at the end of the 2020 financial year and 49.6% of rental income from standing investments. In the retail portfolio expansion, IMMOFINANZ is focused on its STOP SHOP and VIVO! brands, which are primarily aimed at secondary and tertiary cities. The retail portfolio constitutes 34.3% of the total portfolio value and makes up 50.2% of rental income from standing investments. IMMOFINANZ's goal is the steady expansion of a high-quality commercial real estate portfolio generating strong returns. Further details can be found in the portfolio report.

GRI 102-1, 102-2, 102-4, 102-6, 102-7

myhive Nimbus – Biodiversity
Beehives positioned on several roofs



Highlights 2020

- We took swift and comprehensive action to support our tenants, employees and communities in facing the challenges presented by COVID-19.
- We expanded our successful myhive office concept, adding a range of flexible products. This enables our tenants to respond quickly to various requirements and increased levels of uncertainty. High-quality, standardised fit-out solutions also increase the average usage period for the facilities, irrespective of whether there is a change of tenant.
- We made a successful start with the certification of our STOP SHOP standing investments and received a BREEAM In-Use sustainability certification for the STOP SHOP in Lazarevac (Serbia).
- We once again increased the sustainable mobility offering at our locations and equipped all 14 of our STOP SHOP sites in Hungary with electric car charging stations. In December 2020 the roll-out began at our retail parks in the Czech Republic.
- We worked on our strategy to achieve long-term climate neutrality and increase the efficiency of resource utilisation in our portfolio, taking into consideration the ways in which we can best contribute to the European Union's aim of becoming climate-neutral by 2050. We will present the details of our strategy by the summer of 2021.
- We updated our materiality analysis and involved external stakeholders in the process. This helps to prioritise those ESG issues that are most important for our business model.
- For our non-financial reporting last year, we received a Silver Award from EPRA for the first time as well as the Most Improved Award.

COVID-19

COVID-19 and the measures taken to contain the pandemic also presented challenges for IMMOFINANZ, although there was no material detrimental impact on the business model. At the start of the crisis, numerous measures were immediately introduced to minimise the negative effects on the company to the greatest extent possible, support tenants during the difficult period and strengthen the Group's liquidity. IMMOFINANZ thereby positioned itself as a strong partner to its tenants, investors, employees, suppliers and other stakeholders during this time.

Individual solutions were developed with retail tenants to assist them in dealing with the crisis. IMMOFINANZ entered into agreements with all retailers for the first lockdown and reopening period and conducted discussions on the renewed partnership-based approach during the lockdowns at the end of 2020 and in the first quarter of 2021. In the office sector, individual tenants operating in industries that were particularly affected were likewise given temporary support.

An in-house task force worked on hygiene and protective measures for all common areas in order to ensure that office and retail space could be safely used. Safety concepts and guidelines (for example with respect to ventilation) were promptly issued, the cleaning frequency was increased and protective masks and disinfectant were made widely available. Back-to-office plans were also developed, with a focus on concepts for space utilisation, distancing rules, disinfection, protective measures and access rules.

Overall, the crisis did not result in any significant changes to IMMOFINANZ's business model, as the pandemic largely accelerated trends that were already underway. In the office sector it gave impetus to digitalisation and strengthened the desire for flexibility among tenants. IMMOFINANZ is very well-positioned for this with its flexible myhive office products. In retail, on the other hand, the temporary closures affected almost all segments, although discount retailers performed significantly better due to increasing price consciousness on the part of consumers. This development is also reflected in our cost-efficient retail formats. Further details can be found in the Portfolio Report of the Annual Financial Report 2020, beginning on page 20.

About this report

IMMOFINANZ has not been required to prepare a consolidated non-financial statement/consolidated non-financial report pursuant to § 267a of the Austrian Commercial Code since the 2019 financial year, on the basis of § 267a (1) of the Austrian Commercial Code. As a company of public interest, IMMOFINANZ nevertheless voluntarily issues a non-financial statement in accordance with § 267a of the Austrian Commercial Code.

Non-financial performance indicators

Non-financial performance indicators (pursuant to § 267 (2) of the Austrian Commercial Code) are reported as part of the consolidated non-financial statement.

The following table provides an overview of where the non-financial performance indicators required pursuant to § 267 (2) of the Austrian Commercial Code, including environmental and employee issues, can be found. It also indicates where the corresponding information from the voluntary non-financial statement pursuant to § 267a of the Austrian Commercial Code is reported. Recognised frameworks are used in order to meet the legal requirements. Further information on the frameworks utilised can be found in the section on reporting standards (page 3).

Report scope and coverage

This report covers IMMOFINANZ AG and all consolidated subsidiaries (see section 8 of the consolidated financial statements). The portfolio comprised 208 properties (including assets held for sale) at 31 December 2020; 157 properties are included in the NFI reporting, as there is an established monitoring system for these properties. They are included in the reporting in accordance with the financial control principle.

GRI 102-6, 102-7, 102-45

Reporting standards

The key indicators reported are based on the Sustainability Best Practices Recommendations Guidelines (2017) issued by the European Public Real Estate Association (EPRA). The selected indicators are listed in the index on page 36 of the non-financial report. This report references selected GRI Standards, the details of which are given in the GRI index. The non-financial reporting in the 2019 annual report received the EPRA Sustainability Best Practices Recommendations Silver Award and the Most Improved Award.

GRI 102-54

Performance indicators

The goal for the current financial year is to further expand the data used for the non-financial performance indicators in order to support future development of meaningful quantitative targets. On this basis we will also set additional specific targets relating to the development of non-financial performance indicators.

Environmental indicators – portfolio

The information presented shows the portfolio by asset class (office and retail). The indicators cover 63 properties in the office sector with space of approximately 1 million sqm and 105 properties in the retail sector with space of approximately 800,000 sqm. Due to variations in data availability, it is currently not possible to provide an exhaustive overview of consumption indicators. The number of buildings included is therefore shown as a coverage rate in the respective tables. The consumption data for energy and water is based on invoices from the utility providers. Due to partial unavailability of data as of the 31 December reporting date, some estimations based on prior-year figures were used for the 2020 energy indicators. The proportion of data that has been estimated is given as a percentage in the respective tables.

IMMOFINANZ reports the water and energy consumption of the owner (IMMOFINANZ). If tenants obtain energy or water directly from the utility company, this is not reflected in the consumption figures due to lack of access to this data. The consumption levels are also shown as intensity values to facilitate data comparability. For this purpose, leased space is used in the report, as this provides a uniform indicator for various types of building usage.

Environmental indicators – own office buildings

The consumption figures for the operation of IMMOFINANZ's own office buildings are also reported, in separate tables, on page 42. The business premises are largely owned by IMMOFINANZ and usage is shared with tenants. IMMOFINANZ's own consumption is not invoiced separately at present; the data is therefore an estimation, based on tenant consumption and the percentage of total space utilised by IMMOFINANZ. Buildings which are let to third parties cannot currently be included in the information presented due to lack of access to the consumption data. An expansion of the monitoring system is currently in progress. The total office space used by IMMOFINANZ forms the basis for the reported intensity values.

CO₂ footprint

The CO₂ footprint calculation is based on the GHG Protocol Corporate Standard. Emissions are stated in CO₂-equivalent terms. The CO₂e factors for electricity were taken from publicly available sources, including the European data from the Association of Issuing Bodies (AIB) for the Country Production Mix. For the calculation of Scope 2 emissions in accordance with the market-based method, a corresponding data system for collecting reported CO₂e per electricity provider is under development. Publication of this calculation method is planned in the next financial year. Emissions from the burning of natural gas are in line with the default value contained in the Intergovernmental Panel on Climate Change (IPCC) guidelines published in 2006 (and the 2019 refinement), the IPCC National Greenhouse Gas Inventories Program and the corresponding emission figures published by the IPCC. For the vehicle fleet, the current emission factors published by the Austrian Environment Agency are used. District heating supply is not covered in this CO₂e calculation due to lack of data availability.

Employee indicators

All indicators in the employee section are stated based on the headcount at all fully consolidated companies as of 31 December (excluding the Executive Board, employees on parental leave, interns and young professionals). If an indicator is calculated on a different basis, this is shown in a footnote. The data underlying the calculation of the indicators is produced by the IMMOFINANZ employee management programme.

External audit

This report has not undergone an external audit.

GRI 102-56

Sustainability at IMMOFINANZ

Our approach to sustainability

IMMOFINANZ is one of the leading commercial real estate specialists in Central and Eastern Europe and an active portfolio manager of over 200 office and retail properties. The size of this portfolio gives rise to a particular responsibility for us – in economic, social and ecological terms – towards our stakeholders, the environment and society. Our business model is therefore oriented towards long-term, sustainable value creation in line with environmental, economic and social considerations.

The corporate Code of Conduct forms the basis for exercising our responsibility and for all business activities and decisions within the company. It sets out the fundamental approach and values for responsible corporate governance at IMMOFINANZ.

IMMOFINANZ views itself as a partner to its stakeholders and is above all committed to its tenants and their customers with the assurance of quality and safety. Sustainability factors are incorporated in the planning, construction and operation of our properties in order to meet the needs of our stakeholders and to minimise the environmental impact through business activities. The constant reduction in the CO₂ footprint of our portfolio, through usage of environmentally friendly technology and the systematic improvement of the portfolio's energy efficiency, constitutes part of our sustainability strategy.

IMMOFINANZ is currently working intensively on measures and the formulation of quantitative targets to achieve long-term climate neutrality in its portfolio and has the objective of continuously improving the portfolio's resource utilisation efficiency. It is planned to present this strategy by the summer of 2021. We aim to act as a strong partner to our customers and to support them by taking joint measures with respect to the impact from COVID-19.

Our employees are the foundation of our activities. They bring our values to life and their commitment guarantees a high level of customer satisfaction. We aim to create a work environment based on openness and mutual respect throughout the Group. Especially in times of overall uncertainty, our positioning as a stable employer that is resilient to crises is particularly important.

Integration of sustainability in governance processes

The Executive Board is responsible for IMMOFINANZ's strategic direction and sustainable company performance. The Supervisory Board supports and advises the Executive Board. Details on the composition, working practices and sustainability expertise of the Supervisory Board members are provided in the Corporate Governance Report of the Annual Financial Report 2020 beginning on page 8.

The sustainability management strategic focal points are based on the materiality analysis conducted in 2020 (see pages 7–8).

Establishment of the ESG committee

An ESG committee was established at the beginning of 2021 in order to improve management of the individual sustainability issues and initiatives. It comprises experts from various areas, including Asset Management, Development, Human Resources, Procurement, Compliance, Risk Management, Country Execution, Investor Relations & Corporate Communications and Finance. The committee holds regular meetings at which current projects and issues are discussed, and ways of on improving the communication relating to sustainability across the entire Group and the further development and optimisation of the company's sustainability strategy are worked on. Updates are provided to the Executive Board at least on a quarterly basis and to the Supervisory Board at least once a year. On IMMOFINANZ's Executive Board, the COO Dietmar Reindl is responsible for sustainability issues and individual projects are approved by the Executive Board in its entirety. Measures are implemented on an operational level in the day-to-day business by the respective area and country heads and their employees. They report progress and results to their managers and monitor achievement against targets.

GRI 102-20

Our stakeholders

IMMOFINANZ's core business comprises leasing and management of office and retail properties, development projects and the sale of properties. As a result, it involves fundamental human needs but there is also an associated impact on the environment and society. Ongoing communication and the acceptability of the business to our various stakeholders is very important for the commercial success of our business model. We actively factor their views and concerns into the orientation of our business and the further development of our product offering.

Our key stakeholders, based on regularly conducted stakeholder analyses, are tenants, their employees and the visitors to our retail properties, potential tenants, employees, shareholders, investors and analysts, buyers and sellers of commercial property and policymakers at local and federal level. Other interest groups include suppliers and service providers, banks and the media. We identified the stakeholders in the materiality analysis conducted in 2017 and in the materiality analysis update in 2020. Additionally, stakeholders are also defined in numerous other internal projects.

We maintain regular contact with our tenants, which was particularly intensive due to the COVID-19 pandemic and the partnership-based management of the crisis. We also conduct annual surveys and factor the concerns and preferences of our tenants into the further development of our product offering. The ongoing dialogue with our employees includes surveys, annual employee performance reviews, diverse workshops, an active intranet platform and the open-door policy practiced within the Group.

Property buyers and sellers expect us to have swift decision-making processes and to act in a dependable and prudent manner. We treat both groups with integrity as a partner. We typically provide information to our shareholders, investors, analysts, rating agencies and lending banks a number of times per year in a transparent and comprehensive manner and maintain an open and constructive dialogue with them. We undertake extensive public relations work, conduct regular meetings with the press and always aim to respond to enquiries as swiftly as possible.

There is close contact with our suppliers and service providers, particularly in relation to structuring and executing contracts. Policymakers, especially at local level, are important partners in the implementation of construction-related measures and development projects. In this area IMMOFINANZ maintains professional contact with all participants and aims to take the concerns of the population as well as the respective overall urban development into consideration.

GRI 102-2, 102-40, 102-42

Membership of associations, support of external initiatives and working with universities

IMMOFINANZ is involved in a number of initiatives, associations and organisations in the real estate sector and economy, which focus their activities on the further development of standard setting in the sector, training, research and representation of interests.

We are a member of bodies including: Aktienforum (the Austrian Equity Forum), Austrian Council of Shopping Centers, Austrian PropTech Initiative, CercleInvestor Relations Austria, EPRA European Public Real Estate, Handelsverband Retail Association Austria, Federation of Austrian Industries, Institut für interne Revision (Austrian Institute for Internal Audit), Leading Companies Austria, IG Lebenszyklus Bau (life-cycle construction), Österreichisches Controller Institut (the Austrian Controller Institute), Polish Council of Shopping Centers, PRVA – Public Relations Verband Austria, RICS – Royal Institution of Chartered Surveyors and Vereinigung österreichischer Projektentwickler (the Association of Austrian Project Developers).

Additionally, we have entered into a research and development agreement with the Vienna University of Technology (TU Wien). The project “Establishing the Nexus of Human Comfort and Sustainability in Work Environments” is dedicated to climate change and the topic of how office users can be motivated to utilise resources more sustainably. The TU Wien is also working together with the Stanford University department of Mechanical Design in this respect. Furthermore, we are also working in collaboration with the Fachhochschule Vienna of the Vienna Chamber of Commerce, Austria’s leading university of applied sciences for management and communication, as well as with the Higher Technical College in Wiener Neustadt.

GRI 102-12, 102-13

Materiality analysis

The materiality analysis serves as a means of focusing the non-financial reporting on the key issues. It also provides guidance for further developing the management of non-financial factors. As part of the 2020 materiality analysis, IMMOFINANZ determined which topics are of particular importance to its stakeholders and the company. The results from the previous analysis conducted in 2017 formed the basis for the process. In an internal expert workshop held in order to specify and assess economic, environmental and social impacts, management from all business areas reviewed the previous material issues to evaluate their current applicability and relevance and identify missing focal points.

Engagement with internal and external stakeholders

In a second step, stakeholders were engaged in the process. Stakeholder interests (internal/external) were determined with the help of a web-based questionnaire. In total, 550 people took part in the survey in December 2020.

Materiality analysis results

The respondents evaluated 26 issues in total, with the issue of customer satisfaction ranking as especially relevant. The analysis enabled the previous material issues to be re-confirmed and supplemented with additional issues. These related to: sustainable value creation, incorporation of sustainability in governance processes, innovation in development projects, renovations and services, tax integrity, climate neutrality, ecological construction and renovation, building design and life cycle management and cooperation with local communities. These will gradually be integrated into the future reporting. In addition to prioritising the issues, the respondents had the opportunity to freely express their specific expectations.

Both the quantitative and qualitative results were discussed and finalised in a workshop by the project team, which comprised members of the ESG committee, their employees and external advisors. To conclude, the material issues were presented to and approved by the Executive Board.

GRI 102-43, 102-44, 102-46, 102-49

Material issues for IMMOFINANZ

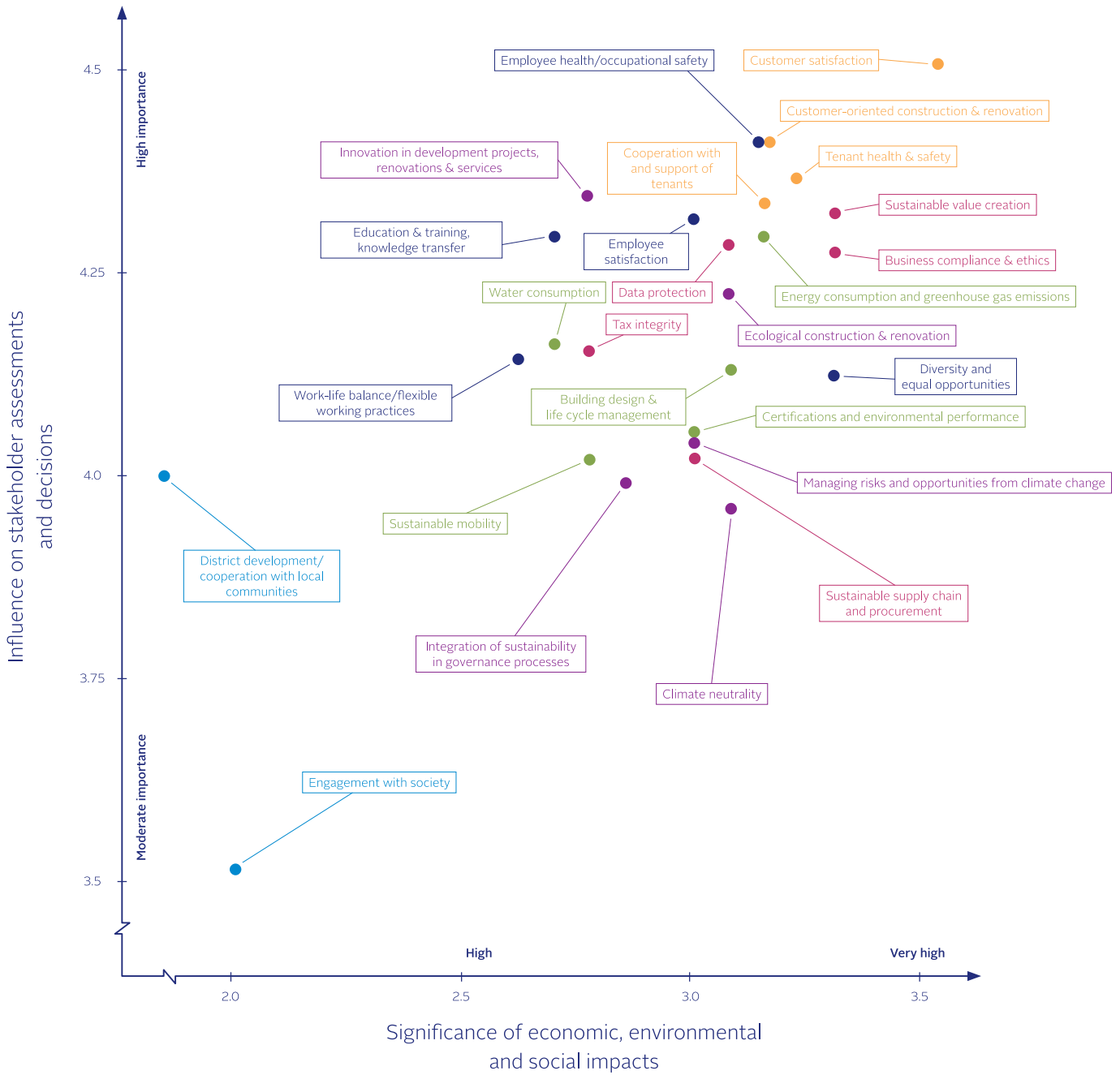
- | | |
|---|--|
| – Managing risks and opportunities from climate change | – Education & training, knowledge transfer |
| – Climate neutrality | – Employee health / occupational safety |
| – Ecological construction & renovation | – Work-life balance / flexible working practices |
| – Sustainable mobility | – Diversity and equal opportunities |
| – Sustainability certifications and environmental performance | – Employee satisfaction |
| – Energy consumption and greenhouse gas emissions | – Business compliance & ethics |
| – Building design & life cycle management | – Data protection |
| – Water consumption | – Sustainable value creation |
| – Tenant health & safety | – Sustainable supply chain and procurement |
| – Customer-oriented construction & renovation | – Engagement with society |
| – Cooperation with & support of tenants | – Integration of sustainability in governance processes |
| – Customer satisfaction | – Innovation in development projects, renovations & services |
| – District development / cooperation with local communities | – Tax integrity |

GRI 102-47

Materiality matrix

The y-axis shows the extent of the influence on stakeholder assessments and decisions. The x-axis shows the significance of the economic, environmental and social impacts that result from IMMOFINANZ's activities.

Materiality matrix



Cluster

- Company
- Business model and innovation
- Employees
- Tenants
- Green buildings and environment
- Society/stakeholders

Sustainability management in terms of Sustainable Development Goals

The global challenges of sustainable economic activity can only be resolved through worldwide cooperation. The United Nations defined 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development, with the objective of making the world a place in which activities are conducted in an environmentally sustainable, socially just and economically efficient manner. This action plan has the commitment of 193 countries. We as IMMOFINANZ are also committed to the SDGs.

IMMOFINANZ is fully aware of its responsibility and is making continual progress on the SDGs that relate to the core business. We as IMMOFINANZ have identified the following SDGs for our core activities:



In order to show the basis for measuring the SDGs, we have linked selected sub-goals to GRI indicators and also identified our main areas of action, which we address in more detail in the following sections.

SDG	Sub goal	Indicator	Area of activity
	3.9 Significantly reduce the number of fatalities and illnesses due to hazardous chemicals as well as pollution and contamination of air, water and soil by 2030	305-2 Energy indirect GHG emissions (Scope 2)	Energy management Energy efficiency
	7.2 Significantly increase share of renewable energy in energy mix by 2030 7.3 Double the rate of energy efficiency improvement by 2030	302-1 Energy consumption within the organisation 302-2 Energy consumption outside of the organisation	Energy management Mobility Green buildings and infrastructure
	8.5 Achieve full productive employment and dignified work for all women and men, including young people and people with disabilities, as well as equal remuneration for equivalent work by 2030	102-8 Information on employees and other staff 404-1 Average hours of training per year and employee 404-2 Programs for upgrading employee skills and transition assistance programs	Training and education, knowledge transfer Employee satisfaction
	9.1 Establish high-quality, reliable, sustainable and durable infrastructure, including regional and cross-border infrastructure, to support economic development and human welfare with a focus on affordable and equal access for all 9.4 Modernise the infrastructure by 2030 to make it sustainable, with more efficient resource usage and increased utilisation of clean and sustainable technology	Key performance indicator under development	Energy management Mobility Water consumption Green buildings and infrastructure
	13.2 Integration of climate protection measures in strategies and planning 13.3 Improve information and awareness as well as staff and institutional capacities in the area of climate change mitigation and adaptation, reducing climate impact and improving early warnings systems	CRE3 Intensity of greenhouse gas emissions from buildings 413-1 Operations with local community engagement, impact assessments and development programs	Energy management Mobility Energy efficiency CO ₂ footprint
	17.1 Strengthen mobilisation of domestic resources	204-1 Proportion of spending on local suppliers	Sustainable value creation Sustainable procurement

Responsibility towards the environment

IMMOFINANZ places emphasis on responsible treatment of natural resources, utilisation of environmentally friendly technologies, a consistently pursued energy saving strategy, renovation of buildings worthy of preservation and the construction of efficient new properties. The main issues in this area include increasing sustainability certifications, sustainable energy management, the development of a long-term strategy to achieve climate neutrality, ecological construction, renovation and building design and life cycle management.

Material topics for IMMOFINANZ	Description	Sustainability and Diversity Improvement Act issues
Managing risks and opportunities from climate change	Consideration of physical and transitional risks and opportunities from climate change in relation to IMMOFINANZ's activities. This includes analysis of measures to adapt to climate change effects on the portfolio and consideration of potential changes in regulatory requirements and analysis of technological developments.	Environmental issues
Climate neutrality	Reduction of IMMOFINANZ's contribution to climate change through decarbonisation of the business model with the goal of reaching climate neutrality.	Environmental issues
Ecological construction & renovation	Sustainable portfolio orientation with the focus on project development and renovation, taking into account ecological criteria such as energy efficiency, materials and energy types used, thermal insulation and heat recovery.	Environmental issues
Sustainable mobility	Integration of transportation concepts in project planning and management, e.g. public transportation links and e-charging stations in the immediate or close vicinity.	Environmental issues
Sustainability certifications and environmental performance	Certifications for standing investments and development projects which include ecological, economic and social aspects in equal measure in the assessment, e.g. BREEAM, LEED.	Environmental issues
Energy consumption and greenhouse gas emissions	Relates to energy consumption and emissions in planning and construction, in the portfolio's operations and the own consumption of IMMOFINANZ's administrative buildings. Other GHG emissions come from employee mobility, for example.	Environmental issues
Building design & life cycle management	Concepts for buildings and facilities taking into account the impacts throughout the life cycle. This includes materials selection and consideration of the resource consumption during operation and at the end of the life cycle (disposal/recycling).	Environmental issues
Water consumption	Quantity of water used for building operation (e.g. drinking water, irrigation, process water).	Environmental issues

In total, 40% of the energy consumption in the European Union and 36% of greenhouse gas emissions are attributable to buildings. This is distributed mainly across the construction, utilisation, renovation and demolition phases. Improving the energy efficiency of buildings is therefore critically important for achieving the ambitious goal set out in the European Green Deal of becoming climate neutral by 2050. The real estate sector consequently has great potential to contribute to climate protection. Consistent reduction of energy consumption, improving energy efficiency in the portfolio and reduction of CO₂ emissions therefore play a key role in the energy transition. The management and development of our portfolio takes this responsibility into account. We focus on pre-emptive measures, usage of environmentally friendly technologies and the continuous, consistent improvement of the environmental efficiency of our company. This reduces operating costs and emissions and contributes to environmental protection and tenant satisfaction. We thereby ensure that we are able to provide attractive real estate solutions for tenants and investors as well as a sustainable business model.

IMMOFINANZ collects and analyses consumption data and resulting CO₂ emissions from its portfolio as described on the following pages. This data forms the starting point for monitoring the portfolio, on the basis of which technical buildings and energy audits are conducted and measures for improving efficiency are taken. The data also serves as the basis for all measures taken to achieve long-term climate neutrality for the portfolio.

Before new activities or projects are commenced, the environmental impacts are evaluated, and the results of this evaluation are taken into account in the decision-making process for ecological construction and renovation. We plan to progressively increase sustainability certifications for development projects and standing investments. The certifications reduce environmental risks and help to increase the degree of more environmentally friendly space utilisation as well as improving efficiency.

GRI 103-1, 103-2, 103-3

Potential risks to the environment and society

The increased incidence of weather anomalies and extreme weather events is, in the view of the vast majority of scientists, due to climate change. The main cause is greenhouse gas (GHG) emissions generated by people. Information is also provided on this topic in the Risk Report in the Annual Financial Report 2020, beginning on page 54. As buildings are a major producer of these emissions, IMMOFINANZ takes measures on an ongoing basis to ensure and improve the energy efficiency of its standing investments, which serve to facilitate better adjustment to climate change. With respect to development projects, we are responding to this challenge by employing resources efficiently and taking potential climatic changes into consideration at an early stage. This is put into effect, for example, through targeted creation of green spaces, usage of insulating construction materials which prevent heat loss and have a cooling effect, architectural features providing shade, etc. In development projects or modernisations, usage of construction materials containing harmful substances may additionally cause environmental damage. In this area, IMMOFINANZ ensures sustainable construction and careful selection of its business partners by means of highly standardised construction and fittings specifications.

GRI 102-15

Impact of the COVID-19 pandemic

In the retail and office sectors, in addition to the overall cost saving measures, demand for energy and water was lower as a result of temporary closures of business premises due to the pandemic and increased remote working. The environmental indicators therefore show a reduction in electricity consumption (-11%), district heating consumption (-3%), gas consumption (-13%) and water consumption (-18%) on a like-for-like basis for the portfolio (percentages have been rounded).

Approach to climate risks and opportunities

Please see the Risk Report in the Annual Financial Report 2020 (pages 57 and 61).

Reduction of energy consumption and greenhouse gas emissions

Energy efficiency does not only depend on the building. In the properties managed by IMMOFINANZ, energy consumption is instead strongly driven by tenant behaviour and therefore lies to a large extent within their responsibility. IMMOFINANZ provides support with respect to efficient behaviour, including by means of communications. For the purposes of ongoing energy efficiency optimisation, the standing investment portfolio underwent a Technical Building Audit, the components of which include energy audits and health & safety audits. The aim is to identify any causes of higher energy consumption and derive related measures.

Following the audit of 15 standing investments in the 2019 financial year, 28 standing investments were audited as planned in the 2020 financial year with rentable space of approximately 243,000 sqm in Romania, Croatia, Austria and the Czech Republic. Structural and technical building optimisation measures were subsequently implemented and supported by energy analyses. In the 2021 financial year it is planned to audit at least 20 further standing investments.

Ongoing energy management is undertaken in cooperation with the property and facility managers. Energy management essentially comprises the regular services in the day-to-day operations (e.g. energy controlling), the development of optimisation proposals and the implementation of measures. Energy audits based on ÖNORM EN 16247 are conducted regularly. IMMOFINANZ's goal is to continually reduce resource consumption by means of energy saving measures and efficient energy utilisation while maintaining or improving the quality of building usage. Potential energy saving measures are regularly evaluated and implemented in the process. Examples include the conversion to LED lighting and the replacement of cooling systems.

The expansion of energy data management enabled the coverage rate, in terms of building space covered by the data, to be increased by 29%. Consequently, total energy consumption compared to the prior year was up 12.5%, although this was proportionally lower than the increase in space. Energy consumption for electricity, gas and district heating (like-for-like) was, however, 10% below the level of the prior year due to significant savings in the office sector and the COVID-19 pandemic. Total energy consumption in 2020 comprised 66% electricity, 16% district heating and 19% natural gas (percentage amounts are rounded). Details on energy consumption can also be found in the table on pages 14–15.

Following the installation of a photovoltaic system for the first time on the roof of a STOP SHOP retail park in Austria in the 2019 financial year, another installation at a retail park in Slovakia took place in 2020. In the next step, the most extensive installation of PV systems possible was initiated at the Austrian STOP SHOP property. Further roll-out of this measure to as many locations as possible in the other countries is currently a factor in the development of detailed long-term targets for achieving climate neutrality in the portfolio. IMMOFINANZ furthermore continually evaluates other possibilities for energy reduction and usage of alternative energy sources with a lower CO₂ impact.

We have begun to operate non-potable water usage facilities in the portfolio. As a result, rainwater is being used for irrigation at individual STOP SHOP sites. A further roll-out of these measures is planned. In addition, there are plans to conduct the first test pilot for an urban forest project based on the Miyawaki afforestation method at a STOP SHOP in the 2021 financial year. This is a method for creating a small city forest, which was developed by the Japanese botanist Akira Miyawaki. It involves planting a variety of indigenous plants closely together, so that they only receive sunlight from above and consequently grow upwards more strongly than outwards. In addition to creating small city forests for the population, the main objectives are the preservation of biodiversity as well as improvement of air quality and the water holding capacity of the soil. Based on the experience gained in the pilot project, a further roll-out of this initiative is also planned in the portfolio.

CO₂ footprint and climate neutrality – long-term strategy under development

The real estate sector contributes to the generation of greenhouse gases primarily as a result of the energy consumed in the construction and operation of properties. At the same time, the requirements for equipping and constructing properties are also evolving due to climate change. When constructing buildings today, it must be ensured that they can cope with the impact from global warming while minimising their own CO₂ emissions.

The quantity of CO₂ emissions from the energy consumption of the properties is already offset in Austria in full by means of carbon offset credits and in part in Romania and Slovakia. In total in 2020, around 23% of the energy consumption was offset by credits. We intend to further expand this offsetting. Since the start of 2021, the total energy requirement in the Czech Republic has also been offset by the purchase of carbon credits with the EKO Gold Label. This not only involves proof of origin – additional quality criteria are also met. In addition to offsetting, reducing energy requirements, purchasing physical green electricity and our own production as well as the employment of efficient technologies also form part of our strategy for sustainable reduction of CO₂ emissions.

The CO₂ footprint of the portfolio is shown on pages 16–17. In the portfolio, the tenants' consumption (water, district heating, electricity, etc.) is paid for within their overall rent (individual consumption figures per tenant are not available). This also affects the CO₂e calculation; for this purpose, the energy data is apportioned per sqm and included in this form in the calculation. The emissions are therefore classified as indirect emissions (Scope 3). The increase in the coverage rate for the portfolio and therefore the data collected for 2020 results in an overall increase in the CO₂ footprint compared to the prior year. However, in relation to square meters of rentable space, the CO₂ intensity remained stable. The CO₂e factors for electricity were taken from publicly available sources, including the European data from the Association of Issuing Bodies (AIB) for the Country Production Mix. For the calculation of Scope 2 emissions in accordance with the market-based method, a corresponding data system for collecting reported CO₂e per electricity provider is under development. Publication of this calculation method is scheduled for the next financial year.

Further development of our energy and sustainability management is a strategic goal for the coming years. In 2021, the focus will be on the implementation of measures already underway, building on the further expansion of consumption data monitoring for our portfolio. In addition, a project group is developing a long-term strategy for achieving climate neutrality for the portfolio. This will contain targets and timing that can be precisely quantified, including targets for reaching climate neutrality, the reduction of energy and water consumption, the expansion of our own electricity generation from renewable energy sources (primarily photovoltaic) and the reduction of non-recyclable waste. Furthermore, IMMOFINANZ believes that taking into account the resource consumption in the portfolio and at the end of the life cycle of a building plays an important role in becoming climate neutral. This area is currently being developed. IMMOFINANZ is also a member of IG Lebenszyklus Bau (life-cycle construction).

Water consumption

Reduction of water consumption to the necessary levels required and the elimination of wasteful water usage are an important factor for the improvement of IMMOFINANZ's resource utilisation efficiency. Water consumption within a building is strongly dependent on tenant behaviour and can only be influenced by IMMOFINANZ to a limited extent. However, measures are being developed with property and facility managers to decrease consumption volumes. For example, wash basins have been upgraded by fitting aerators, which reduce the volume of water flow.

In addition, medium- and long-term quantitative targets for reducing water consumption in the portfolio are currently being developed, with implementation scheduled to begin during the course of 2021.

Total water consumption rose by 13.5% in 2020 compared to the prior year due to the improvement in data collection, which is reflected in the 29% increase in the coverage rate. Consumption per square meter of rented space was reduced by 9%. Details are provided on pages 16–17. Water intensity in relation to own consumption was 10% higher. The rise was due to increased cleaning activities to minimise contagion risk as a result of the COVID-19 pandemic.

Mobility

IMMOFINANZ is responding to the steadily rising demand from tenants for sustainable mobility options. Actions taken include installation of charging stations for e-vehicles and weather-proof bicycle storage facilities at all myhive office locations. In addition, there are cooperation arrangements with providers of car-sharing, scooters, e-bikes and e-scooters at the local level. Surveys on mobility specific to the respective location are used as a basis for further optimisation of the mobility offering. A survey was carried out, for example, in 2019 at the myhive am Wienerberg office location in Vienna, which is the workplace of more than 3,000 employees. In 2020 the sustainable mobility offering at our sites was increased once again and all 14 STOP SHOP locations in Hungary were equipped with electric car charging stations. The rollout began in December 2020 at our retail parks in the Czech Republic.

IMMOFINANZ also supports the sustainable mobility of its employees, for example with free-of-charge annual public transport tickets.

Sustainable energy management¹

EPRA/GRI Code	Unit	Indicator	Scope
Total energy consumption			
GRI 302-2 (2016)	kWh	Energy	Total landlord-obtained energy ³
	<i>Coverage in %</i>		
Electricity consumption			
Elec-Abs	kWh	Electricity	Total landlord-obtained electricity ³
	% from renewable sources		
	<i>Coverage</i>		
	<i>Share of projections in %⁴</i>		
Elec-LfL ⁵	kWh	Electricity	Total landlord-obtained electricity ³
	<i>Coverage</i>		
	<i>Share of projections in %⁴</i>		
District heating/cooling consumption			
DH&C-Abs	kWh	District heating	Total landlord-obtained district heating ³
	% from renewable sources		
	<i>Coverage</i>		
	<i>Share of projections in %⁴</i>		
DH&C-LfL ⁵	kWh	District heating	Total landlord-obtained district heating ³
	<i>Coverage</i>		
	<i>Share of projections in %⁴</i>		
Fuel consumption			
Fuels-Abs	kWh	Natural gas	Total landlord-obtained natural gas ³
	% from renewable sources		
	<i>Coverage</i>		
	<i>Share of projections in %⁴</i>		
Fuels-LfL ⁵	kWh	Natural gas	Total landlord-obtained natural gas ³
	<i>Coverage</i>		
	<i>Share of projections in %⁴</i>		
Energy intensity			
Energy-Int CRE1	kWh/sqm	Energy per square meter of rented space	Total landlord-obtained energy ³
	<i>Rented space (in sqm)</i>		

¹ Energy consumption data is based on current information from invoices; presentation of exact data for all buildings as of the reporting date is not possible due to different invoicing/accounting periods.

² Data quality was improved in 2020 by expanding the volume of recorded data (Elec-Abs, DH&C-Abs, Fuel-Abs, Water-Abs). A comparison between 2019 and 2020 is therefore not possible, with the exception of energy intensity per sqm.

³ Due to limited data availability, a classification of consumption levels according to common areas and leased space is not included. The consumption levels include common areas and leased space and are reflected in "Total landlord-obtained". It is planned to expand this data in the 2021 financial year.

⁴ "Share of projections (in %)" for 2020 is calculated based on consumption instead of months; this methodology has the advantage of facilitating comparison to total consumption.

⁵ The presentation of "LfL % from renewable sources" is under development. It is planned to report this for the first time in 2021.

Total portfolio consumption			thereof office			thereof retail		
2020 ²	2019	Change in %	2020 ²	2019	Change in %	2020 ²	2019	Change in %
418,255,456	371,682,239	12.5	247,003,194	291,693,270	-15.3	171,252,261	79,988,969	114.1
96.3	67.6		100.0	97.8		86.7	31.7	
274,910,425	236,248,060	16.4	140,712,076	173,439,970	-18.9	134,198,349	62,808,090	113.7
6.1	n. a.		10.0	n. a.		0.2	N. a.	
149/168	99/170		62/63	66/68		87/105	33/102	
5.3	14.5		8.6	14.2		1.7	15.2	
214,581,422	241,649,300	-11.2	103,736,962	132,993,143	-22.0	110,844,460	108,656,157	2.0
126/153			41/46			85/99		
2.2	11.4		2.2	15.6		2.1	15.6	
65,074,479	66,080,442	-1.5	55,329,145	62,077,504	-10.9	9,745,334	4,002,938	143.5
	n. a.			n. a.			n. a.	
52/168	99/170		32/63	66/68		20/105	33/102	
13.5	26.1		13.5	27.8		13.7	18.8	
53,629,965	55,243,317	-2.9	45,709,827	46,037,982	-0.7	7,920,138	9,205,335	-14.0
41/145			23/46			18/99		
12.0	27.1		9.7	18.8		25.0	18.8	
78,270,552	69,353,737	12.9	50,961,973	56,175,796	-9.3	27,308,578	13,177,941	107.2
	n. a.			n. a.			n. a.	
74/168	99/170		31/63	66/68		43/105	33/102	
1.4	14.6		1.2	10.6		1.8	20.4	
64,593,805	73,945,928	-12.6	39,219,200	46,037,982	-14.8	25,374,604	27,907,946	-9.1
62/145			22/46			40/99		
1.7	11.8		1.6	20.4		2.0	20.4	
232	256	-9.4	246	255	-3.5	214	258	-17.0
1,804,217	1,452,580		1,004,085	1,142,957		800,194	309,623	

CO₂ footprint

EPRA/GRI Code	Unit	Indicator	Scope
Greenhouse gas emissions²			
GHG-Indir-Abs GRI 305-3 (2016)	t CO ₂ e	Scope 3 emissions	Total landlord-obtained energy ³
GHG-Int CRE3	kg CO ₂ e/sqm	Scope 3 emissions per square meter of rented space	Total landlord-obtained energy ³
<i>Rented space (in sqm)</i>			

Water consumption

EPRA/GRI Code	Unit	Indicator	Scope
Water consumption			
GRI 303-1 (2016) Water-Abs	Liter	Water from municipal sources	Total landlord-obtained water ³
<i>Coverage</i>			
<i>Share of projections in %⁴</i>			
Water-Lfl ⁵	Liter	Water from municipal sources	Total landlord-obtained water ³
<i>Coverage</i>			
<i>Share of projections in %⁴</i>			
Water intensity			
CRE2 Water-Int	Liter/sqm	Liter per square meter of rented space	Total landlord-obtained water ³
<i>Rented space in sqm</i>			

¹ Data quality was improved in 2020 by expanding the volume of recorded data (Elec-Abs, DH&C-Abs, Fuel-Abs, Water-Abs), which is reflected in a higher coverage rate for the portfolio. A comparison between 2019 and 2020 is therefore not possible, with the exception of the data per sqm.

² The increased rate of data collection also explains the rise in CO₂e emissions.

³ Due to limited data availability, a classification of consumption levels according to common areas and leased space is not included. The consumption levels include common areas and leased space and are reflected in "Total landlord-obtained". It is planned to expand this data in the 2021 financial year.

⁴ "Share of projections (in %)" for 2020 is calculated based on consumption instead of months; this methodology has the advantage of facilitating comparison to total consumption.

⁵ The presentation of "Lfl. % from renewable sources" is under development. It is planned to report this for the first time in 2021.

Sustainability certifications

EPRA Code		LEED Gold		LEED Platinum	
		2020	2019	2020	2019
Cert-Tot CRE8	Number of certified buildings	7	8	0	1
	Certified area in sqm	147,764	135,941	0	7,982
	Share of certified area in the standing investment portfolio ¹ (in %)	7.3	6.6	0.0	0.4

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

Total portfolio consumption			thereof office			thereof retail		
2020 ¹	2019	Change in %	2020 ¹	2019	Change in %	2020 ¹	2019	Change in %
137,074	111,033	23.5	70,976	87,437	-18.8	66,099	23,596	180.1
76	76	0.0	71	77	-8.2	83	76	8.7
1,804,217	1,452,580		1,004,085	1,142,957		800,194	309,623	

Total portfolio consumption			thereof office			thereof retail		
2020 ¹	2019	Change in %	2020 ¹	2019	Change in %	2020 ¹	2019	Change in %
793,398,000	699,082,226	13.5	378,845,000	544,549,786	-30.4	414,553,000	154,532,440	168.3
134/168	99/170		47/63	66/68		87/105	33/102	
14.4	27.5		22.9	31.9		6.6	20.1	
733,276,000	892,662,717	-17.9	320,262,000	377,114,297	-15.1	413,014,000	515,548,420	-19.9
114/143			32/46			82/99		
14.1	24.1		23.4	18.6		6.8	18.6	
440	481	-8.6	377	476	-20.7	518	499	3.8
1,804,217	1,452,580		1,004,085	1,142,957		800,194	309,623	

BREEAM very good		BREEAM excellent		Total certified buildings		
2020	2019	2020	2019	2020	2019	Change in %
20	16	3	3	30	28	7.1
377,097	342,357	108,009	107,919	632,870	594,200	6.5
18.7	16.7	5.4	5.3	31.5	29.0	2.4

Sustainability certifications

There are plans to obtain certification in accordance with environmental standards for development projects, standing investments in the office sector and shopping centers operating under the VIVO! brand. For office buildings this involves BREEAM and LEED certifications and for shopping centers primarily a BREEAM certification. Furthermore, in the past financial year a STOP SHOP underwent BREEAM certification for the first time (more details are provided below). The further roll-out of sustainability certifications in the STOP SHOP portfolio plays an important role in the currently ongoing development of a long-term strategy to achieve climate neutrality.

BREEAM (BRE Environmental Assessment Method) is the leading and most widespread certification method for buildings. It specifies the highest possible standards for sustainable design and has become the de facto yardstick for defining the environmental impact of a building. Alongside STOP SHOP Lazarevac and the shopping center VIVO! Stalowa Wola, several IMMOFINANZ myhive office properties in Bucharest, Prague and Bratislava received a BREEAM certification in the 2020 financial year. In addition, a certified building was acquired towards the end of the year with a retail park in Horni Mecholupy.

The amount of certified space at the end of 2020 totalled approximately 632,900 sqm or 31.5% of the total area of the standing investment portfolio (compared to 594,200 sqm and 29.0% at the end of December 2019). This corresponds to an increase of 2.5% compared to the prior year. At the end of 2020, an additional six properties with total space of 176,000 sqm were in the process of being certified or undergoing preparations for certification. In the office sector at the end of 2020, almost 67% of the rentable space was certified or undergoing preparations for certification.

STOP SHOP GOES GREEN

The STOP SHOP is located in the city of Lazarevac, around 60 kilometers south of Belgrade. It was developed by IMMOFINANZ and opened in 2017. Visitors have a range of more than 20 shops to choose from in an area of around 10,000 sqm. The STOP SHOP received the BREEAM in-use certification in December 2020 with an overall assessment of "four stars" (corresponds to "very good"). The assessment criteria cover issues such as material (including a condition assessment and maintenance strategy), energy, water and waste, land usage, ecology, health and well-being. The site in Lazarevac thereby became the first retail park in our portfolio with a sustainability certification.



Building safety and environmental due diligence

IMMOFINANZ has defined a comprehensive catalogue of requirements based on a modular system for the assessment of existing buildings and technical installations as well as for acquisitions of land and buildings. The individual modules in this Technical Building Audit each relate to specific focal points, such as personal, building and facility safety, energy efficiency and structural engineering. In all real estate transactions (purchases), it is also important to examine the environmental risks alongside the financial, legal, cultural, commercial and technical aspects. The individual due diligence steps range from obtaining information to on-site inspections (for example with respect to air and noise pollution, methane gas, hazardous substances in the building, unauthorised or improper storage of hazardous materials or waste, and vegetation and terrain morphology studies), detailed analyses and quantification of potential environmental risks.

Compliance with standards in the case of development projects and refurbishments is additionally ensured by the development process directive. This directive applies across the Group and governs all activities related to construction projects.

Responsibility towards tenants and customers

A key area of strategic focus is on tenant loyalty, driven by strong customer satisfaction, and attracting new tenants. IMMOFINANZ's brands serve as a commitment to service and quality in this respect. Other important issues include investing in the quality of the properties, a strong degree of customer orientation with a diverse range of services and cooperation with local communities.

GRI 102-6

Material topics for IMMOFINANZ	Description	Sustainability and Diversity Improvement Act issues
Tenant health & safety	Maintenance, inspection and modernisation of the portfolio to ensure the health and safety of tenants and their customers and employees.	Social issues
Customer-oriented construction and renovation	Projects and renovations undertaken in close coordination with customers to achieve optimal and user-friendly results. Demand-oriented planning and management to increase customer satisfaction and support companies in making economically sustainable investments.	Social issues
Cooperation with & support of tenants	Respectful, long-term partnerships and proposals to support tenants relating to, for example, working together to improve environmental performance or addressing payment difficulties on the part of tenants.	Social issues
Customer satisfaction	Determination and consideration of customer preferences and requirements to optimise services provided to tenants. Open communication with tenants and providing opportunities for feedback and complaints plays a central role in this process.	Social issues
District development/ cooperation with local communities	Real estate projects with involvement of the resident/local community. Project execution with balanced consideration given to the interests of the local community as well as interest groups.	Social issues

The diversity of our portfolio is reflected in the breadth of our tenant mix. Our property solutions range from individual myhive desks for one month to long-term contracts covering areas of over 30,000 sqm. We thereby offer all of our tenants property solutions tailored to their respective needs, irrespective of whether they are individual entrepreneurs or large corporations. Long-term partnerships and a strong customer focus are of central importance to us. They form the basis for satisfied tenants, a resulting high occupancy rate and efficient management of our properties. Innovative developments in our portfolio such as our new flexible myhive products are a result of close and regular contact with our tenants. We are also constantly working on digitalisation initiatives to further improve customer satisfaction and the user experience. An important role is also played by the engagement of our communities, comprising all the people that work and shop at our properties or who live in the vicinity.

GRI 103-1, 103-2, 103-3

Potential risks

The loss of an unsatisfied anchor tenant in the retail sector and difficulties in subsequently re-letting could impact other tenants due to lower visitor numbers and/or result in a reduction in the range of options offered to visitors. IMMOFINANZ addresses this risk through a high degree of customer orientation and proactive letting management. Additionally, IMMOFINANZ bears responsibility for compliance with construction and safety regulations to protect building occupants and the surrounding vicinity.

GRI 102-15

COVID-19

As described on pages 20–21 in the Annual Financial Report 2020, COVID-19 and the related closures imposed by authorities particularly affected our tenants in the retail sector. We developed individual solutions with them in order to assist them in dealing with the crisis. We granted temporary rent reductions, which resulted in an overall increase in write-offs from asset management to EUR -29.2 million (2019: EUR -2.2 million). Active marketing measures led to a rapid recovery in visitor numbers following reopening of the business premises. In the office sector, individual tenants operating in industries that were particularly affected were likewise given temporary support and in isolated cases there were space reductions. The occupancy rate in the total portfolio remained unchanged at a high level of 96% and there were almost no insolvencies among our tenants. We additionally took extensive hygiene and protective measures and made protective masks and disinfectant widely available.

Our shopping centers and STOP SHOPS are also venues for social contact. This was not possible during the temporary closures, although we worked on numerous initiatives, including offering temporary drive-in cinemas in the car parks of individual properties. Our retail properties, which are predominantly located in smaller and medium-sized cities in Eastern and Southeastern Europe, also provided free WiFi. Physical community offerings for our office tenants were likewise largely not viable due to social distancing rules. Instead we offered our tenants and their employees a wide variety of virtual options, with topics ranging from sports to nutrition, coaching and resilience in times of crisis.

We assisted our communities with numerous measures, such as free-of-charge STOP SHOP delivery services in Austria as well as supporting emergency services personnel and blood donation initiatives (see also pages 22–23).

Product innovation and customer-oriented construction and renovation

IMMOFINANZ's property portfolio is structured according to a clearly defined brand policy: myhive exemplifies the flexible office of the future, STOP SHOP is a brand for retail parks and VIVO! is for comprehensive shopping centers. These brands represent a quality commitment to tenants and generate assurance and confidence. A high degree of standardisation based on comprehensive catalogues of criteria for planning, facilities and design also supports a sustainable procurement policy.

The myhive offices benefit from a welcoming atmosphere in the common areas, numerous services and optimal infrastructure. They offer space for communication and lively interaction between tenants and their employees, for example in attractive communication zones and tenant lounges, and at regular events including after-work events, business breakfasts with specialist presentations and organised sporting activities (see also the detailed description in the brand section). As a result of the COVID-19 pandemic, these activities were replaced with extensive options for online courses (e.g. yoga, foreign languages and expert talks).

Particular emphasis is placed on networking among tenants. Dedicated community managers serve as central contact points for tenants and their employees, support interaction among tenants, identify opportunities for cooperation, arrange the corresponding contact and organise events. Furthermore, a cross-border customised myhive offices app was introduced. This provides information on all new developments in the respective office building and the myhive community, facilitates communication with experts from other companies at the location and supports central services provided by IMMOFINANZ, for example with a direct feedback tool. It also enables event registrations, suggestions, preferences or damage reports to be simply and quickly communicated.

In order to maintain both the occupancy rate and customer satisfaction at a high level in the long term, IMMOFINANZ regularly makes targeted investments in the quality of its properties and in the development of innovative products.

We have set new standards for flexible office solutions with added value in this respect with the further development of the myhive brand and offer our tenants full flexibility in terms of space, contract duration and location. More sustainable and resource-efficient expansion of leased areas is also being facilitated. By means of modular office layouts and standardised fittings (including flooring manufactured in a climate-neutral process), leased space can also be offered for shorter periods and renovations are no longer necessary if there is a change of tenant. For this reason, a dedicated office design was conceived for myhive, with partitioning systems and high-quality functional furniture. All areas are also offered with full services, including infrastructure and IT maintenance as well as cleaning and plant care. The flexible myhive products range from individual desks in a shared office or separate office units through to customised offices with their own entrance. A dedicated myhive app not only serves as an exclusive platform for communication between members – it will also enable users to manage everything over their smartphones in the future: access, booking, networking, events, payments and much more. The flexible myhive products have been offered at a location in Vienna since the fourth quarter of 2020 and will be rolled out to other office properties in all of our core markets over the course of 2021.

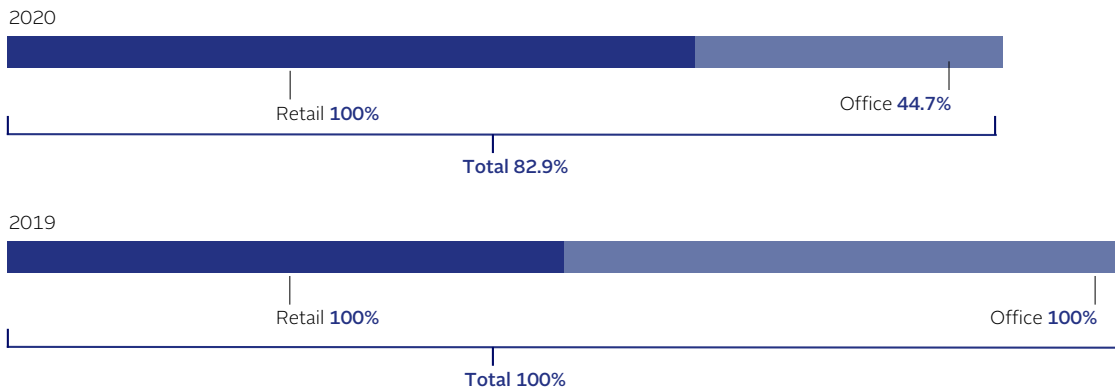
Evaluation of customer satisfaction and customer orientation

Our tenants receive a wide range of information and advice. We support potential tenants in determining respective individual requirements for space and facilities. Existing tenants are supported in the day-to-day business by property managers and facility managers in all property-specific matters.

In order to assess customer satisfaction in the office sector, in addition to individual discussions with tenants, regular tenant surveys have been conducted for a number of years. Optimisation measures specific to the location are derived from the results. Suggestions and preferences from diverse tenant surveys are likewise incorporated into the creation of new product offerings, such as the increased flexibility at myhive. Furthermore, community managers act as a central interface for preferences and suggestions expressed by tenants and their employees. The myhive app also enables the myhive community to give direct feedback or report problems.

In the retail sector, tenant satisfaction is analysed by means of two different types of survey method: qualitative and quantitative. We meet with our main anchor tenants at regular intervals in order to assess the past and future working relationship. Contact was particularly close in the past financial year due to the COVID-19 pandemic. We also consult all tenants in regular surveys. The survey conducted in the fourth quarter of 2020 focused primarily on tenant satisfaction with respect to the measures taken by IMMOFINANZ during the pandemic. In addition, questions were asked about satisfaction with employees' knowledge and customer orientation as well as IMMOFINANZ's image.

Percentage of buildings with tenant surveys relating to community management and the corresponding community offering:



Comty-Eng, GRI 413-1

Health and safety of tenants

In accordance with its responsibility as a property owner, IMMOFINANZ aims to ensure that tenants and other users of its property portfolio have a safe environment, that potential safety hazards are prevented and where necessary promptly identified and removed, pursuant to the applicable legislative framework as well as relevant standards and policies. This relates to, for example, all safety aspects concerning fire precautions, safety and well-being of people and the environment, and organisational safety measures. The properties are constructed and operated in accordance with the applicable legal provisions and where necessary adapted to new legal requirements. Building safety regulations may relate to issues such as fire precautions and emergency exits and are reviewed regularly.

Additionally, health & safety audits form part of our comprehensive Technical Building Audits. In this process, each year a certain number of buildings undergo a multi-stage audit conducted by an external expert. In 2020, 28 of 154 standing investments, equivalent to around 18%, underwent a comprehensive audit.

H&S-Asset, H&S-Comp, GRI 416-1, 416-2

In let buildings, the tenants carry out regular evaluations of compliance with legal requirements with respect to the areas they lease in the course of occupational health and safety inspections. Any deviations are reported as necessary to the property managers, who are responsible for correcting the defects.

Under its myhive office brand, IMMOFINANZ furthermore offers regular activities to the employees of its tenants to promote physical and psychological well-being, including sport courses, nutritional advice and coaching presentations.

GRI 403-2, 403-6

Engagement with society and cooperation with local communities

IMMOFINANZ regularly supports non-profit projects and associations in the countries in which we are active. As part of our 2020 Christmas campaign, we donated to establishments and charitable organisations that support children, such as the St. Anna Children's Hospital and the Children's Hospice Vienna in Austria, the Marie Curie Children's Hospital in Romania, an orphanage in Poland and the SOS Children Village in Croatia. During the year we also supported the Red Cross and the Federal President's Sozialwerk (a charitable undertaking). Donations in 2020 amounted to a total of EUR 103,555.

An important role is played by engagement with our communities, which comprise all the people that work and shop at our properties or live in the vicinity. In our development projects, our development team cooperates with all relevant local stakeholders and thereby with the people who live in proximity to a new project. In most instances this forms part of a formal process involving the local public authorities.

In addition to the events and online event options for our office tenants described above, we regularly organise many initiatives for our communities, including blood donation campaigns, clothing drives for people in need and exhibitions. We also provide support for emergency services personnel, such as during the COVID-19 pandemic. In the first wave of the pandemic in the past year, we also implemented a free-of-charge STOP SHOP delivery service in Austria for people who did not yet want to go shopping in person, for example due to health considerations.

Furthermore, we support biodiversity and have positioned beehives on the roofs of several of our properties in cooperation with local beekeepers. The honey harvested is then made available to the tenants.

GRI 413-1

myhive Park Postępu – Community
Exhibitions for our tenants



Responsibility towards employees

The expertise and commitment of IMMOFINANZ's employees are important prerequisites for the long-term success of the company. The numerous activities in the area of human resources create an environment in which talent can be optimally developed as well as promoting teamwork at all levels.

Material topics for IMMOFINANZ	Description	Sustainability and Diversity Improvement Act issues
Education & training, knowledge transfer	Training and education: training opportunities for employees for professional and personal development and future-oriented training models. Knowledge transfer: passing on of information and sharing expertise across generations within the company.	Employee issues
Employee health/ occupational safety	Employee health: relates to the overall physical and psychological welfare of the employee, for example with respect to prevention of physical and psychological illness. Occupational safety: ensuring that the work environment protects employees from health and safety risks. This also relates to workspaces in terms of ergonomic and lighting conditions.	Employee issues
Work-life balance/flexible working practices	Measures for balancing career, leisure time and family as well as flexible working hours and locations (e.g. remote working).	Employee issues
Diversity and equal opportunities	Equal opportunities for professional development and recruitment, openness towards diversity and harnessing diversity within the company. Relates above all to origin, age, gender, religion/culture, sexual orientation and people with disabilities.	Employee issues
Employee satisfaction	Satisfied employees drive the success of a company; a high level of employee satisfaction can increase overall well-being, the loyalty towards a company, motivation and commitment. Respectful treatment of employees and open communication to identify employee needs play an important role.	Employee issues

The expertise and commitment of our employees are important prerequisites for the long-term success of the company. With numerous activities in the area of human resources, we create an environment in which talent can be optimally developed and teamwork at all levels is promoted. Employer attractiveness as well as employee retention and further development are key priorities. This enables us to ensure that our employees are motivated and contribute to the success of the company on a long-term basis. The measures outlined below address and minimise risks relating to qualifications and expertise.

GRI 103-1, 103-2, 103-3

COVID-19

The main impact of the pandemic on our employees resulted from temporary changes to working conditions (remote working, health and safety concepts). At the start of the pandemic, we immediately responded based on Group-wide guidelines for employee health and safety as well as for continuously ensuring the operation of important Group functions. Extensive safety and hygiene measures were also implemented. During the first wave of the pandemic, we furthermore worked on contingency plans for subsequent waves.

The pandemic led to an elevated risk level for our employees with respect to the effects of COVID-19. We addressed the health risk, in the past financial year and at the beginning of 2021, with a comprehensive approach to avoid contagion and illness. This includes the temporary switch to remote working, 50:50 attendance rules, social distancing measures, transparent time and place logging for contact tracing and an advanced hygiene concept. Regular free-of-charge COVID-19 tests are also available.

Prior to the pandemic, virtually all employees were already technically in a position to be able to work remotely. The switch to remote working was supported by guidelines and tutorials. On-boarding of new employees was mainly conducted with e-learning videos. IMMOFINANZ has not made use of short-work schemes to date in relation to the COVID-19 pandemic. Conversely, there was a small increase in the workforce (see employee structure below).

Potential risks

IMMOFINANZ counteracts the risk of negative health effects, or poor motivation or willingness to undertake training on the part of employees with targeted measures in the areas of employee development and health management. These improve the well-being and health of employees on a long-term basis.

GRI 102-15

Employee structure

As of 31 December 2020, IMMOFINANZ had 325 employees (31 December 2019: 311). The average number of employees during the year* was 317 (2019: 306). Overall, employees from 16 countries work at IMMOFINANZ. The average age was 37.4 years (2019: 37.3 years). The proportion of women improved slightly compared to the prior year and stood at 60% as of 31 December 2020 (31 December 2019: 59%).

GRI 102-7

Total number of employees by employment type	2020	2019	Change in %
Full-time	290	277	4.7
thereof female	165	154	7.1
thereof male	125	123	1.6
Part-time	35	34	2.9
thereof female	29	28	3.6
thereof male	6	6	0.0

IMMOFINANZ was locally represented by employees in nine countries in 2020. Around half of the employees were based in Austria and the remainder were based in Central and Eastern Europe. The majority (2020: 89%) of our employees are employed on a full-time basis. IMMOFINANZ aims to offer its employees stability as well as the ability to plan with security – almost all employment contracts are therefore for an unlimited duration. In the 2020 financial year, the proportion of temporary employees was less than 1% of total headcount.

Employees by region	2020		2019		Change in total in %
	Total number	Share in %	Total number	Share in %	
Austria	158.0	48.6	158.0	50.8	0.0
Romania	41.0	12.6	41.0	13.2	0.0
Poland	43.0	13.2	38.0	12.2	13.2
Hungary	21.0	6.5	21.0	6.8	0.0
Czech Republic	19.0	5.8	18.0	5.8	5.6
Germany	13.0	4.0	13.0	4.2	0.0
Slovakia	17.0	5.2	13.0	4.2	30.8
Serbia	12.0	3.7	8.0	2.6	50.0
Croatia	1.0	0.3	1.0	0.3	0.0

GRI 102-8

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

Social dialogue

The employment contracts in Austria are 100% governed by the collective agreement for salaried employees in property management companies. For employees not covered by the tariff, salary schemes customary within the country and industry apply. The company has also entered into a number of agreements with the Works Council, which are based on social partnership and aim to provide additional improvements for employees. In its Code of Conduct, the company undertakes to respect employees' rights to freedom of association. A long-term, constructive dialogue is pursued and maintained with the employee representatives.

GRI Code		2020	2019
GRI 102-41	Percentage of total employees covered by collective bargaining agreements in %	48.6	50.8

At IMMOFINANZ it is important to treat employees according to consistent standards. The Executive Board and the Works Council discuss current company developments at least once every quarter and if required discussions on important issues are arranged at short notice.

Continuous employee development

In the area of employee development, training is focused on professional as well as social and methodological expertise. The annual performance review discussions between employees and their managers play an important role in human resources management. In these discussions, clear objectives are agreed upon and individual training activities are defined. As in past financial years, in 2020 performance reviews were conducted with 100% of employees. In the reviews, feedback from employees is also collected on various questions relating to personal well-being, further development and teamwork as well as suggestions for improvement. Additionally, a survey covering all employees was carried out during the 2020 materiality analysis.

Emp-Dev, GRI 404-3

Training

As in past years, IMMOFINANZ provided numerous education and training opportunities for its employees in the 2020 financial year. The human resources department is responsible for coordination of ongoing employee development and draws up succession plans for key positions in core areas. In the 2020 financial year, around 7,566 hours of training were completed across the Group, equivalent to 23.3 hours per employee (HC). The largest proportion of training hours – around 41% – was spent on language courses (2019: 39%), followed by external training courses and seminars.

EPRA-/ GRI Code	Training hours	2020		2019		Change in hours/HC in %
		Total hours	Hours per employee	Total hours	Hours per employee	
Emp-Training		7,566	23	9,453	30	-23.4
GRI 404-1	By gender					
	Female	5,277	27	6,776	37	-26.9
	Male	2,289	17	2,677	21	-15.8
	By age group					
	< 30 years	1,857	30	2,073	34	-10.4
	30–50 years	5,503	22	7,142	30	-27.0
	> 50 years	206	13	238	16	-18.9
	By employee category					
	Management	795	14	1,479	32	-56.5
	Non-management	6,771	25	7,974	30	-15.9

IMMOFINANZ Academy

The IMMOFINANZ Academy serves as a Group-wide education and training facility. Personalised training plans in the form of individual and group training play an important role in this respect. Internal training sessions in which experts from IMMOFINANZ hold talks and presentations are also conducted. Examples include workshops on brand strategy and the IMMOFINANZ Real Estate Training series. Due to the pandemic, training primarily took place in virtual form.

Training programmes

With the apprenticeship programme launched in 2016, IMMOFINANZ provides ambitious young people with opportunities to receive training within the Group. The focus is on apprenticeships as real estate agents and financial and accounting assistants. The Young Professional talent promotion programme was also established, which is geared towards students and graduates. This is designed as a rotation programme, with a focus on knowledge transfer in the operational business area and the finance department, respectively. In the 2020 financial year the programme was suspended due to the pandemic, primarily because rotation in various countries in which IMMOFINANZ is present was not possible. We plan to resume the programme as soon as containment of the pandemic permits.

The Leadership Curriculum is the Group-wide series of training courses for managers. In a number of different modules, employees are provided with information on a range of topics relating to diverse management issues. The transfer and sharing of knowledge within the company also provides support for employees with management responsibilities. In this way, IMMOFINANZ offers optimal development opportunities for managers.

Transition support programmes

There are plans to enter into collective agreements in the event that a reorganisation with increased headcount reduction becomes necessary. Until recently there was a collective agreement in place in Austria covering the period from November 2017 until the end of 2020 to support employees leaving the workforce. Its provisions included voluntary severance payments from the employer, depending on various social factors, training activities and support during the search for new employment.

GRI 404-2

Employee health, occupational safety and work-life balance

As a real estate manager and developer, IMMOFINANZ's business is largely office-based and consequently the risk of occupational accidents is relatively low. Healthcare management therefore focuses on preventive healthcare and the promotion of sporting activities.

Employees are offered flexible and partially flexible working hours, as well as part-time working arrangements. These include flexible work time regulations. The period for flexible working hours is between 6:00 and 20:00; general core working hours are not stipulated and employees may decide when their working day begins and ends. These regulations enable employees to achieve a good balance between personal needs and full-time employment, thereby improving satisfaction and performance as well as the attractiveness of IMMOFINANZ as an employer.

IMMOFINANZ supports its employees by offering a wide range of propositions away from the daily work routine, with team building and promotion of work-life balance constituting key focus areas. These include a sixth week of vacation time after three years of employment with the company, sports options such as participation in the Vienna City Marathon or the Business Run (during the pandemic on a virtual route), coaching vouchers and various voluntary employee benefits.

Employees' healthcare needs are supported by a company physician who is regularly on the premises and cooperation arrangements with medical facilities. The physician's responsibilities include, besides meeting legal requirements, carrying out vaccination programmes, medical check-ups, eye tests and providing advice on preventive healthcare. In this way, the typical illnesses that sometimes affect offices can be prevented in good time. In the 2020 financial year, the absence rate due to sickness declined to 1.74%, which may have been due to the increased safety measures (distancing rules, etc.) taken due to COVID-19.

Health and safety inspections are conducted at IMMOFINANZ's own office locations once a year by the safety officer, the company physician and the Works Council. Occupational safety risks and compliance with statutory workplace and safety regulations are assessed in this process. The inspection results are evaluated in a meeting together with HR management and the Executive Board, at which decisions are taken on measures for improvement. In addition to the annual meeting, IMMOFINANZ has specially trained employees who serve as safety officers and can address any issues as they arise. Employees are also trained in first aid and as evacuation/fire protection officers.

EPRA Code	Occupational health and safety employees ¹	2020	2019
H&S-Emp	Number of work-related injuries	0	1
	Injury rate (in %) ²	0.00	<0.01
	Total lost days ³	0	3
	Lost day rate (in %) ⁴	0.00	0.01
	Absences in days ⁵	593	795
	Absentee rate (in %) ⁶	1.7	2.3
	Work-related fatalities	0	0

¹ Based on employees in Austria (51% of the total workforce). Plans include the collection of occupational safety data for all employees beginning in 2021.

² Number of occupational accidents/total hours worked

³ Number of days lost due to occupational accidents

⁴ Number of days lost due to occupational accidents/total hours worked

⁵ Number of absence days (work-related accidents and illness)

⁶ Number of absence days due to illness/total days worked

Attractive employer

The initiatives in the area of human resources have met with approval. On kununu, the largest employer evaluation platform in Europe with around 4.5 million evaluations of over 967,000 companies (as of February 2021), IMMOFINANZ receives an above-average rating and this has been steadily rising in recent years.

As of: February 2021			
kununu scores in comparison	Ranking	Points	Gradings
IMMOFINANZ	★★★★	4.2	216
Branch average (Properties/Facility Management)	★★★	3.4	3,421

More information can be found at www.kununu.com/at/immofinanz

IMMOFINANZ ranked among the top 5 most family friendly companies in the Austrian real estate sector in 2020. The Freundin media enterprise and the kununu employer evaluation platform gave recognition to around 400 companies in Germany and Austria that are particularly family friendly, including in terms of the compatibility of professional and family demands, a good work-life balance, factors related to well-being and equal career opportunities. Overall, more than 2 million evaluations of 200,000 companies in Germany and Austria were included in the research, which was used as a basis to compile the ranking.

EPRA-/GRI Code	New employees ¹ New employees hired	2020		2019		Change in total in %
		Total number	Rate of new hires in %	Total number	Rate of new hires in %	
Emp-Turnover		49	15.1	60	19.3	-18.3
GRI 401-1 (2016)	By gender					
	Female	33	17.0	33	18.1	0.0
	Male	16	12.2	27	20.9	-40.7
	By age group					
	< 30 years	19	31.1	23	37.7	-17.4
	30–50 years	28	11.3	37	15.7	-24.3
	> 50 years	2	12.5	0	0.0	
	By region					
	Austria	20	12.7	30	19.0	-33.3
	Germany	4	30.8	5	38.5	-20.0
	Czech Republic	3	15.8	4	22.2	-25.0
	Hungary	2	9.5	2	9.5	0.0
	Poland	9	20.9	3	7.9	200.0
	Romania	3	7.3	13	31.7	-76.9
	Serbia	5	41.7	2	25.0	150.0
	Croatia	0	0.0	1	100.0	-100.0
	Slovakia	3	17.6	0	0.0	

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

In 2020 there was a significant reduction in the number of employees leaving the company, resulting in a decline of four percentage points in the employee turnover rate compared to the prior year.

EPRA-/GRI Code	Employee turnover Employee departures ¹	2020		2019		Change in total in %
		Total number	Turnover rate in %	Total number	Turnover rate in %	
Emp-Turnover		45	12.6	64	17.0	-29.7
GRI 401-1 (2016)	By gender					
	Female	32	15.0	36	16.0	-11.1
	Male	13	9.0	28	18.0	-53.6
	By age group					
	< 30 years	10	13.2	21	22.0	-52.4
	30–50 years	35	13.2	43	16.0	-18.6
	> 50 years	0	0.0	0	0.0	0.0
	By region					
	Austria	15	9.0	35	18.0	-57.1
	Germany	4	25.0	7	35.0	-42.9
	Czech Republic	5	22.0	6	23.0	-16.7
	Hungary	3	13.0	3	13.0	0.0
	Poland	5	10.0	4	10.0	25.0
	Romania	9	20.0	6	13.0	50.0
	Serbia	3	20.0	0	0.0	0.0
	Croatia	0	0.0	0	0.0	0.0
	Slovakia	1	6.0	3	18.0	-66.7

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

Diversity and equal opportunities

At IMMOFINANZ equal opportunities and equal treatment of employees are a matter of course, with no distinction based on factors such as gender, age, nationality or ethnic origin. In our Code of Conduct, we commit to creation of a work environment based on openness and mutual respect throughout the Group. Diversity considerations are very important to us, particularly in relation to age, gender, national and ethnic origin, religion, sexual orientation, disability, and educational and professional background. These factors are

accordingly given particular recognition and consideration in recruitment decisions or proposals alongside criteria such as expertise, specific need, experience and availability.

In the event of questions or potential conflicts, the Group Compliance Officer serves as an independent and confidential point of contact. There were no known cases of discrimination in 2020.

GRI 406-1

EPRA-/GRI Code	Employee diversity	2020		2019		Change in total number of employees in %
		Total number of employees	Total number in %	Total number of employees	Total number in %	
Diversity-Emp GRI 405-1	Employees in governance bodies¹					
	By gender					
	Female	0	0.0	0	0.0	
	Male	3	100.0	3	100.0	0.0
	By age group					
	< 30 years	0	0.0	0	0.0	
	30–50 years	1	33.3	2	66.7	-50.0
	> 50 years	2	66.7	1	33.3	100.0
	Employees with management responsibility²					
	By gender					
	Female	13	27.7	16	34.0	-18.8
	Male	34	72.3	31	66.0	9.7
	By age group					
	< 30 years	1	2.1	0	0.0	
	30–50 years	43	91.5	44	93.6	-2.3
	> 50 years	3	6.4	3	6.4	0.0
	Non-management employees³					
	By gender					
	Female	181	65.1	166	62.9	9.0
	Male	97	34.9	98	37.1	-1.0
	By age group					
	< 30 years	60	21.6	61	23.1	-1.6
	30–50 years	205	73.7	191	72.3	7.3
	> 50 years	13	4.7	12	4.5	8.3

¹ Executive Board

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

³ Employees without management responsibility

EPRA Code	Gender payment gap	2020	
		Share of women in %	Pay ratio
Diversity-Pay	Employees by categories		
	Employees in governance bodies ¹	0.0	
	Employees with management responsibility ²	27.7	1.36
	Non-management employees ³	65.1	1.33

¹ Executive Board

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

³ Employees without management responsibility

The gender pay ratio is reported by employee category Group-wide for the first time in 2020. It is planned to report this ratio annually going forwards. The indicator represents the ratio of the average total remuneration of male employees (per category of employee) to the average total remuneration of female employees (per category of employee). The gender pay disparity is due primarily to differences in areas of authority and responsibility. It is analysed regularly and work is being undertaken on measures to support alignment.

Responsible business practices

IMMOFINANZ is committed to business practices based on integrity, honesty, fairness, transparency and responsibility. They form the foundation of all activities in the areas of sustainable value creation, integration of sustainability in governance processes, compliance, combating corruption, tax integrity, sustainable procurement policies and human rights.

GRI 102-16

Material topics for IMMOFINANZ	Description	Sustainability and Diversity Improvement Act issues
Business compliance & ethics	Standards and processes to promote integrity, anti-corruption, fair competition (competition law), anti-discrimination and prevention of harassment in the workplace. These also apply to dealings with business partners. Ethics: approach and team culture within the company, comprising shared values, standards and attitudes which influence the actions and conduct of all company employees. Set out in writing in the Code of Conduct, management principles and compliance regulations.	Social issues Respect for human rights Fight against corruption and bribery
Data protection	Protection of the personal data of employees, customers and business partners with respect to unauthorised collection, storage, analysis and transfer of data. This also covers protection of employees' privacy.	Social issues Fight against corruption and bribery
Sustainable value creation	Value creation in the sense of sustainable corporate performance taking into account economic, ecological and social factors. The Group's core strategic objectives are a high degree of customer orientation as well as growth, long-term value creation and sustainable management of the portfolio, which will create value across generations.	Social issues
Sustainable supply chain and procurement	Consideration of environmental and social factors in awarding contracts, such as adherence to environmental standards and legislation, to employment law and technical safety standards and respect for human rights (particularly no forced or child labour, freedom of assembly and right to collective bargaining).	Social issues Fight against corruption and bribery
Engagement with society	Support of non-profit projects / associations (typically in local proximity to the business location) by providing funds, resources (buildings / materials), or through provision of working hours and employee contributions.	Social issues
Integration of sustainability in governance processes	Taking sustainability into account in IMMOFINANZ's strategic focus, awareness of corporate social responsibility, and the inclusion of sustainability criteria in company performance measurement.	Social issues Fight against corruption and bribery
Innovation in development projects, renovations & services	Promotion of innovation in project development, renovation and management e.g. with respect to working practices, technology and encouraging creativity.	Social issues
Tax integrity	Transparent disclosure of tax strategy, compliance with taxation law requirements and cooperative working relationship with tax authorities.	

Various Group directives relating to these areas have been put into effect by the Executive Board. They apply to all employees of the company and Group companies and are brought to their attention.

The **Code of Conduct** serves as the basis for all business activities and decisions taken within the company and contains, in particular, stipulations on respect for fundamental rights, integrity and fairness, a non-discrimination rule and regulations on relationships with competitors, customers and associations.

The **anti-corruption directive** is based on the UN Convention against Corruption and summarises the principles of conduct and ethical requirements for dealing with corruption.

The **compliance directive** covers the legal prohibition of the usage of insider information for insider trading and the unlawful sharing of insider information. In addition to regular training, the Compliance Officer is available to employees at any time to answer questions. Further details are provided in the Consolidated Corporate Governance Report in the Annual Financial Report 2020 (beginning on page 6).

The **data protection directive** contains mandatory regulations on processing personal data in accordance with data protection requirements and the related obligations of all IMMOFINANZ Group employees. The **IT directive** serves as the basis for data security and the responsible use of information technology facilities. The directive forms an integral part of employment contracts.

GRI 103-1, 103-2, 103-3

Potential risks

The acceptance of gifts, corruption, bribery, discrimination and conflicts of interest constitute a reputational risk and a risk of transactions which are disadvantageous to the IMMOFINANZ Group. These directives mitigate these risks. There are no indications of systematic corruption risks at the present time. Awareness is also raised among employees through ongoing training measures.

As IMMOFINANZ maintains a large number of business relationships, there is a resulting risk of relationships with companies that apply lower ethical standards. IMMOFINANZ mitigates this risk through diligent and responsible selection of its business partners. The risk of violations of human rights is classified as low, as our suppliers are almost exclusively (>99%) based in Europe.

GRI 102-15

COVID-19

The pandemic had no material impact in the area of our responsible business practices.

Sustainable value growth

IMMOFINANZ's business model is oriented towards long-term, sustainable value creation aligned with environmental, economic and social considerations. A specific calculation for sustainable value growth is under development. For this year's report, we refer to the income statement, personnel expenses and the indicators for employees, economy and society as a reflection of IMMOFINANZ's current performance in relation to sustainable value growth.

Business compliance and ethics

Compliance training

IMMOFINANZ employees are familiarised with the principles of the compliance directives in regularly held training sessions. In the past financial year, an interactive e-learning course on the treatment of insider information took place for employees of the headquarters. All employees are likewise given training on compliance basics using an e-learning tool. This also addresses the recognition of and response to possible money laundering activity. In addition, in 2020 a Group-wide anti-corruption course was conducted by means of an e-learning tool, with the goal of providing training on principles of conduct and ethical requirements using practical examples and of raising awareness among employees for the event of potential conflicts of interest. The main focal points were the definition of the term corruption, dealing with officials and the private sector, gifts and benefits as well as consultants and intermediaries. As was the case in 2019, in the 2020 financial year 100% of the employees as well as the Executive Board received training on compliance issues. Anti-corruption training is mandatory for all employees and is conducted annually.

GRI 205-2

Fight against corruption and bribery

IMMOFINANZ's anti-corruption directive is based on the UN Convention against Corruption and summarises the principles of conduct and ethical requirements for dealing with corruption. The aims of the directive are to ensure conduct in compliance with legal requirements on the part of employees, business partners and customers, to prevent conflicts of interest arising and raise awareness among employees for the event of potential conflicts of interest, protect employees against criminal activity and prevent damage to IMMOFINANZ's reputation due to inappropriate practices with respect to benefits. The directive includes regulations on the acceptance and granting of benefits, donations and sponsoring, use of intermediaries and money laundering prevention.

IMMOFINANZ does not make political donations. In the 2020 financial year there were no known cases of corruption.

GRI 205-3, 415-1

Data security and cybersecurity

IMMOFINANZ took steps at an early stage to address the increased requirements for the protection of personal data resulting from the General Data Protection Regulation (GDPR), which became effective in May 2018. It not only led to a broad expansion of the obligations of the data controller and the rights of the data subject but also to a very substantial increase in the penalties for data protection violations. Compliance with applicable data protection regulations is therefore an essential requirement and a legal obligation for the IMMOFINANZ Group.

The necessary measures and investments for implementing the GDPR were defined and put into effect by Corporate Legal Affairs, Compliance, Legal and IT, together with all business areas.

The IT directive forms the basis for data security as well as responsible and cost-conscious use of the information technology facilities. It also governs areas including access to IT systems, usage of IT resources and smartphones, privacy, treatment of sensitive information and the procedure in the event of IT security incidents.

The data protection directive sets out mandatory requirements for the processing of personal data in accordance with data protection standards and the related obligations of all IMMOFINANZ Group employees. Records must furthermore be kept of all processing activities. This directive is designed to ensure that corporate conduct adheres to data protection law, that the rights in particular of data subjects are protected, processes for the treatment of these data subject rights are defined, data protection violations are prevented and financial penalties are thereby avoided.

Mandatory training of employees by the data protection coordinator forms part of the range of organisational measures for data protection and compliance with data protection law. Interactive online training on data protection took place once again in the past financial year. In addition, various recommendations from the ISO-27002 standard relating to diverse control mechanisms were implemented along with operational measures for monitoring and responding to data protection violations and cyberattacks. In the event that there are extensive changes to existing systems or new applications are introduced, internal and external reviews are conducted. For the 2020 financial year, there were no substantiated complaints known to the company from third parties or regulatory authorities in relation to violations of customer data protection.

A wide-ranging initiative has been launched for the purpose of data classification and corresponding risk assessments in order to identify critical company data and the controllers. It also involves a detailed system analysis. Customised training courses for the data controllers and the relevant end-users are being defined and implemented based on the results. Additionally, measures designed to protect internal systems against potential future cyberattacks are being defined and implemented.

GRI 418-1

Tax integrity

The management approach to tax compliance at IMMOFINANZ is based on a commercially oriented tax strategy with the primary aim of meeting the applicable tax regulations in all of our countries in a transparent manner.

In order to achieve this aim, the internal tax department at IMMOFINANZ is integrated in all business-related processes. The tax department is staffed with experienced tax experts at headquarters as well as at the local subsidiaries in our core countries. It reports directly to the CFO and in relevant business decisions the involvement of the tax department in the approval process is standard practice.

Tax risk reports are collected on a quarterly basis in the entire Group and each individual company is critically analysed with respect to its level of taxation risk, including ongoing reporting of all tax audits and litigation. This tax risk management process is also incorporated in the Group-wide risk management function.

The success of this low-risk approach has been evident in tax audits over the last decade, where the experience has been very positive in that no material findings were identified for IMMOFINANZ Group companies.

Besides the local taxation regulations, IMMOFINANZ also diligently complies with international reporting requirements. For example, a new customised reporting process was recently implemented in order to meet the requirements of the DAC 6 EU Directive in accordance with the Mandatory Disclosure Regime. Although country-specific reporting does not apply to IMMOFINANZ (as the main criteria of a Group-wide revenue threshold of EUR 750 million as well as EUR 50 million per company are not exceeded), there is a Group-wide transfer price documentation scheme based on OECD standards.

The list of Group companies includes several IMMOFINANZ subsidiaries in Cyprus and the Netherlands. These companies were acquired along with the underlying structures in the course of historical portfolio purchases – predominantly prior to 2008 – and were not for the purpose of tax advantages. Until the point of liquidation, they are being held solely for corporate legal purposes and have no income. The total number of consolidated companies has already been significantly reduced as part of a programme to streamline the structure that has been ongoing since 2015. There are plans to close all of these holding companies in Cyprus and the Netherlands. All income in the IMMOFINANZ Group – in particular rental income, gains on disposals and internal financial income – is generated and taxed exclusively in Austria and at the local operating companies in the individual countries.

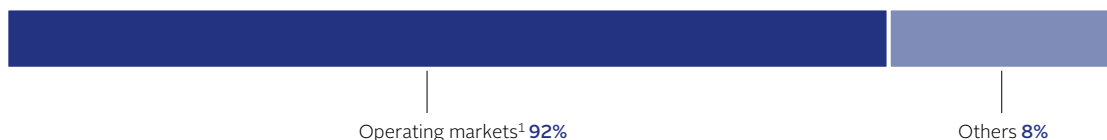
GRI 207-1, 207-2

Sustainable procurement policy

In relationships with suppliers and business partners, the focus in terms of sustainability and continuity is on the development of long-term business alliances. In the 2020 financial year, IMMOFINANZ, as an international Group, worked with suppliers from 28 countries. In order to ensure that procurement practices are sustainable and to maintain long-term, partnership-based relationships with our suppliers, 92% of all providers originate directly from the markets in which IMMOFINANZ operates. Supporting local suppliers and contributing to value creation in our core operating markets are therefore central considerations.

IMMOFINANZ's suppliers

Origin



¹ The operating markets Austria, Germany, the Czech Republic, Slovakia, Romania, Hungary, Poland and Serbia are defined as Significant Locations of Operations.

The suppliers commissioned by IMMOFINANZ are broadly diversified and range from construction companies and property managers to advisory services providers and insurers. In 2020 IMMOFINANZ obtained services and products from a total of 4,146 suppliers with a total order volume of over EUR 229 million, of which 92% was accounted for by suppliers in the operating markets. There were no significant changes in the composition of the supply chain in 2020.

GRI 102-9, 102-10, 204-1

Sustainable supply chain and procurement

The process of selecting business partners is based on an internal Group **procurement directive** which defines the procedures and specifications for IMMOFINANZ's procurement activities. It places emphasis on diligent and responsible supplier selection based on the Code of Conduct. The minimisation of supplier risks resulting from child, forced or compulsory labour as well as risks arising from inadequate social assessment of the supplier form a central consideration.

Alongside responsible supplier selection, work is being continually undertaken to increase communication between IMMOFINANZ and its business partners. The implementation of the supplier relationship management tool (SRM) will contribute significantly to improving management of our supplier network. This is currently in the design phase and is scheduled to be implemented in stages, beginning in 2022 at the latest.

Respect for human rights

IMMOFINANZ attaches great importance to the respect and observance of human rights. The dignity of individuals is of utmost priority. In addition to compliance with the provisions of national (constitutional) law, adherence to the Conventions of the International Labour Organisation (ILO) on freedom of association, the elimination of forced and child labour and the elimination of discrimination is also important to IMMOFINANZ. Violations of human rights and in particular forced and child labour, are fundamental breaches of the ethical standards expected from IMMOFINANZ's business partners. The issues of diversity and discrimination are addressed on pages 29–30.

The danger of risks to employees with respect to human rights violations is classified as low due to the prevailing legal environment in the countries in which IMMOFINANZ operates. We mitigate the risk of human rights violations in the supply chain with the internal Group procurement directive, which defines procedures and regulations for IMMOFINANZ's procurement practices.

EPRA index

This sustainability report was prepared in accordance with the principles and criteria of the sustainability reporting framework set out in the EPRA Sustainability Best Practices Recommendations Guidelines – Third Version September 2017 issued by the European Public Real Estate Association (EPRA). A description of the overall recommendations can be found in the section “About this report” on page 3.

EPRA Code		Reference	Comment
Responsibility towards the environment			
Elec-Abs	Total electricity consumption	14–15, 42	
Elec-LfL	Like-for-like total electricity consumption	14–15	
DH&C-Abs	Total district heating & cooling consumption	14–15, 42	
DH&C LfL	Like-for-like total district heating & cooling consumption	14–15	
Fuels-Abs	Total fuel consumption	14–15	
Fuels LfL	Like-for-like total fuel consumption	14–15	
Energy-Int	Building energy intensity	14–15, 42	
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	43	Portfolio: Scope 3 (there are no individual consumption meters per tenant)
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	16–17, 43	Portfolio: Scope 3 (there are no individual consumption meters per tenant)
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	16–17, 43	
Water-Abs	Total water consumption	16–17, 42	Water is drawn exclusively from municipal utility companies.
Water-LfL	Like-for-like total water consumption	16–17	
Water-Int	Building water intensity	16–17, 42	
Cert-Tot	Type and number of sustainably certified assets	16–17	
Responsibility towards tenants and customers			
Comty-Eng	Community engagement, impact assessments and development programmes	21–22	
H&S-Asset	Asset health and safety assessments	22	There is no standardised recording of assessments at the present time; the reporting is under development. A description is provided on page 22.
H&S-Comp	Asset health and safety compliance	22	There is no standardised recording of non-compliance incidents at the present time; the reporting is under development. A description is provided on page 22.
Responsibility towards employees			
Diversity-Emp	Employee gender diversity	29–30	
Diversity-Pay	Gender pay ratio	30	
Emp-Training	Training and development	26	
Emp-Dev	Employee performance appraisals	26	
Emp-Turnover	Employee turnover and retention	29	
H&S-Emp	Employee health and safety	28	
Responsible business practices			
Gov-Board	Composition of the highest governance body	6–9 ¹ , 11–12 ¹	
Gov-Select	Nominating and selecting the highest governance body	10–11 ¹ , 14 ¹	
Gov-Col	Process for managing conflicts of interest	13 ¹	

¹ The page references to this code refer to the Annual Financial Report 2020.

GRI index

This sustainability report was prepared in accordance with the principles and criteria of the GRI Standards issued by the Global Reporting Initiative, which form an internationally recognised framework for sustainability reporting. The GRI reporting option “GRI-referenced” is used and therefore the GRI Standards are applied selectively for specific disclosures. This document refers to the selected GRI Standards disclosures listed in the following index:

GRI Standard	Disclosure	Reference	Comment/Omission
GRI 101			
Foundation 2016			
GRI 102			
General Disclosures 2016			
Organisational profile			
	GRI 102-1	Name of organisation	1
	GRI 102-2	Activities, brands, products and services	1, 5–6
	GRI 102-3	Location of headquarters	118 ¹
	GRI 102-4	Location of operations	64 ¹
	GRI 102-5	Ownership and legal form	62–64 ¹
	GRI 102-6	Markets served	1, 3, 19
	GRI 102-7	Scale of the organisation	1, 3, 25
	GRI 102-8	Information on employees and other staff	25
	GRI 102-9	Supply chain	35
	GRI 102-10	Significant changes to the organisation and its supply chain	35
	GRI 102-11	Precautionary approach or principle	54–61 ¹
	GRI 102-12	External initiatives	6, 9
	GRI 102-13	Membership of associations	6
Strategy			
	GRI 102-15	Key impacts, risks and opportunities	11, 20, 25, 32
Ethics and integrity			
	GRI 102-16	Values, principles, standards and norms of behaviour	31
Governance			
	GRI 102-18	Governance structure	6–14 ¹
	GRI 102-20	Executive-level responsibility for economic, environmental and social topics	5

¹ The page references to this code refer to the Annual Financial Report 2020.

GRI Standard		Disclosure	Reference	Comment/Omission
GRI 101				
Foundation 2016				
GRI 102				
General Disclosures 2016				
Stakeholder engagement				
	GRI 102-40	List of stakeholder groups	6	
	GRI 102-41	Collective bargaining agreements	26	
	GRI 102-42	Identifying and selecting stakeholders	5-6	
	GRI 102-43	Approach to stakeholder engagement	7	
	GRI 102-44	Key topics and concerns raised	7	
Reporting practice				
	GRI 102-45	Entities included in the consolidated financial statements	3	
	GRI 102-46	Defining report content and topic boundaries	7	
	GRI 102-47	List of material topics	7	
	GRI 102-48	Restatements of information		n. a.
	GRI 102-49	Changes in reporting	7	
	GRI 102-50	Reporting period		01 01 2020 – 31 12 2020
	GRI 102-51	Date of most recent report		08 04 2020
	GRI 102-52	Reporting cycle		Annual
	GRI 102-53	Contact point for questions regarding the report		Bettina Schragl, investor@immofinanz.com
	GRI 102-54	Claims of reporting in accordance with the GRI standards	3	
	GRI 102-55	GRI content index		
	GRI 102-56	External audit	4	Not applicable: this report did not undergo an external audit.

GRI Standard	Disclosure	Reference	Comment/Omission
Responsibility towards the environment			
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	10–11	
	103-2 The management approach and its components	10–11	
	103-3 Evaluation of the management approach	10–11	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	42	
	302-2 Energy consumption outside of the organisation	14–15	
	302-3 Energy intensity	14–15	
G4 Sector disclosures: construction and real estate	CRE1 Building energy intensity	14–15	
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	43	
	305-2 Energy indirect GHG emissions (Scope 2)	43	
	305-3 Other indirect GHG emissions (Scope 3)	16	
	305-4 GHG emissions intensity	43	
G4 Sector disclosures: construction and real estate	CRE3 Greenhouse gas emissions intensity from buildings	16–17, 43	
GRI 303: Water 2018	303-3 Water withdrawal	16–17, 42	Water is drawn exclusively from municipal utility companies.
G4 Sector disclosures: construction and real estate	CRE2 Building water intensity	16–17, 42	
	CRE8 Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	16–17	

GRI Standard	Disclosure	Reference	Comment/Omission
Responsibility towards tenants and customers			
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	19	
	103-2 The management approach and its components	19	
	103-3 Evaluation of the management approach	19	
GRI 102: General disclosures 2016	102-43 Approach to stakeholder engagement	7	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	22, 23	This indicator was reported in 2020 for the first time and is under development.
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	22	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	22	The data is not available at the present time; the reporting is under development. A description is provided on page 22.

GRI Standard	Disclosure	Reference	Comment/Omission
Responsibility towards employees			
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	24	
	103-2 The management approach and its components	24	
	103-3 Evaluation of the management approach	24	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	29	
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	22	
	403-6 Promotion of worker health	22	
GRI 404: Training and education 2016	404-1 Average hours of training per year and employee	26	
	404-2 Programs for upgrading employee skills and transition assistance programs	27	
	404-3 Percentage of employees receiving regular performance and career development reviews	26	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	30	
	405-2 Ratio of basic salary and remuneration of women to men	30	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	30	

GRI Standard	Disclosure	Reference	Comment/Omission
Responsible business practices			
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	31–32	
	103-2 The management approach and its components	31–32	
	103-3 Evaluation of the management approach	31–32	
GRI 102: General disclosures 2016	102-9 Supply chain	35	
	102-10 Significant changes to the organisation and its supply chain	35	
	102-12 External initiatives	6, 9	
	102-13 Membership of associations	6	
	102-20 Executive-level responsibility for economic, environmental, and social topics	5	
	102-22 Composition of the highest governance body and its committees	8–9 ¹ , 11–12 ¹	
	102-24 Nominating and selecting the highest governance body	10–11 ¹ , 13–14 ¹	
	102-25 Conflicts of interest	13 ¹	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	35	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	32	
	205-3 Confirmed incidents of corruption and actions taken	33	
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 2020 based on anti-competitive behaviour, cartel- or monopoly building.
GRI 207: Tax 2019	207-1 Taxes	34	This indicator was reported in 2020 for the first time and is under development.
	207-2 Tax governance, control, and risk management	34	
GRI 415: Public policy 2016	415-1 Political contributions	33	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	33	

¹ The page references to this code refer to the Annual Financial Report 2020.

Environmental indicators for IMMOFINANZ locations

IMMOFINANZ's own consumption of water and energy and the environmental impact resulting from the operation of its own office locations constitute only a small proportion of the total portfolio. For the purposes of monitoring and managing the direct impact, the data for the indicators is collected and reported separately.

Energy			Own office locations		
EPRA/GRI Code	Unit	Indicator	2020 ¹	2019	Change in %
Total energy consumption					
GRI 302-1 (2016)	kWh	Total energy consumption ²	2,672,449	2,745,749	-2.7
Fuel consumption					
GRI 302-1 (2016)	kWh	Natural gas	356,749	354,466	0.6
	% from renewable sources			n. a.	
		Petrol	67,774	80,366	-15.7
		Diesel	476,763	487,737	-2.2
Electricity					
GRI 302-1 (2016)	kWh	Electricity	1,237,343	1,275,341	-3.0
District heating/cooling consumption					
	% from renewable sources			n. a.	
GRI 302-1 (2016)	kWh	District heating	533,820	547,840	-2.6
	% from renewable sources			n. a.	
Energy intensity					
Energy-Int GRI 302-5	kWh/sqm	Energy/sqm	317	339	-6.5
	Coverage		09/11	08/11	
	Share of projections in % ³		100.0	100.0	

Water				Own office locations		
EPRA/GRI Code	Unit	Indicator	Scope ²	2020 ¹	2019	Change in %
Water consumption						
GRI 303-1 (2016) Water-Abs	Liter	Water from municipal sources/ total space	Total space	5,078,357	4,423,953	14.8
Water-Int	Liter/ sqm	Water from municipal sources/ total space	Total space	602	547	10.1
	Coverage			09/11	08/11	
	Share of projections in % ³			100.0	100.0	

¹ Data quality was improved in 2020 by expanding the volume of recorded data (Elec-Abs, DH&C-Abs, Fuel-Abs, Water-Abs). A comparison between 2019 and 2020 is therefore not possible, with the exception of energy intensity per sqm.

² Due to limited data availability, a classification of consumption levels according to common areas and leased space is not included. The consumption levels include common areas and leased space and are reflected in "Total landlord-obtained". It is planned to expand this data in the 2021 financial year.

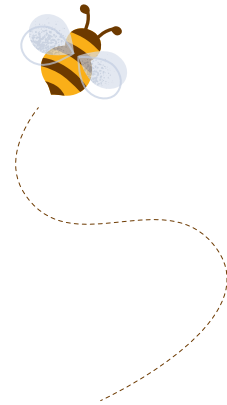
³ "Share of projections in %" for 2020 is calculated based on consumption instead of months; this methodology has the advantage of facilitating comparison to total consumption.

Emissions				Own office locations		
EPRA/GRI Code	Unit	Indicator	Scope ²	2020 ¹	2019	Change in %
Total energy consumption⁴						
GHG-Dir-Abs GRI 305-1 (2016)	tCO ₂ e	Scope 1	Total space	248	253	-2.0
GHG-Indir-Abs GRI 305-2 (2016)	tCO ₂ e	Scope 2	Total space	344	380	-9.5
		Scope 1+2	Total space	592	633	-6.5
GHG-Int CRE3	kgCO ₂ e/ sqm	Scope 1+2/total space	Total space	70	78	-10.3
<i>Coverage</i>				<i>09/11</i>	<i>08/11</i>	

¹ Data quality was improved in 2020 by expanding the volume of recorded data (Elec-Abs, DH&C-Abs, Fuel-Abs, Water-Abs). A comparison between 2019 and 2020 is therefore not possible, with the exception of energy intensity per sqm.

² Due to limited data availability, a classification of consumption levels according to common areas and leased space is not included. The consumption levels include common areas and leased space and are reflected in "Total landlord-obtained". It is planned to expand this data in the 2021 financial year.

³ The increased rate of data collection also explains the rise in CO₂e emissions



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Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. This report is published in German and English, and can be downloaded from the investor relations section of the IMMOFINANZ website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares in IMMOFINANZ AG.

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

IMMOFINANZ AG

Wienerbergstrasse 9

1100 Vienna, Austria

T +43 (0)1 880 90

investor@immofinanz.com

www.immofinanz.com

