

Immofinanz AG

Real Estate Management Austria WBO:IIA

ESG Risk Rating

15.6

Updated Mar 30, 2021

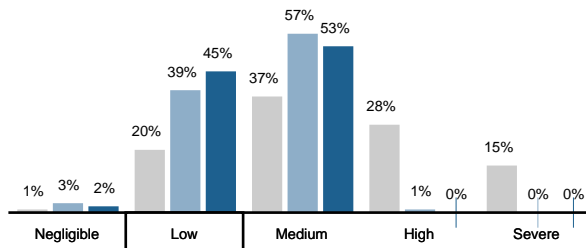
-3.8

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	1131/13676	9th
Real Estate INDUSTRY	200/1027	20th
Real Estate Management SUBINDUSTRY	34/149	23rd

Peers Comparison

Peers (Market cap \$2.3 - \$2.5bn)

	Exposure	Management	ESG Risk Rating
1. Atrium Ljungberg AB	28.0 Low	58.4 Strong	12.0 Low
2. Kungsleden AB	27.5 Low	45.7 Average	15.1 Low
3. Immofinanz AG	28.4 Low	45.9 Average	15.6 Low
4. Hangzhou Binjiang Real Estate Group Co., Ltd.	29.4 Low	16.8 Weak	24.5 Medium
5. Melisron Ltd	28.3 Low	10.2 Weak	25.5 Medium

Immofinanz AG

Real Estate Management Austria WBO:IIA

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

Exposure

28.4 **0.0**
Low **Momentum**
 Beta = 1.01

In FY2019, IMMOFINANZ's portfolio comprised 213 properties in seven EU countries (Austria, Germany, Poland, Czech Republic, Slovakia, Romania, Hungary). As such, the company faces increasingly stringent regulation on sustainable buildings; non-compliance may trigger fines and public scrutiny, ultimately negatively impacting the value of the company's portfolio. Additionally, IMMOFINANZ relies on skilled employees to select properties, manage building-related risks and provide maintenance and complaints handling services for tenants. Failure to attract and retain qualified personnel could result in skill deficit and additional recruitment and training costs. Furthermore, building safety features represent a key consideration for existing and prospective tenants. Incidents could increase IMMOFINANZ's vacancy rates (3.2% in FY2019) and negatively impact its ability to attract new tenants.

The company's overall exposure is low and is similar to subindustry average. ESG Integration - Financials, Human Capital and Product Governance are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

Management

45.9 **+13.8**
Average **Momentum**

IMMOFINANZ includes ESG-related disclosure in its FY2019 reporting, having prepared some of the content in reference to the GRI Guidelines. However, the level of application is not disclosed, which is behind best practice. Furthermore, IMMOFINANZ's Executive Board is responsible for the strategic orientation and sustainable development of the company, which suggests ESG-related issues are integrated in core business strategy.

The company's overall management of material ESG issues is average.

Immofinanz AG

Real Estate Management Austria WBO:IIA

Material ESG Issues

ESG Issues regarded material for the company.

Issue Name	Exposure	Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Corporate Governance	9.0 High	57.7 Strong	3.8 Low	24.5%
ESG Integration -Financials	5.7 Medium	33.4 Average	3.8 Low	24.4%
Human Capital	5.3 Medium	41.3 Average	3.2 Low	20.5%
Business Ethics	4.2 Medium	45.0 Average	2.4 Low	15.5%
Product Governance	4.2 Medium	43.8 Average	2.4 Low	15.2%
Overall	28.4 Low	45.9 Average	15.6 Low	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

5 Severe (0)

4 High (0)

3 Significant (0)

2 Moderate (0)

1 Low (0)

Immofinanz AG

Real Estate Management Austria WBO:IIA

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

None (13)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Environmental Impact of Products

Labour Relations

Lobbying and Public Policy

Marketing Practices

Quality and Safety

Sanctions

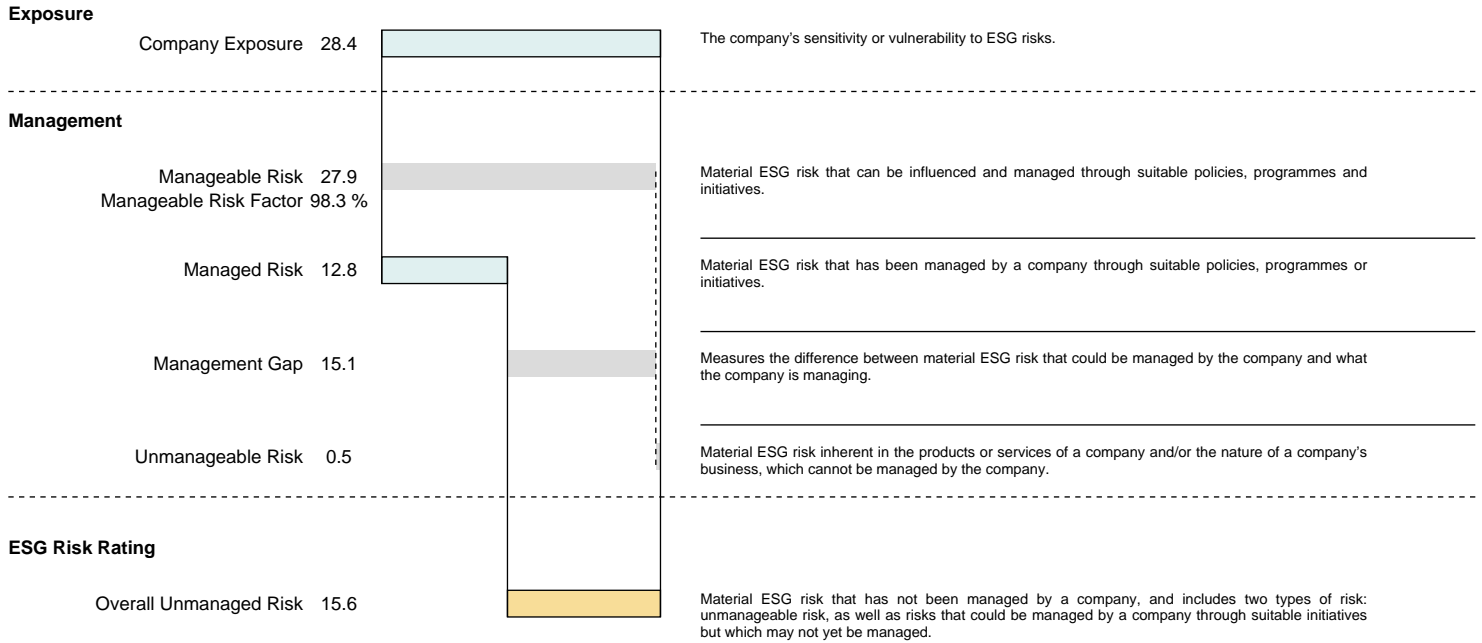
Social Impact of Products

Society - Human Rights

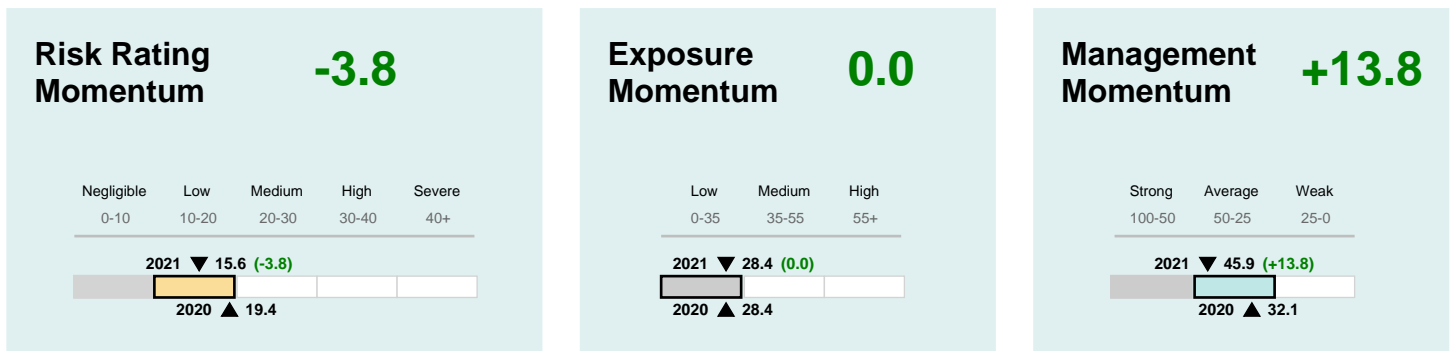
Immofinanz AG

Real Estate Management Austria WBO:IIA

Risk Decomposition



Momentum Details



Immofinanz AG

Real Estate Management Austria WBO:IIA

GLOSSARY OF TERMS

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

Immofinanz AG

Real Estate Management Austria WBO:IIA

DISCLAIMER

Copyright © 2021 Sustainalytics. All rights reserved.

The ownership and all intellectual property rights to this publication/report and the information contained herein are vested exclusively in Sustainalytics and/or its suppliers. Unless otherwise expressly agreed in writing between you and Sustainalytics, you will not be permitted to use this information otherwise than for internal use, nor will you be permitted to reproduce, disseminate, comingle, create derivative works, furnish in any manner, make available to third parties or publish this publication/report, parts hereof or the information contained herein in any form or in any manner, be it electronically, mechanically, through photocopies, recordings. The information on which this publication/report is based on reflects the situation as on the date of its elaboration. Such information has – fully or partially – been derived from third parties and is therefore subject to continuous modification. THE INFORMATION HEREIN IS PROVIDED SOLELY FOR INFORMATIONAL PURPOSES AND THEREFORE ARE NOT AN OFFER TO BUY OR SELL A SECURITY. NEITHER SUSTAINALYTICS NOR ALL ITS THIRD-PARTY SUPPLIERS PROVIDE INVESTMENT ADVICE (AS DEFINED IN THE APPLICABLE JURISDICTION) OR ANY OTHER FORM OF (FINANCIAL) ADVICE AND NOTHING WITHIN THIS PUBLICATION/REPORT CONSTITUTES SUCH ADVICE. SUSTAINALYTICS OBSERVES THE GREATEST POSSIBLE CARE IN USING INFORMATION, HOWEVER THE INFORMATION IS PROVIDED "AS IS" AND NEITHER SUSTAINALYTICS NOR ITS SUPPLIERS ACCEPT ANY LIABILITY FOR DAMAGE ARISING FROM THE USE OF THIS PUBLICATION/REPORT OR INFORMATION CONTAINED HEREIN IN ANY MANNER WHATSOEVER. MOREOVER, SUSTAINALYTICS AND ALL ITS THIRD-PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, COMPLETENESS, ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.

This publication/report may contain proprietary information from third parties (Third Party Data) and here you can find additional terms and conditions imposed by the following Third Party Data providers regarding the use of their data:

www.sustainalytics.com/legal-disclaimers