

Policy Statement on Respecting Human Rights

As amended in
December 2021

IMMOFINANZ

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1. Basic Approach and Scope

Our basic approach to respecting human rights and to fair working conditions covers both our own business activities and our entire supply and value chain.

1.1 Responsible relations with our employees

In our own activities we are always guided by the maxim to neither cause nor contribute to human rights abuses. All our employees are required to comply with the standards listed in this policy and, in particular, with the values and principles specified in the Corporate Code. We ensure compliance with our Corporate Code, which was most recently updated in 2021, by mandatory annual training. This is regularly reviewed by our group-wide Compliance Management.

1.2 Responsible relations with business partners and customers

We also expect our suppliers and business partners to fully respect human rights. Recognition of our Supplier Code of Conduct is a mandatory prerequisite for the collaboration with suppliers.

2. Commitment to Protecting Human Rights

We act in accordance with the principles of responsible management, which also includes a clear commitment to and the support of internationally recognised human rights. In particular, we are committed to our social and societal responsibility through our membership in the United Nations Global Compact.

2.1 (Inter-)National standards, regulations and organisations

The following international standards and regulations are fundamental to our entrepreneurial activity and to working with our business partners:

- [The Universal Declaration of Human Rights of the United Nations \(UN\)](#)
- [UN Guiding Principles for Business and Human Rights](#)
- [UN Convention on the Rights of the Child](#)
- [UN Convention on the Elimination of Discrimination of Women](#)
- [The Convention of the International Labour Organization \(ILO\)](#)
- [The Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development \(OECD\)](#)
- [The ten principles of the UN Global Compact \(UNGC\)](#)

The values and standards set forth in these documents are also reflected in our own policies. They provide a mandatory framework for action for all our employees and business partners:

- Corporate Code
- Supplier Code of Conduct

3. Organisation and Responsibilities

Each country organisation of the Group is required to comply with this Policy Statement.

The central management of the Human Rights Diligence Process is the responsibility of the Spokesperson of the ESG Committee or the Head of ESG. The committee is composed of experts of various areas within the Group, including from Asset Management, Development, Human Resources, Procurement and Compliance. This committee regularly exchanges information on current projects and topics, and works on the continuous development of the Human Rights Diligence Process.

An update is provided to the Executive Board at least quarterly and to the Supervisory Board at least annually. Within the Executive Board of IMMOFINANZ, the COO is responsible for human rights topics as part of sustainability topics. Individual projects and measures are approved by the full Executive Board. Within the Supervisory Board, the ESG and Strategy Committee is responsible for this topic.

The operational implementation of measures is carried out by the respective department and country managers and their teams in day-to-day business. They report progress and results to superiors and monitor target achievement.

4. Implementation

4.1 Human rights diligence process

In 2021, we introduced a due diligence procedure to identify potential and actual human rights issues along the entire value chain. This procedure comprised:

- a. the identification of potential risks by countries in which IMMOFINANZ operates
- b. the identification of affected groups along the value chain
- c. the identification of (potential) risks in our own operations as well as in the upstream and downstream value chain
- d. deriving measures to mitigate risks and to establish remedies against human rights abuses
- e. communication of results to the Executive Board

The process to identify actual and potential human rights abuses is conducted at least annually, documented and communicated to the Executive Board by the staff department ESG. Risks and human rights issues identified during the year are reported to the Executive Board as part of the quarterly ESG communication if required. The staff department ESG and/or the ESG Committee are responsible for and participate in the process (see 3. Organisation and Responsibilities). The Executive Board informs the Supervisory Board about any human rights abuses.

4.2 Results

The international standards and regulations specified under 2.1 were used to identify affected groups as well as actual and potential risks of human rights abuses, which were analysed by countries in which IMMOFINANZ operates as well as along the (simplified) value chain.

4.2.1 Identified potential risks by country

For the analysis of risks by countries in which we operate, we commissioned an external consulting firm to analyse publicly available information:

Based on these analyses, an increased risk for potential human rights abuses exists in Poland, Hungary, Romania, Serbia and Croatia. This applies primarily to the following topics: women's and children's rights, sexual orientation and gender identity, freedom of the media, freedom of assembly, freedom of expression, right to a fair trial, freedom of religious practice, right to migration and asylum, and discrimination based on origin.

4.2.2 Affected groups and risks along the value chain

At a workshop with an external consulting firm and representatives of the individual departments, potential risks of human rights abuses were analysed and identified along the (simplified) value chain.

Identified groups at risk

Two groups potentially affected by the activities of IMMOFINANZ were identified:

- a. the company's own employees (own business processes) and
- b. external stakeholders along the value chain such as employees of our suppliers and service providers as well as employees of our customers (tenants).

In addition, the following **particularly vulnerable groups** were identified: women, people with special needs, migrant workers, children, older people, families and socially disadvantaged people. These persons are in a special situation due to their marginalised position.

Identified outstanding human rights issues

In conformity with the UN Guiding Principles, outstanding human rights issues are defined as those having the most severe negative effects caused by the activities and business relations of the company.

We have included the main human rights topics of IMMOFINANZ along the value chain, including our business partners, as part of our risk-based approach. Particularly relevant human rights issues can be found in the upstream supply chain, for example with respect to the working conditions of workers at the construction sites of our project developments operated by our business partners, or the working conditions of the cleaning staff in our standing investments through the service providers commissioned.

Areas of potential negative effects on human rights (risk analysis)

Child or forced labour, discrimination against workers in the procurement of raw materials for the projects by upstream suppliers

Child labour, forced labour, violation of occupational safety and freedom of association, denial of adequate wages for the production of IT hardware by suppliers or upstream suppliers

Violation of occupational safety, forced labour, violation of freedom of association, denial of adequate wages, discrimination and exploitation of workers on construction sites; discrimination against seasonal workers during the construction phase on the part of our business partners

Negative environmental impact of building materials on society/tenants and their health, environmental impact on communities including noise, waste and other forms of pollution

Illegal eviction/deprivation of land, forests and bodies of water, tax evasion, VAT fraud through corruption (financial benefits, political pressure) in the company's business activities and/or by business partners

Denial of adequate wages, violation of freedom of association of service providers (management: cleaning, security, etc.)

Office/retail project failing to incorporate disabled-friendly concepts (discrimination against particularly vulnerable groups)

4.3 Measures

In order to prevent negative effects of our activities on human rights, we regularly train and sensitise our employees regarding our corporate values and principles. We have defined measures to mitigate the risk of human rights abuses in the outstanding topics:

4.3.1 Employee sensitisation and training

Measure	Status
Corporate Code	Implemented
Policy Statement on Respecting Human Rights	Implemented
Inclusion of human rights topics in mandatory compliance training	In progress
Introduction of an annual employee survey on human rights topics	In progress

4.3.2 Sensitisation and obligation of business partners

Measure	Status
Supplier Code of Conduct	In progress
Review of compliance with the Supplier Code of Conduct (risk-based)	In progress
Spot checks of respect for human rights among tenants	In planning

4.3.3 Complaint mechanism

Employees and other persons are called upon to report harassment and discrimination, corruption, issues regarding rights and protection of people, conflicts of interest, etc. using an electronic whistle-blower system ("EQS Integrity Line Whistleblowing – Tool"). This can be done either anonymously or non-anonymously.

The whistle-blower system is accessible for all persons and can be found on our website:

<https://immofinanz.whistleblownetwork.net/frontpage>.

Only the Compliance Officer and the Head of Internal Audit have access to such reports. Upon completion of the proceedings, the Compliance Officer presents the corresponding report to the Executive Board and, if necessary, a recommendation of appropriate measures. The implementation of such measures is reviewed by Compliance and Internal Audit. The procedure for the complaint mechanism is governed by an internal guideline and documented in the EQS Tool.

5. Continuous Development

We consider fulfilling our human rights diligence obligation a continuous improvement process. Therefore, we regularly review our policy statement against the background of national and international developments and amend it if necessary. In 2021, we developed a comprehensive action plan in this context, which is to be implemented by the end of 2022 and has been approved by the Executive Board.

The Executive Board of IMMOFINANZ AG, December 2021



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