

IMMOFINANZ AG

Real Estate Management Austria WBO:IIA

ESG Risk Rating

12.5

Last Full Update Jun 6, 2023

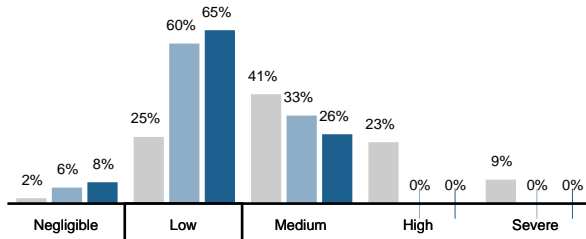
-0.6

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	738/15518	6th
Real Estate INDUSTRY	186/1067	18th
Real Estate Management SUBINDUSTRY	38/170	23rd

Peers Table

Peers (Market cap \$2.2 - \$2.3bn)

	Exposure	Management	ESG Risk Rating
1. Wihborgs Fastigheter AB	27.0 Low	56.6 Strong	11.9 Low
2. IMMOFINANZ AG	26.8 Low	54.1 Strong	12.5 Low
3. Grainger Plc	28.7 Low	56.4 Strong	12.8 Low
4. Fabegge AB	26.0 Low	45.8 Average	14.3 Low
5. Amot Investments Ltd.	26.9 Low	34.7 Average	17.7 Low

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ESG Risk Analysis

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

ESG Risk Exposure

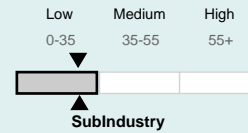
26.8

-0.5

Low

Momentum

Beta = 0.96



As the COVID-19 pandemic subsides across Europe, e-commerce demand is expected to remain high in the region, while the return of employees to in-person working means higher demand for office spaces. As an operator of both office and retail spaces, Immofinanz is tasked with ensuring its properties can meet tenant demands and adhere to strong health and safety standards. The company recently increased its stake in S Immo, which included the addition of more than 320 properties to Immofinanz's portfolio. Integrating these properties into existing corporate structures and processes may be challenging without talented employees; shortcomings here may cause operational disruptions. Furthermore, elevated regulatory scrutiny of building environmental performance across the EU has pushed operators to implement sustainable resource use practices.

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

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

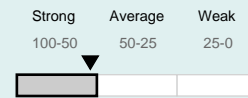
ESG Risk Management

54.1

+1.3

Strong

Momentum



Immofinanz aims to optimize improvements at its properties through initiatives such as collecting tenant feedback to identify areas for improvement and implementing annual external safety audits. Still, it does not disclose whether employees receive regular safety training, whether its emergency response practices undergo regular testing, or whether it has a policy commitment to property safety standards. The company offers apprenticeships and young professional programmes to students and graduates to expose them to various aspects of its operations. It discloses quantitative reporting on the gender pay gap ratio based on employment category, but does not report on human capital risk assessments or conduct annual employee surveying. Finally, physical climate risks are integral to business strategy decisions, but Immofinanz does not apply life cycle assessments to its new projects.

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

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score Category	ESG Risk Management Score Category	ESG Risk Rating Score Category	Contribution to ESG Risk Rating
Corporate Governance	9.0 High	58.6 Strong	3.7 Low	29.7%
ESG Integration -Financials	4.8 Medium	40.5 Average	2.9 Low	22.8%
Product Governance	4.0 Medium	43.8 Average	2.3 Low	17.9%
Human Capital	4.0 Medium	52.5 Strong	2.0 Low	16.0%
Business Ethics	5.0 Medium	69.4 Strong	1.7 Negligible	13.6%
Overall	26.8 Low	54.1 Strong	12.5 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)

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Events Overview

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

Category (Events)

None (14)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Data Privacy and Security

Environmental Impact of Products

Labour Relations

Lobbying and Public Policy

Marketing Practices

Quality and Safety

Sanctions

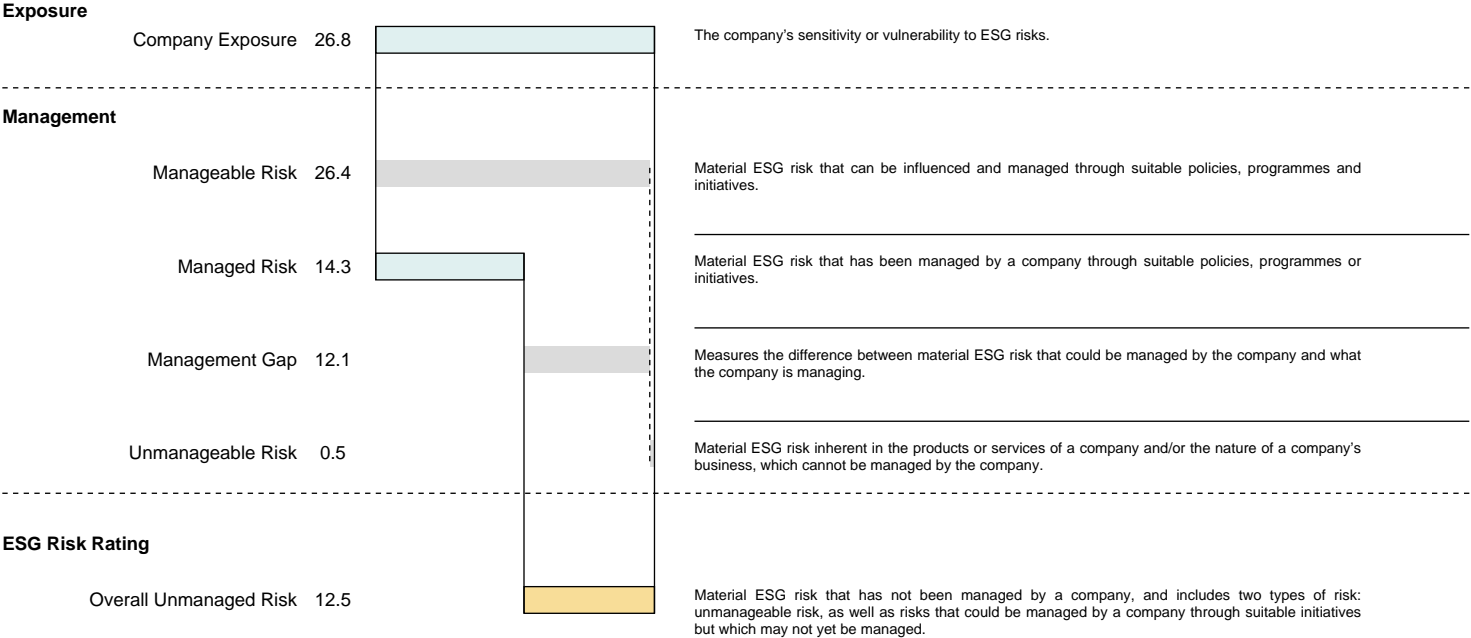
Social Impact of Products

Society - Human Rights

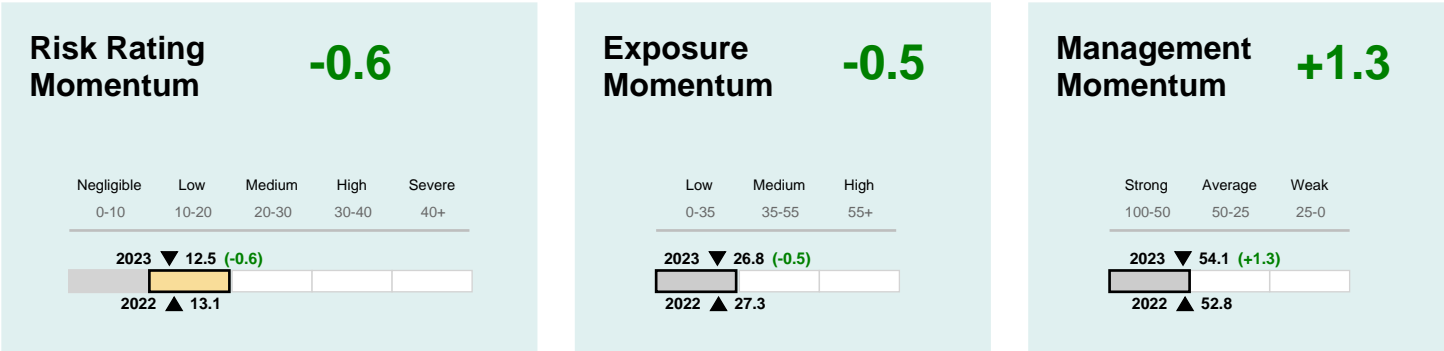
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Risk Decomposition



Momentum Details



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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**).

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