# IV-ESG-004-01 IMMOFINANZ GROUP Transition Plan ESG

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| **To:** | all staff members of IMMOFINANZ |
| **Issue Date:** | 08.10.2024 |
| **Applicability:** | all companies controlled by the group |
| **Valid from:** | October 2024 |
| **Valid until:** | further notice |
| **Prepared by:** | Head of ESG |

## Content

## 1. Executive Summary

The aim of this transition plan is to show how the transformation of business operations towards carbon neutrality can be achieved. Legal requirements demand that the plan be aligned with the 1.5°C target. Furthermore, the Science Based Target Initiative and the Carbon Risk Real Estate Monitor project were used. This transition plan is based on the analysis of IMMOFINANZ by NUS Consulting for the year 2019, which will be used as the baseline year. This plan will need to be regularly updated in the future.

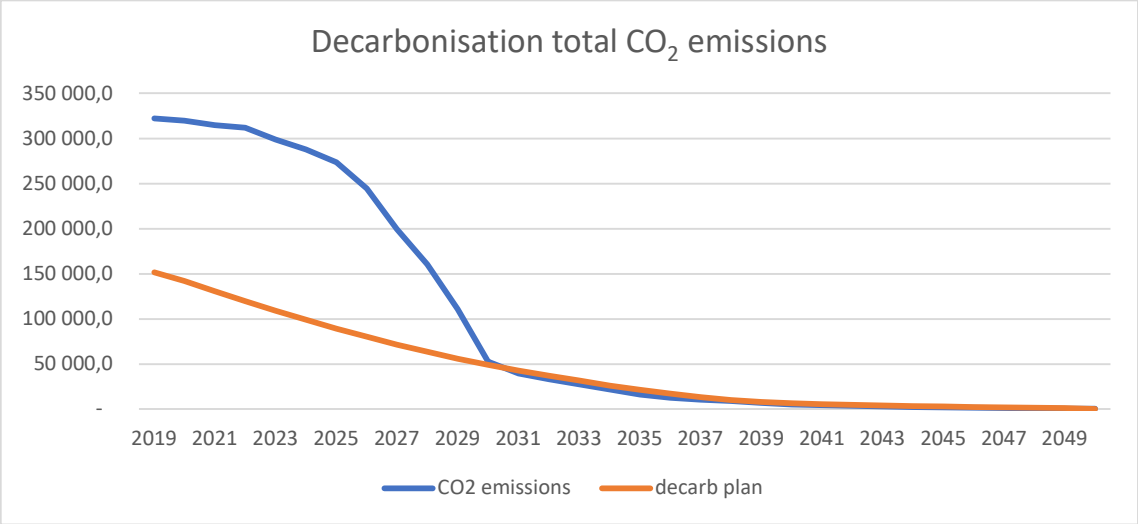
In the baseline year 2019, 321,950 tons of $CO_2$ were emitted by IMMOFINANZ. These emissions can be broken down into the following sources:

| | Total Emissions ($tCO_{2e}$) 2019 | $tCO_{2e}$ | Proportion (%) |
|---|---|---|---|
| 3.1 | Scope 1 (fugitive emissions) | 3 211 | 1,0% |
| 3.2 | Scope 1 (stationary combustion) | 5 709 | 1,8% |
| 3.3 | Scope 1 (mobile combustion) | 227 | 0,1% |
| 4.1 | Scope 2 (district energy) | 6 254 | 1,9% |
| 4.2 | Scope 2 (purchased electricity - market) | 42 499 | 13,2% |
| 5.1 | Purchased goods and services | 9 086 | 2,8% |
| 5.2 | Capital Goods | 24 208 | 7,5% |
| 5.3 | Fuel energy related activities | 16 532 | 5,1% |
| 5.4 | Upstream Transportation and Distribution | 28 | 0,0% |
| 5.5 | Waste Generated in Operations | 1 697 | 0,5% |
| 5.6 | Business Travel | 281 | 0,1% |
| 5.7 | Employee Commuting | 1 020 | 0,3% |
| 5.13 | Downstream Leased Assets (Tenant Emissions: Market-based) | 205 076 | 63,7% |
| 5.15 | Investments | 6 122 | 1,9% |
| | Total Scope 1 + 2 + 3 (Market based) | 321 950 | 100,0% |

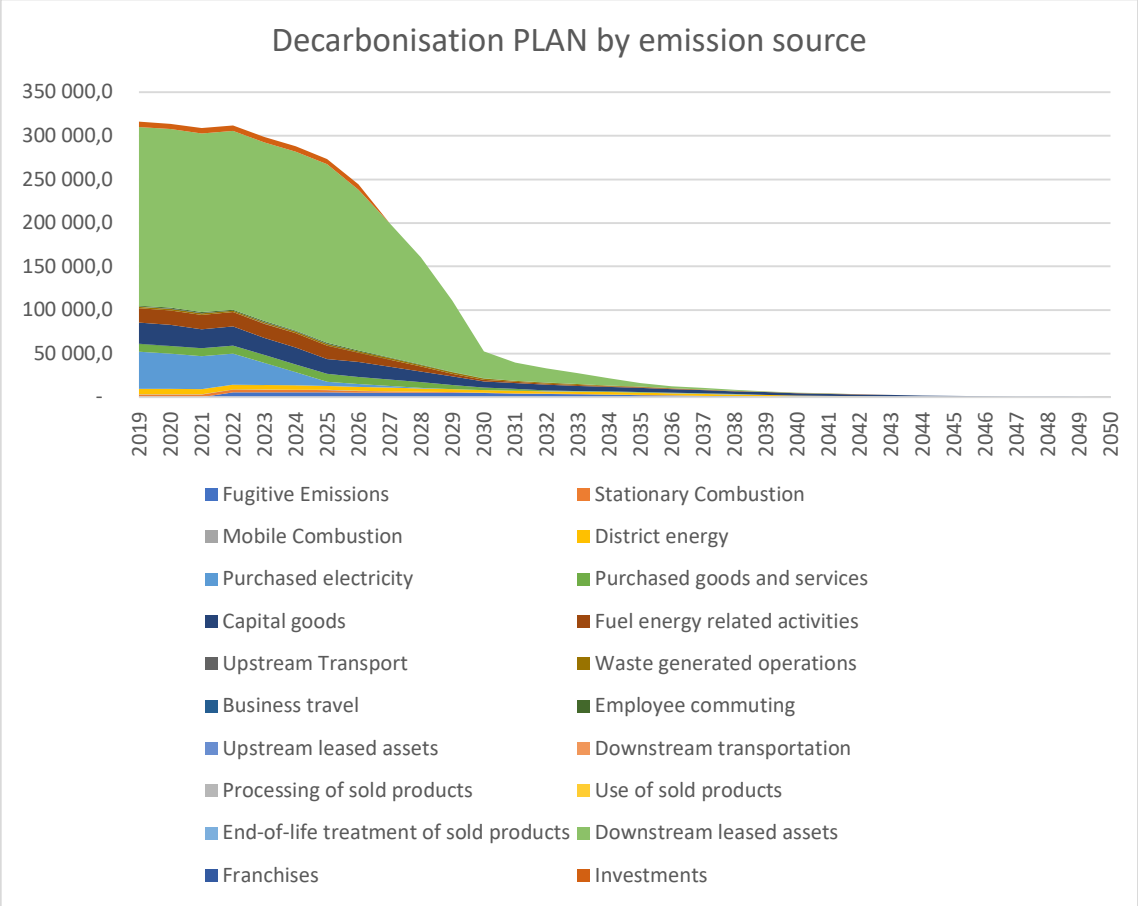
The decarbonisation paths of the CRREM project were used to determine the targets. These are aligned with the European Union's 2050 target. Measures to reduce these emissions were defined for the individual emission sources. When determining the quantitative reduction, reference was made to what is technically feasible for IMMOFINANZ and to the decarbonisation targets of SBTi.

The following decarbonisation curve can be derived from this, which represents the projected IMMOFINANZ emissions. The second curve shows the decarbonisation targets of

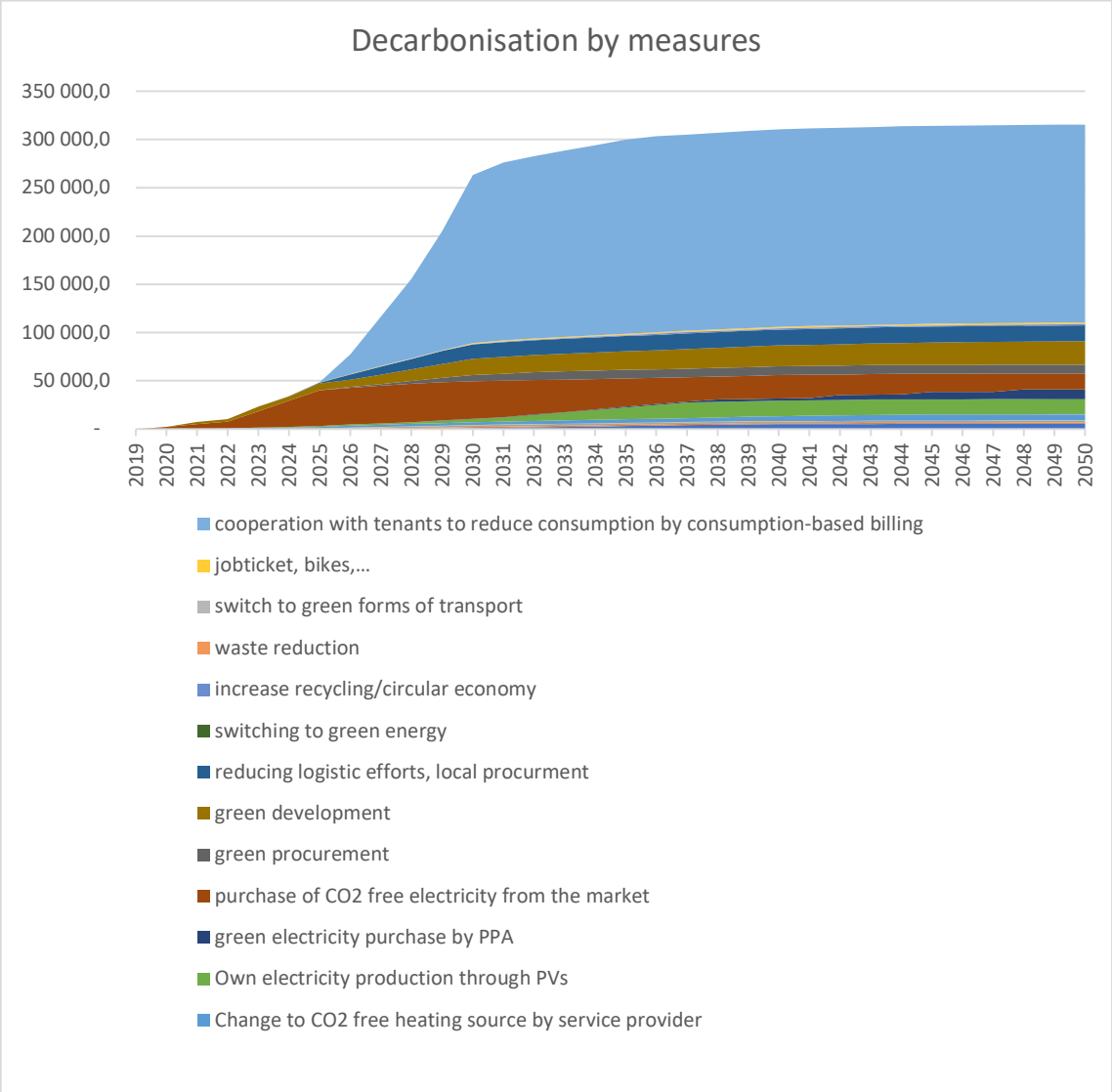
the CRREM project. The first target year for which both curves are to be aligned is 2030. Thereafter, both develop in parallel.




If the individual emission sources are taken into account, the following curve results. The total follows the previously presented development of total emissions. The individual parts of the curve show the annual contribution of the individual emission sources over the years up to 2050.



The successful implementation of the reduction measures is a prerequisite for achieving the savings in greenhouse gas emissions (Chapter 3 deals with the individual measures). These were planned individually and the cumulative results are shown in the following graphic:




Of course, implementing these measures is associated with costs. These can range from savings or marginal additional costs to significant investments. From today's perspective, it is primarily the investments in the renewal of the buildings that will incur the highest costs. Based on the information currently available to us, the costs for implementing this plan are estimated at EUR 500 million. It should be noted that there are significant differences between retail properties due to the high degree of standardisation and office properties. The latter are significantly more complex due to their unique nature. It should be noted that the costs mentioned represent the gross value. Due to the age of the existing buildings, the building services will need to be replaced by 2050 anyway. The actual costs of this plan are therefore the additional costs of implementing a new technology versus replacing the existing building services.

Financial impact:

The investment costs necessary to achieve this transition plan were summarized in the following table. The respective considerations behind the individual cost estimates were discussed in the special chapters.

| | Total transition CAPEX costs estimated | minimum in € | maximum in € |
|---|---|---|---|
| 3.1 | Scope 1 (fugitive emissions) | € 219 862 447 | € 348 769 798 |
| 3.2 | Scope 1 (stationary combustion) | | |
| 3.3 | Scope 1 (mobile combustion) | € 0 | € 0 |
| 4.1 | Scope 2 (district energy) | € 0 | € 0 |
| 4.2 | Scope 2 (purchased electricity - market) | € 31 085 892 | € 67 085 892 |
| 5.1 | Purchased goods and services | € 0 | € 0 |
| 5.2 | Capital Goods | € 0 | € 0 |
| 5.3 | Fuel energy related activities | € 0 | € 0 |
| 5.4 | Upstream Transportation and Distribution | € 0 | € 0 |
| 5.5 | Waste Generated in Operations | € 0 | € 0 |
| 5.6 | Business Travel | € 0 | € 0 |
| 5.7 | Employee Commuting | € 0 | € 0 |
| 5.13 | Downstream Leased Assets (Tenant Emissions: Market-based) | € 4 600 000 | € 8 220 000 |
| 5.15 | Investments | € 0 | € 0 |
| | total transition CAPEX costs estimated | € 255 548 339 | € 424 075 690 |

As can be seen from the table, the total investment costs to achieve the transition plan amount to 256 to 424 million euros.

# 2. Introduction

This chapter is intended to provide an overview of the methodological foundations of the transition plan and the framework for its implementation.

## 2.1. Climate targets and decarbonisation paths

This transition plan intends to layout the future steps necessary for IMMOFINANZ AG to reach zero GHG emissions by 2050. Additionally the pathway of the plan aims to be in line with the 1.5°C goal of the Paris Climate Summit and the legal framework of the EU laid down in the European Green Deal. The analysis and the subsequent presentation of the emission sources were based on the logic of the Greenhouse Gas Protocol.

The amounts of GHG emissions are based on a study performed by NUS Consulting Group UK for financial year 2019. It reflects the most in depth analysis of IMMOFINANZ GHG emissions and serves as basis for further considerations. Although the IMMOFINANZ saw some significant increase in size due to intragroup transactions with CPI Property Group in 2022 and 2023 the measures and pathways based on the NUS study shall remain valid. The emission reduction plans are set as percentual reductions compared to the baseline year 2019.

The targets were defined on the basis of data from the CRREM project. These were coordinated with the Science Based Target Initiative. They correspond to the requirements for the real estate industry to achieve the requirements of the Paris Agreement.

IMMOFINANZ's goal is to bring its real estate portfolio into line with the EU Taxonomy Regulation. Therefore, IMMOFINANZ pursues the goal of not engaging in any activities that would contradict the six sustainability goals of the EU. The decarbonisation path set out in this document is also part of the efforts to meet the requirements of the EU taxonomy.

## 2.2. Governance

IMMOFINANZ has set ESG targets to ensure that the transition plan is achieved. Since the baseline year 2019, IMMOFINANZ has reported annually on its greenhouse gas emissions for all scopes. In addition, a significant reduction in greenhouse gas emissions has already been

achieved by switching to green electricity. Phasing out fossil fuels and increasing energy efficiency in existing buildings are the next important steps for the successful implementation of the transition plan.

Within IMMOFINANZ, the ESG Committee is responsible for implementing ESG issues. This ESG Committee is chaired by the CEO. The other members are experts from the various departments that are subsequently responsible for implementing the measures. In addition to monthly ESG Committee meetings, the Head of ESG also reports regularly to the Supervisory Board. Important decisions are discussed and decided upon by the ESG Committee of the Supervisory Board.

External reporting is carried out as part of the annual report, which provides a full account of greenhouse gas emissions. The company's external reporting is based on the ESRS and thus meets the regulatory requirements of the EU. In addition, external reporting will be audited by the auditor of the annual financial statements in the future. This is intended to strengthen stakeholders' trust in external communication.

Internal reporting is currently working on a reporting system that will be able to provide consumption data from the buildings directly. Effective measures require a suitable database, which is currently being created. The long-term goal is to implement ‘smart building’ as the building standard, which also requires a high degree of digitalisation.

IMMOFINANZ is convinced that the measures set out in this transition plan will enable IMMOFINANZ to achieve the EUs climate targets. The necessary technologies are already available today and, in addition, significant competitive advantages can arise for the early adopters.

# 3. Scope 1 Emissions

As analyzed by NUS consulting the IMMOFINANZ scope 1 emissions for the year 2019 showed the following composition:

| | Total Emissions ($tCO_{2e}$) 2019 | $tCO_{2e}$ | Proportion (%) |
|---|---|---|---|
| 3.1 | Scope 1 (fugitive emissions) | 3 211 | 35,1% |
| 3.2 | Scope 1 (stationary combustion) | 5 709 | 62,4% |
| 3.3 | Scope 1 (mobile combustion) | 227 | 2,5% |
| | Total | 9 147 | 100,0% |

## 3.1. Fugitive Emissions

Fugitive Emission originate from the leakages of HVAC (heating-ventilation-air conditioning) units and refrigeration of the buildings. The refrigerants currently in use have a significant global warming potential (GWP). Most used refrigerants are R410a (GWP 2,088), R134a (GWP 1,430) and R32 (GWP ca. 1,350). The GWP describes how many times one kilogram of coolant is more harmful compared to the same amount of $CO_2$. For the baseline year 2019 emissions from leakages represented 35% of the scope 1 emissions

### 3.1.1. Emission reduction measure:

In order to reduce emissions from coolant loss, the EU issued the Regulation (EU) No. 517/2014 (F-Gas Regulation) on fluorinated greenhouse gases (F-gases). It regulates the quantities of hydrofluorocarbons (HFCs) placed on the market in the EU. These will continue to be gradually reduced "phase down". From 2050, the permitted quantity will be set to zero. HFCs in containers and filling quantities in imported appliances (refrigeration systems, air conditioning systems and heat pumps, etc.) are covered by the quantity restriction and quotas. IMMOFINANZ plans to replace the HVAC units and refrigerators with products that use alternative coolants with little or no GWP. The new cooling system for the Twin Towers in Vienna, which uses ammonia (GWP 0), is a prime example of this.

### 3.1.2. Implementation costs:

HVAC systems are expensive building components. Replacing them is therefore associated with significant costs. At the same time, a glance at existing buildings shows that HVAC systems need to be replaced due to the age of the buildings. Therefore, the only costs incurred are for the conversion to other technologies, which, however, will be manageable due to the changes in the refrigerants used. The DEER studies showed that the roll-out of heat pump technology creates a demand for the replacement of HVAC systems. In the meantime, in light of the F-Gas Regulation, manufacturers have started to switch to low-emission or emission-free refrigerants. The costs for replacing the HVAC systems were

determined together with the costs for replacing the building heating system, which is why no separate costs are shown.

#### 3.1.3. Emission reduction plan

The following relative reduction targets are set for the exchange of HVAC units and refrigerators:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| -2% | -3% | -4% | -5% | -6% | -7% | -8% | -9% | -10% | -18% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -25% | -33% | -40% | -48% | -55% | -63% | -70% | -78% | -85% | -87% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -88% | -89% | -90% | -92% | -93% | -94% | -95% | -96% | -98% | -98% |

### 3.2. Stationary Combustion

Stationary Combustion emissions originate from burning fossil fuels for heating. IMMOFINANZ currently only uses natural gas mostly for heating but also for cooking in restaurant areas. The data was based on invoices for natural gas supply. The emission factor used was 202 $gCO_2e/kwh$.

#### 3.2.1. Emission reduction measure:

To eliminate the effect of GHG emissions caused by stationary combustion two measures have been identified. Firstly the technological change in building operating requires the exchange of existing gas heatings against heat pumps. However such exchange also requires other construction measures to be implemented like changing the diameter of the heating pipes. Therefore as interim solution also a switch to a renewable energy source like biomass, wood or pellets might be appropriate. However to reach the long term emission goals of the EBPD heat pumps have to be installed.

Secondly, future buildings need to fulfill significantly higher standards of energy efficiency. This will require a complete refurbishment of existing buildings. Thermal insulation will contribute substantially to a reduced energy demand and therefore less heating demand, which equals less natural gas consumption.

#### 3.2.2. Implementation costs:

The implementation costs of both solutions (heat exchanger and thermal insulation) were analyzed in more detail as part of the DEER (Deep Energy Efficiency Refurbishment) studies. The result shows that replacing the heating systems in combination with the installation of PV systems is the key to achieving the necessary building efficiency. The costs for replacing the heating system are currently estimated at 120 to 149 million euros. Added to this are the costs for the PV systems (shown under point 4.2), if they have not yet been installed. With regard to the thermal renovation of buildings, the result was surprising in some cases. For the majority of buildings, thermal renovation is not feasible due to the poor cost-benefit ratio. This is because a slightly lower energy consumption is offset by disproportionately high

investment costs. Nevertheless, there are likely to be buildings in the portfolio whose large glass facades require thermal renovation in order to achieve the efficiency targets. The costs for thermal renovation are therefore estimated at 100 to 200 million euros.

### 3.2.3. Emission reduction plan

The following relative reduction targets are set for the exchange of heatings:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | -2% | -14% | -20% | -26% | -32% | -36% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -37% | -37% | -37% | -38% | -38% | -38% | -39% | -39% | -40% | -40% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -40% | -40% | -40% | -40% | -40% | -40% | -40% | -40% | -40% | -40% |

The following relative reduction targets are set for improvements in energy efficiency:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | -3% | -21% | -30% | -39% | -48% | -54% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -55% | -55% | -56% | -56% | -57% | -58% | -58% | -59% | -59% | -60% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -60% | -60% | -60% | -60% | -60% | -60% | -60% | -60% | -60% | -60% |

## 3.3. Mobile Combustion

The emissions from mobile combustion refer to the vehicle fleet operated by IMMOFINANZ in 2019. The vehicle fleet by that time mostly consisted of Diesel cars. The emissions calculated were based on the milage and the $CO_2$ emissions from the manufacturer.

### 3.3.1. Emission reduction measure:

Meanwhile the car industry offers a wide variety for battery based electric vehicles that in combination with low emission electricity significantly reduce the GHG emissions from individual traffic. Therefore a quick change to a fully electrified car fleet is proposed. This allows a significant reduction of related GHG emissions and a quick win for the emission reduction plan.

### 3.3.2. Implementation costs:

The implementation of the car fleet transformation is quite limited as IMMOFINANZ operates it’s car fleet in form of an operation lease.

### 3.3.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| -21% | -30% | -40% | -51% | -61% | -72% | -82% | -92% | -100% | -100% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |

The phase out of combustion engines is set for 2028, therefore no GHG emissions from mobile combustion are considered in the following years.

## 4. Scope 2 Emissions

Scope 2 emissions represent the consumption of media whose production has caused $CO_2$ emissions. These emissions are added to the building's consumption on a pro-rata basis. The distinction between market and location based refers to the emissions caused. Location based refers to the national average. Market based refers to the specific energy mix purchased. Due to the active greenhouse gas reduction policy in energy purchasing, the market-based approach is referred to in the following.

| | Total Emissions ($tCO_{2e}$) 2019 | $tCO_{2e}$ | Proportion (%) |
|---|---|---|---|
| 4.1 | Scope 2 (district energy) | 6 254 | 12,8% |
| 4.2 | Scope 2 (purchased electricity - market) | 42 499 | 48,4% |
| 4.2 | Scope 2 (purchased electricity - location) | 45 331 | 93,0% |
| | Total | 87 830 | 100,0% |

### 4.1. District Energy

District heating primarily provides hot water for heating purposes. Currently, fossil fuels or waste are used to generate district heating. Both heat sources produce corresponding greenhouse gas emissions. When calculating emissions, calculations for the baseline year were used.

#### 4.1.1. Emission reduction measure:

We rely on the efforts of district heating providers to reduce greenhouse gas emissions from district heating. These providers are subject to the same regulations and must therefore also meet the climate targets. We are convinced that district heating is a sensible energy source for urban areas, especially if it is generated in a climate-neutral way.

#### 4.1.2. Implementation costs:

From today's perspective, district heating providers will finance the costs of achieving climate neutrality from their operating business or resort to government subsidies. We therefore do not expect any increased costs to achieve this decarbonisation path.

#### 4.1.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| -5% | -10% | -15% | -20% | -25% | -30% | -35% | -40% | -45% | -50% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -53% | -55% | -58% | -60% | -63% | -65% | -68% | -70% | -73% | -80% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -85% | -90% | -95% | -99% | -100% | -100% | -100% | -100% | -100% | -100% |

### 4.2. Electricity

At the time of the NUS study, electricity was largely purchased by the property managers, who prioritized the lowest price. Since then, measures have already been taken to reduce greenhouse gas emissions when purchasing electricity. These include the roll-out of PV systems and the conclusion of a PPA, but also the group-wide target of only purchasing emission-free electricity by the end of 2024.

#### 4.2.1. Emission reduction measure:

As part of the reduction measures, three measures were defined that should, on the one hand, ensure the reduction of greenhouse gases and, on the other hand, provide cost certainty when purchasing energy:

- Roll out of PV plants on IMMOFINANZ buildings
- Energy purchase by green PPAs
- Procurement of green energy from the market

Roll Out of PV plants:

The NUS study also examined the potential for electricity generation using PV systems on the Stop Stop properties. Using the available roof space, it was determined that up to 130 GWh of electricity could potentially be generated. The total electricity consumption at that time was determined to be 236.2 GWh. This means that around 55% of electricity consumption. Due to technological progress towards multi-layer modules and the possibility of using the large parking areas in front of retail properties for PV production, we expect an even greater potential for electricity generation.

Energy purchase by green PPAs:

Due to the price distortions on the electricity market as a result of the war in Ukraine and the interpretation of possible regulations, IMMOFINANZ has decided to purchase electricity via PPAs. In Austria, a PPA has already been concluded with a small hydropower plant to supplement the company's own production. In addition to the purchase of green electricity, the PPA also offers planning security with regard to cost development.

Procurement of green energy from the market

From a strategic point of view, IMMOFINANZ does not aim to produce electricity for the market. This means that there is always a need to purchase a residual amount on the market. The IMMOFINANZ Group has set itself the goal of only purchasing green electricity from the end of 2024. Compensation by means of $CO_2$ certificates or guarantees of origin is no longer permitted.

#### 4.2.2. Implementation costs:

When investing in PV systems, IMMOFINANZ pursues the goal of constructing only profitable plants. In the long term, we assume that electricity prices will develop in the direction of production costs and thus be significantly cheaper than fossil energy sources. In the short term, electricity price increases cannot be ruled out, but these should be counteracted by PPA supply contracts. The DEER studies have shown that replacing the heating system in buildings (replacement with heat pumps) in combination with the installation of a PV system is the most efficient way to achieve the necessary building efficiency. Based on the estimate of the PV potential in the portfolio as part of the NUS study, the investment costs for a final expansion of the PV systems range between 31 and 67 million euros.

#### 4.2.3. Emission reduction plan

The following relative reduction targets are set:

Roll Out of PV plants:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | -1% | -2% | -2% | -3% | -3% | -4% | -6% | -7% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -9% | -14% | -19% | -24% | -28% | -33% | -38% | -38% | -38% | -38% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -38% | -38% | -38% | -38% | -38% | -38% | -38% | -38% | -38% | -38% |

Energy purchase by green PPAs:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | 0% | 0% | 0% | -1% | -1% | -1% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -1% | -1% | -1% | -1% | -2% | -2% | -2% | -6% | -6% | -6% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -6% | -12% | -12% | -12% | -18% | -18% | -18% | -24% | -24% | -24% |

Procurement of green energy from the market

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| -11% | -16% | -39% | -63% | -87% | -89% | -92% | -94% | -93% | -92% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -89% | -84% | -79% | -75% | -69% | -64% | -59% | -56% | -56% | -56% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -56% | -51% | -51% | -51% | -45% | -45% | -45% | -39% | -39% | -39% |

## 5. Scope 3 Emissions

Scope 3 emissions arise from the company's operations and are based on the value chain. These represent the lion's share of IMMOFINANZ's emissions. Specifically, Scope 3 emissions are categorised into:

| | Total Emissions ($tCO_{2e}$) 2019 | $tCO_{2e}$ | Proportion (%) |
|---|---|---|---|
| 5.1 | Purchased goods and services | 9 086 | 3,4% |
| 5.2 | Capital Goods | 24 208 | 9,2% |
| 5.3 | Fuel energy related activities | 16 532 | 6,3% |
| 5.4 | Upstream Transportation and Distribution | 28 | 0,0% |
| 5.5 | Waste Generated in Operations | 1 697 | 0,6% |
| 5.6 | Business Travel | 281 | 0,1% |
| 5.7 | Employee Commuting | 1 020 | 0,4% |
| 5.13 | Downstream Leased Assets (Tenant Emissions: Market-based) | 205 076 | 77,7% |
| 5.15 | Investments | 6 122 | 2,3% |
| | Total (Market based) | 264 050 | 100% |

## 5.1. Purchased goods and services

Emissions originate from the purchase of goods and their related GHG emission (production, transport,…) and services. The calculation of GHG emissions was based on expenses during the financial year 2019 multiplied by benchmark values.

### 5.1.1. Emission reduction measure:

In order to reduce emissions from purchased goods and services a change of the procurement policy is necessary. Procurement decisions should be made on the basis of sustainability criteria, rather than the cheapest offer. The entire life cycle of the procured goods or services should be considered, independently of sustainability.

The following measures should be implemented to reduce emissions:

- Purchased raw materials are from low GHG-emitting and sustainable sources.
- Purchases from suppliers committed to reducing $CO_2$ emissions/net zero targets.
- Prioritisation of local suppliers in order to reduce the supply chains associated with the purchase of goods and services.
- Purchases of goods and services that have a sustainability certificate.
- Inclusion of the repair option for goods in the decision-making catalogue. Repairs result in lower GHG emissions than new purchases.

### 5.1.2. Implementation costs:

Due to the change in procurement policy, additional costs for goods and services are to be expected. To consider the actual costs, the entire product life cycle should be considered.

### 5.1.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | 0% | -10% | -20% | -30% | -50% | -70% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -80% | -90% | -93% | -94% | -95% | -96% | -97% | -98% | -99% | -100% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |

## 5.2. Capital goods

The emissions associated with IMMOFINANZ's real estate development activities are summarised under the title Capital Goods. The $CO_2$ emissions were calculated on the basis of investments in real estate development in 2019 and extrapolated on the basis of benchmark values.

### 5.2.1. Emission reduction measure:

In the area of real estate development in particular, there is not only a need to design processes emission-free, but also to redesign the products. This also arises from the

background of increased requirements for building emissions and energy efficiency. The following measures are suitable for reducing GHG emissions:

- Implement the life cycle carbon assessment (LCA) policy for the construction and operation of all new commercial properties.
- When selecting and planning, pay attention to materials with low $CO_2$ emissions. When constructing new buildings, the highest available standards for low-$CO_2$ construction are met.
- When purchasing new buildings or renovating existing properties, aim for the highest available energy efficiency standards.
- For the procurement of machinery, technical equipment and vehicles, the highest available EU/national energy efficiency standards must be respected.
- Prioritise the purchase of equipment/buildings based on life-cycle costs/$CO_2$ emissions/energy consumption to ensure that the procurement is the most efficient option (even if the initial costs are higher).

#### 5.2.2. Implementation costs:

Due to the fact that the updated EPBD was only recently enacted, benchmark values for the construction costs of a zero-energy building for the target year 2050 are not yet available. However, it can be assumed that construction costs will increase significantly compared to current levels. Technological change in the field of building materials is likely to cause construction costs to fall again in the medium to long term.

#### 5.2.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| -10% | -10% | -20% | -20% | -30% | -30% | -40% | -50% | -60% | -80% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -82% | -84% | -86% | -88% | -90% | -90% | -90% | -90% | -90% | -90% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -91% | -92% | -93% | -94% | -95% | -96% | -97% | -98% | -99% | -100% |

### 5.3. Fuel energy related activities

Fuel and energy-related activities, classified under Scope 3, encompass the indirect emissions associated with the production, transmission, and delivery of fuels and energy purchased by a company, which are not accounted for in Scope 2 emissions. These emissions were estimated based on the emissions caused by fossil fuel sources in scope 1 and 2.

#### 5.3.1. Emission reduction measure:

Emissions in this area are generated indirectly through the consumption of fossil fuels. To reduce them, it is therefore necessary to reduce or completely stop the use of fossil fuels.

#### 5.3.2. Implementation costs:

The indirect reduction of the source of emissions does not incur any direct costs in connection with the reduction of these emissions.

#### 5.3.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | -5% | -35% | -50% | -65% | -80% | -90% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -92% | -92% | -93% | -94% | -95% | -96% | -97% | -98% | -99% | -99% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -99% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |

### 5.4. Upstream Transport

The Greenhouse Gas Protocol defines upstream and emissions as coming from the production of your business's products or services. Based on the IMMOFINANZ business model, the upstream transport sector only produces a small number of emissions, which primarily come from the logistics sector for purchased goods and services. The calculation of the emissions was based on benchmark values and the costs for purchased goods and services during the 2019 financial year.

#### 5.4.1. Emission reduction measure:

The following measures to reduce related GHG emission have been identified:

- Ensure that all necessary transportation and distribution services are procured from suppliers with a fleet with low/no $CO_2$ emissions.
- Prioritise suppliers that use biofuels or low-carbon fuels in their fuel mix for transportation and distribution services.
- Prioritising distribution activities that use on-site renewable electricity for the storage of purchased goods in warehouses, distribution centres and retail stores, or procuring the necessary power supply from 100% renewable certified energy sources.
- Strategic siting of new buildings close to major customers and consumption centres.
- Reduction of greenhouse gas intensity ($tCO_2e$/km) by improving the efficiency of transport networks, increasing return trips, loading capacity and load factors.

#### 5.4.2. Implementation costs:

Due to the current efforts and progress in the logistics industry to reduce emissions, no significant additional costs are to be expected for $CO_2$-free transport.

#### 5.4.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | -50% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -90% | -90% | -90% | -90% | -90% | -90% | -90% | -90% | -90% | -90% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -90% | -90% | -90% | -90% | -100% | -100% | -100% | -100% | -100% | -100% |

### 5.5. Waste generated operations

Emissions from waste generated operations includes emissions from third-party disposal and treatment of waste generated in IMMOFINANZ's owned or controlled operations. This category includes emissions from disposal of both solid waste and wastewater. The calculated emissions are based on the costs in the 2019 financial year and their extrapolation using reference values.

#### 5.5.1. Emission reduction measure:

Possible measures for reducing greenhouse gas emissions include:

- Reduce the amount of waste by implementing special waste disposal programmes/training for staff to increase the reuse and recycling rates in all buildings.
- Improved recycling and reuse measures in commercial buildings to reduce the amount of waste going to landfill.
- Conduct waste audits across the commercial portfolio to optimise waste streams, reduce contamination of materials and drive improvements in recycling rates/landfill.
- In procurement, ensure waste management companies offer a 'zero landfill' option to reduce greenhouse gas emissions associated with landfill.
- Registering commercial space with reuse tool/software providers so that surplus/unneeded products can be reused by local organisations, eliminating the need for recycling/disposal.

#### 5.5.2. Implementation costs:

Landfilling waste is the most expensive waste disposal solution. Increasing recycling rates offers the opportunity to reduce waste disposal costs. In detail, there may be price differences depending on the provider, as the waste disposal market allows only limited competition.

### 5.5.3. Emission reduction plan

The following relative reduction targets are set for an increase in recycling:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | -8% | -15% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -23% | -30% | -38% | -45% | -53% | -60% | -68% | -68% | -68% | -68% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -68% | -68% | -68% | -68% | -71% | -71% | -71% | -71% | -71% | -71% |

The following relative reduction targets are set for waste reduction:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | -3% | -5% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -8% | -10% | -13% | -15% | -18% | -20% | -23% | -23% | -23% | -23% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -23% | -23% | -23% | -23% | -24% | -24% | -24% | -24% | -24% | -24% |

## 5.6. Business travel

The category ‘Business Travel’ includes emissions from the transportation of employees for businessrelated activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. The calculation was based on the data from IMMOFINANZ business travel system.

### 5.6.1. Emission reduction measure:

The following measures are conceivable for reducing emissions associated with business travel:

- Reducing the need for business travel across the organisation (e.g. promoting video conferencing and web-based meetings as an alternative to in-person meetings where economically feasible)
- Adopting an updated procurement policy that requires all business travel providers to demonstrate a verified net-zero target.
- Introduction of a company-wide policy to ensure the installation and availability of charging stations for electric vehicles on company premises.
- Promoting and incentivising lower-emission travel options (e.g. train instead of plane), introducing guidelines to prohibit incentives for active travel and public transport for shorter trips to customer appointments;
- Providing active travel/zero-carbon options for employees to perform their everyday tasks that require travel within the region, e.g. providing bikes for employees to travel to meetings/business appointments within the region.

#### 5.6.2. Implementation costs:

On the basis of the information available to date, it can be assumed that reducing business trips by means of the measures defined above will not lead to additional costs, but rather to cost savings. It is therefore not expected that significant costs will arise from the avoidance of emissions.

#### 5.6.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | -10% | -20% | -30% | -40% | -50% | -70% | -90% | -95% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -95% | -95% | -95% | -95% | -95% | -95% | -95% | -95% | -95% | -95% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -95% | -95% | -95% | -95% | -100% | -100% | -100% | -100% | -100% | -100% |

### 5.7. Employee commuting

This category includes emissions from the transportation of employees between their homes and their worksites. Emissions from employee commuting may arise from:

- Automobile travel
- Bus travel
- Rail travel
- Air travel
- Other modes of transportation (e.g., subway, bicycling, walking).

Companies may include emissions from teleworking (i.e., employees working remotely) in this category. A reporting company's scope 3 emissions from employee commuting include the scope 1 and scope 2 emissions of employees and third-party transportation providers. The emissions were calculated based on an employee survey and the values were then extrapolated to the size of the total workforce.

#### 5.7.1. Emission reduction measure:

The following measures are proposed to avoid emissions:

- Ensure that the purchase of new commercial real estate takes into account sustainable travel options for employees in order to reduce commuting distances; e.g. by requiring that acquired properties be located near city centres and public transport to limit the average daily commute for employees.
- Optimising the use of active/carbon-free travel options by employees and discouraging the use of personal cars for daily commuting, e.g. by introducing parking policies and charges across the commercial portfolio to make carbon-free travel options more attractive.

- Provide incentives and support for company-led programmes to increase the use of public transport, e.g. programmes to promote cycling to work, 'job ticket'.
- Evaluate the feasibility of work-from-home policies and initiatives (where economically feasible) and increase the provision of communication tools/home office tools to reduce employees' daily commute.
- Provide carbon-neutral/active transportation infrastructure for employees across he commercial portfolio (e.g. electric vehicle charging points, bicycle parking).
- Introduce company policies and programmes to reduce single occupancy car trips to work, e.g. by promoting carpooling.

#### 5.7.2. Implementation costs:

The costs associated with avoiding emissions on the way to work depend on the individual measures. Based on previous experience, the costs per measure amount to a low five-digit euro amount. With regard to the company's earnings situation, it can therefore be assumed that the costs will be insignificant.

#### 5.7.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | -10% | -20% | -30% | -40% | -60% | -70% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -80% | -85% | -90% | -95% | -99% | -100% | -100% | -100% | -100% | -100% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |

### 5.8. Upstream leased assets

The category 'upstream leased assets' includes emissions from the operation of assets leased by IMMOFINANZ in the reporting year that are not already included in the inventories of the reporting companies in categories 1 or 2. This category applies only to companies that operate leased assets (i.e. lessees). For companies that own assets and lease them to others (i.e. lessors). Since IMMOFINANZ has no leased assets on its books that are not already included in Scope 1 or 2, there are no emissions in this regard.

### 5.9. Downstream transportation

Downstream Transportation and Distribution includes emissions that occur from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company. Based on the business model of IMMOFINANZ no activities were identified that would relate to this emission type.

### 5.10. Processing of sold products

Activities relating to processing of sold products include emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by IMMOFINANZ. Intermediate products are products that require further processing, transformation, or inclusion in another product before use, and therefore result in emissions from processing subsequent to sale by the reporting company and before use by the end consumer. Emissions from processing should be allocated to the intermediate product. Based on the value chain of IMMOFINANZ and it's business activities no emissions caused by such activities could be identified.

### 5.11. Use of sold products

The category 'use of sold products' includes emissions from the use of goods and services sold by the reporting company in the reporting year. A reporting company's scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products. An examination of the IMMOFINANZ business model did not reveal any economic activities that could be linked to this category.

### 5.12. End-of-life treatment of sold products

End-of-life treatment of sold products includes emissions from the waste disposal and treatment of products sold by IMMOFINANZ at the end of their life. This category includes the total expected end-of-life emissions from all products sold in the reporting year. End-of-life treatment methods (e.g., landfilling, incineration, and recycling) are described in category 'Waste generated in operations' and apply to both category 'Waste generated in operations' and category 'End-of-life treatment of sold products'. Calculating emissions from category 'End-of-life treatment of sold products' requires assumptions about the end-of-life treatment methods used by consumers. Companies are required to report a description of the methodologies and assumptions used to calculate emissions. For sold intermediate products, companies should account for the emissions from disposing of the intermediate product at the end of its life, not the final product. Due to the fact that IMMOFINANZ sells its buildings and there are almost no cases of building demolition, the emissions associated with this category have not been considered material to date.

### 5.13. Downstream leased assets

The category 'Downstream Leased Assets' includes emissions from the operation of assets that are owned by IMMOFINANZ (acting as lessor) and leased to other entities that are not already included in scope 1 or scope 2. This category is applicable to lessors (i.e., companies that receive payments from lessees). Companies that operate leased assets (i.e., lessees)

should refer to 'Upstream leased assets'. The emissions from this category were calculated using multiple approaches. Depending on the available data emissions were based on invoices received, benchmarks based on leased square meters and building estimates.

#### 5.13.1. Emission reduction measure:

A roadmap covering several years is needed to be able to save the lion's share of emissions. The individual steps are presented below:

- Recording actual consumption data at tenant level. The first step is to record actual consumption of utilities. This is done by means of electronic metering (smart meter).
- Change in the operating cost allocation from square-meter-based keys to consumption-based calculation. This means that the economic costs of the cause are also charged to the corresponding tenant.
- Active communication of consumption data to the tenant. The aim is to create awareness of actual consumption. A notification system for operating errors in the building services can also be integrated with relatively little effort. The advantage for IMMOFINANZ is that falling operating costs mean lower subsidies from the landlord or potential for rent increases.
- Tenants in refurbished buildings (DEER renovations) should achieve almost emission-free operation of the buildings, in line with the EBPD requirements.

#### 5.13.2. Implementation costs:

The main costs arise in the context of the smart meter project. These are estimated to be between €4.6 million and €8.2 million for the implementation of the meters and the realization of all database functionalities. Due to economies of scale within the CPI Group, costs should be further reduced. The investment costs are offset by savings in the area of OPEX, which are achieved through more efficient operation of the buildings.

#### 5.13.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | 0% | -10% | -25% | -40% | -60% | -82% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -90% | -92% | -94% | -96% | -98% | -99% | -99% | -99% | -100% | -100% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |

### 5.14. Franchises

The category 'Franchises' includes emissions from the operation of franchises not included in scope 1 or scope 2. A franchise is a business operating under a license to sell or distribute another company's goods or services within a certain location. This category is applicable to franchisors (i.e., companies that grant licenses to other entities to sell or distribute its goods or services in return for payments, such as royalties for the use of trademarks and other

services). Franchisors should account for emissions that occur from the operation of franchises (i.e., the scope 1 and scope 2 emissions of franchisees) in this category. IMMOFINANZ has not concluded any franchise agreements as part of its business activities. For this reason, this category has not been taken into account in the calculation of emissions to date.

### 5.15. Investments

'Investments' include scope 3 emissions associated with the reporting company's investments, not already included in scope 1 or scope 2. This category is applicable to investors (i.e., companies that make an investment with the objective of making a profit) and companies that provide financial services. This category also applies to investors that are not profit driven (e.g. multilateral development banks), and the same calculation methods should be used. Investments are categorized as a downstream scope 3 category because providing capital or financing is a service provided by the reporting company. The emissions from this category were calculated based on the equity value of the participation in the financial statements.

#### 5.15.1. Emission reduction measure:

As emissions reduction measures concerning the category 'Investments' the following points were considered:

- Introduction of guidelines to ensure that commercial investments are only made in companies with decarbonisation targets that are aligned with IMMOFINANZ's net-zero target by 2040.
- All companies in which Immofinanz invests must regularly report their Scope 1 and Scope 2 emissions to demonstrate annual/continuous decarbonisation.
- Future investments will be targeted towards companies that directly support and promote the transition to a low-carbon economy.
- Proactive engagement with all companies to ensure alignment and verification with the SBTi.

#### 5.15.2. Implementation costs:

Costs associated with the implementation of the above measures may arise primarily from the management of the investments. Influencing the companies in the sense of the measures requires appropriate personnel, which would have to be provided by the company. Otherwise, the strategic considerations do not result in any direct costs for the company.

### 5.15.3. Emission reduction plan

The following relative reduction targets are set:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 0% | 0% | 0% | 0% | 0% | -100% | -100% | -100% | -100% |
| 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
| -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |
| 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
| -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |

## 6. Targets and Measures

The IMMOFINANZ decarbonisation path is based on the property-specific decarbonisation path from CRREM. These are aligned with the 1.5°C of SBTi. Based on the specific portfolio composition, it is possible to extrapolate the respective permissible emissions. The property portfolio is broken down into the following asset classes:

- Office as office
- other office as office
- Vivo!s as retail, shopping centre
- ShopShops as retail, warehouse
- other retail as retail, warehouse
- Hotels as lodging, leisure and recreation

Since there is no CRREM decarbonisation path for Serbia, the decarbonisation path for Bulgaria is used instead due to the proximity of the two countries.

The target definition is based on maximum permissible emission values per square meter. These originate from the CRREM project and have been aligned with the Science Based Targets initiative. They correspond to the requirements for the real estate industry to achieve the goals of the Paris Agreement. Based on the extrapolation of these individual KPIs, the permissible total emissions for the group can be calculated.

### 6.1. 2030 Target

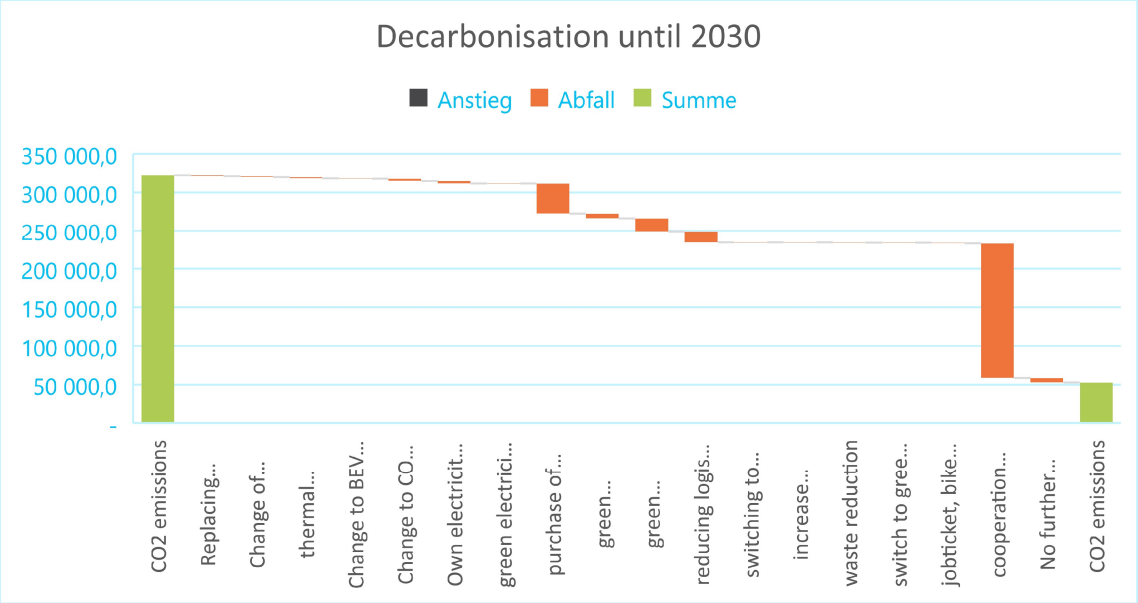
On the basis of the CRREM decarbonisation pathways, the following maximum permissible emissions per country and asset class ($kgCO_2e/m^2/year$) arise:

| | Office | Vivo | Stop Shops | Hotels |
|---|---|---|---|---|
| AT | 13,96 | 14,62 | 12,00 | 14,83 |
| DE | 21,17 | 28,75 | 18,51 | 23,80 |
| CZ | 42,99 | 34,76 | 29,38 | 41,80 |
| PL | 54,30 | 64,67 | 51,81 | 58,99 |
| SK | 15,96 | 16,23 | 14,27 | 22,23 |
| HU | 20,01 | 22,51 | 18,63 | 24,06 |
| RO | 22,85 | 25,49 | 21,20 | 27,84 |
| SLO | 16,60 | 17,36 | 8,80 | 22,28 |
| IT | 16,87 | 19,42 | 15,34 | 17,49 |
| HR | 20,96 | 21,79 | 18,91 | 28,36 |
| SRB | 20,52 | 25,59 | 13,06 | 20,28 |

On the basis of the current portfolio, the following maximum permissible emissions ($tCO_2e/m^2$/year) arise:

| portfolio m² | 2030 | Average Intensity Factor (kg $Co_2/m^2$/year) | Co2 Emissions ($tCo_2e$/year) |
|---|---|---|---|
| Office | 1 035 842 | 30,62 | 31 717 |
| Vivo! | 313 607 | 38,82 | 12 174 |
| Stop Shop | 636 992 | 18,74 | 11 936 |
| Hotels | - | 0,0 | - |
| | | | 55 827 |

The following reduction measures should contribute to achieving the emission targets to the extent shown. The details can be found in the waterfall chart.




## 6.2. Target 2035

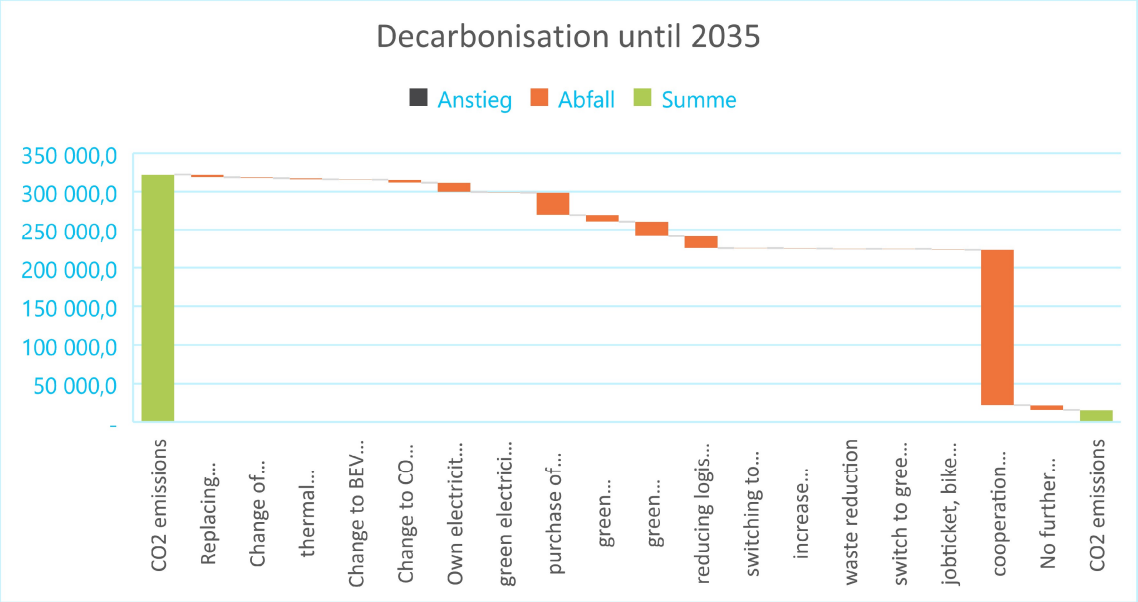
On the basis of the CRREM decarbonisation pathways, the following maximum permissible emissions per country and asset class ($kgCO_2e/m^2$/year) arise:

| | Office | Vivo | Stop Shops | Hotels |
|---|---|---|---|---|
| AT | 6,89 | 7,24 | 5,92 | 7,33 |
| DE | 10,36 | 14,01 | 9,06 | 11,67 |
| CZ | 20,69 | 16,82 | 14,19 | 20,16 |
| PL | 25,17 | 29,96 | 23,99 | 27,37 |
| SK | 7,66 | 7,82 | 6,84 | 10,60 |
| HU | 9,37 | 10,55 | 8,70 | 11,26 |
| RO | 10,49 | 11,72 | 9,72 | 12,77 |
| SLO | 8,02 | 8,42 | 4,43 | 10,72 |
| IT | 8,12 | 9,35 | 7,38 | 8,47 |
| HR | 9,67 | 10,08 | 8,71 | 13,03 |
| SRB | 9,69 | 12,04 | 6,26 | 9,63 |

On the basis of the current portfolio, the following maximum permissible emissions ($tCO_2e/m^2$/year) arise:

| portfolio m² | 2030 | Average Intensity Factor (kg $Co_2/m^2$/year) | Co2 Emissions ($tCo_2e$/year) |
|---|---|---|---|
| Office | 1 035 842 | 14,41 | 14 923 |
| Vivo! | 313 607 | 18,03 | 5 653 |
| StopShop | 636 992 | 8,92 | 5 681 |
| Hotels | - | - | - |
| | | | 26 257 |

The following reduction measures should contribute to achieving the emission targets to the extent shown. The details can be found in the waterfall chart.




### 6.3. 2040 Target

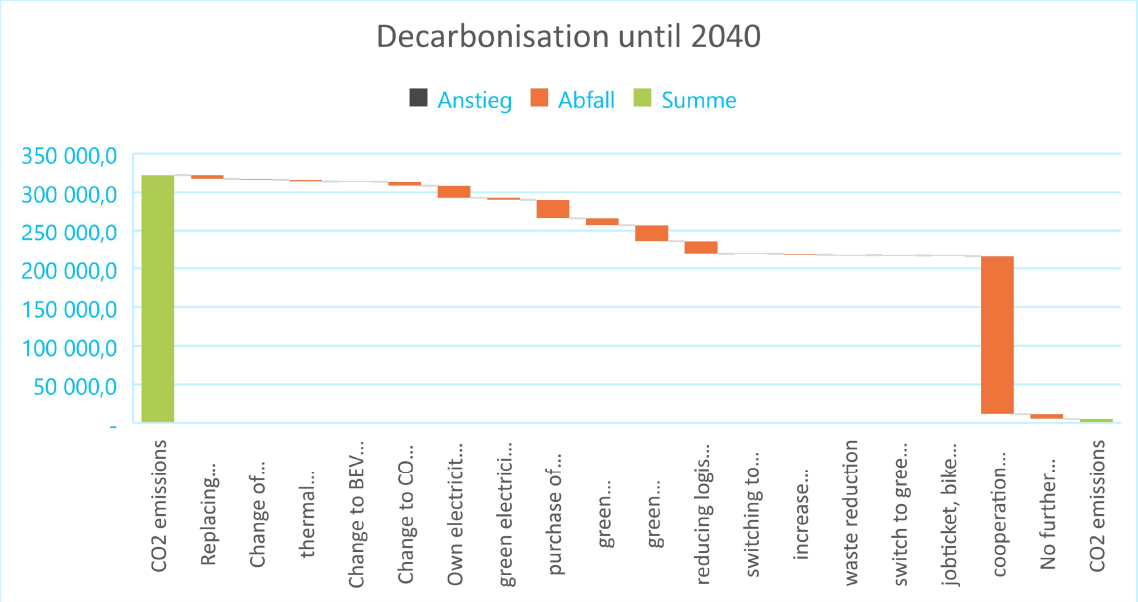
On the basis of the CRREM decarbonisation pathways, the following maximum permissible emissions per country and asset class ($kgCO_2e/m^2$/year) arise:

| | Office | Vivo | Stop Shops | Hotels |
|---|---|---|---|---|
| AT | 2,33 | 2,49 | 2,01 | 2,50 |
| DE | 3,29 | 4,36 | 2,87 | 3,73 |
| CZ | 6,14 | 5,12 | 4,29 | 6,04 |
| PL | 7,19 | 8,54 | 6,82 | 7,86 |
| SK | 2,50 | 2,60 | 2,22 | 3,37 |
| HU | 2,93 | 3,31 | 2,70 | 3,52 |
| RO | 3,21 | 3,59 | 2,95 | 3,89 |
| SLO | 2,59 | 2,76 | 1,59 | 3,40 |
| IT | 2,64 | 3,04 | 2,38 | 2,82 |
| HR | 2,97 | 3,13 | 2,66 | 3,93 |
| SRB | 3,03 | 3,72 | 1,99 | 3,09 |

On the basis of the current portfolio, the following maximum permissible emissions ($tCO_2e/m^2$/year) arise:

| portfolio m² | 2040 | Average Intensity Factor (kg $Co_2/m^2$/year) | Co2 Emissions ($tCo_2e$/year) |
|---|---|---|---|
| Office | 1 035 842 | 4,32 | 4 479 |
| Vivo! | 313 607 | 5,32 | 1 669 |
| StopShop | 636 992 | 2,78 | 1 770 |
| Hotels | - | - | - |
| | | | 7 917 |

The following reduction measures should contribute to achieving the emission targets to the extent shown. The details can be found in the waterfall chart.




## 6.4. Target 2045

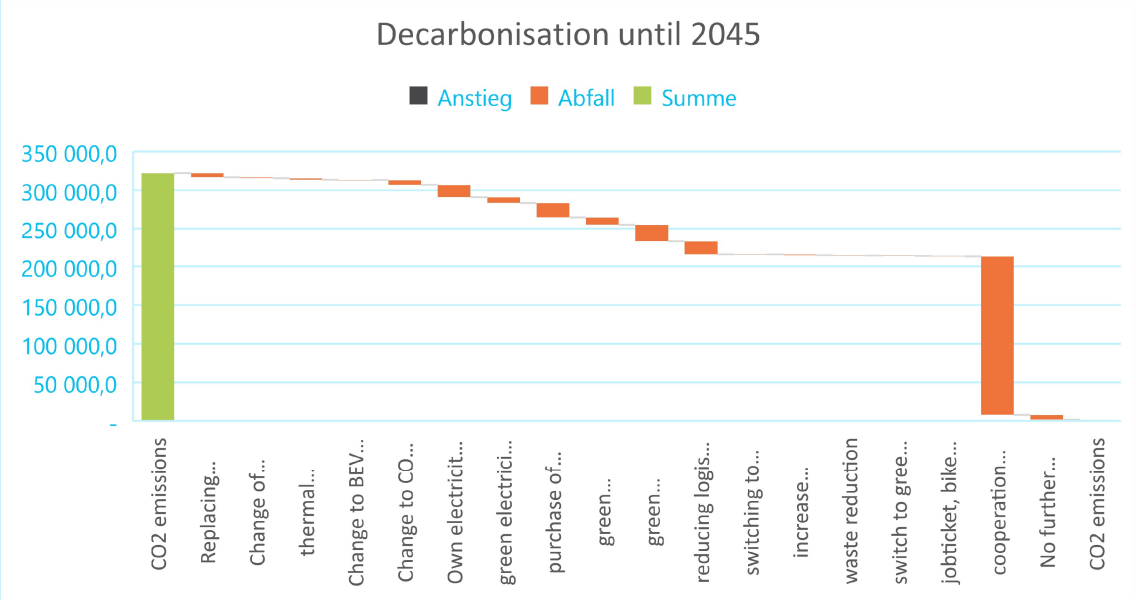
On the basis of the CRREM decarbonisation pathways, the following maximum permissible emissions per country and asset class ($kgCO_2e/m^2$/year) arise:

| | Office | Vivo | Stop Shops | Hotels |
|---|---|---|---|---|
| AT | 1,15 | 1,26 | 0,99 | 1,25 |
| DE | 1,44 | 1,85 | 1,26 | 1,66 |
| CZ | 2,36 | 2,08 | 1,71 | 2,36 |
| PL | 2,65 | 3,13 | 2,49 | 2,94 |
| SK | 1,19 | 1,28 | 1,05 | 1,54 |
| HU | 1,32 | 1,49 | 1,19 | 1,57 |
| RO | 1,40 | 1,58 | 1,27 | 1,68 |
| SLO | 1,20 | 1,31 | 0,86 | 1,53 |
| IT | 1,24 | 1,43 | 1,11 | 1,37 |
| HR | 1,30 | 1,40 | 1,15 | 1,66 |
| SRB | 1,34 | 1,62 | 0,89 | 1,43 |

On the basis of the current portfolio, the following maximum permissible emissions ($tCO_2e/m^2$/year) arise:

| portfolio m² | 2045 | Average Intensity Factor (kg $Co_2/m^2$/year) | Co2 Emissions ($tCo_2e$/year) |
|---|---|---|---|
| Office | 1 035 842 | 1,76 | 1 823 |
| Vivo! | 313 607 | 2,12 | 666 |
| StopShop | 636 992 | 1,21 | 772 |
| Hotels | - | - | - |
| | | | 3 261 |

The following reduction measures should contribute to achieving the emission targets to the extent shown. The details can be found in the waterfall chart.




## 6.5. 2050 Target

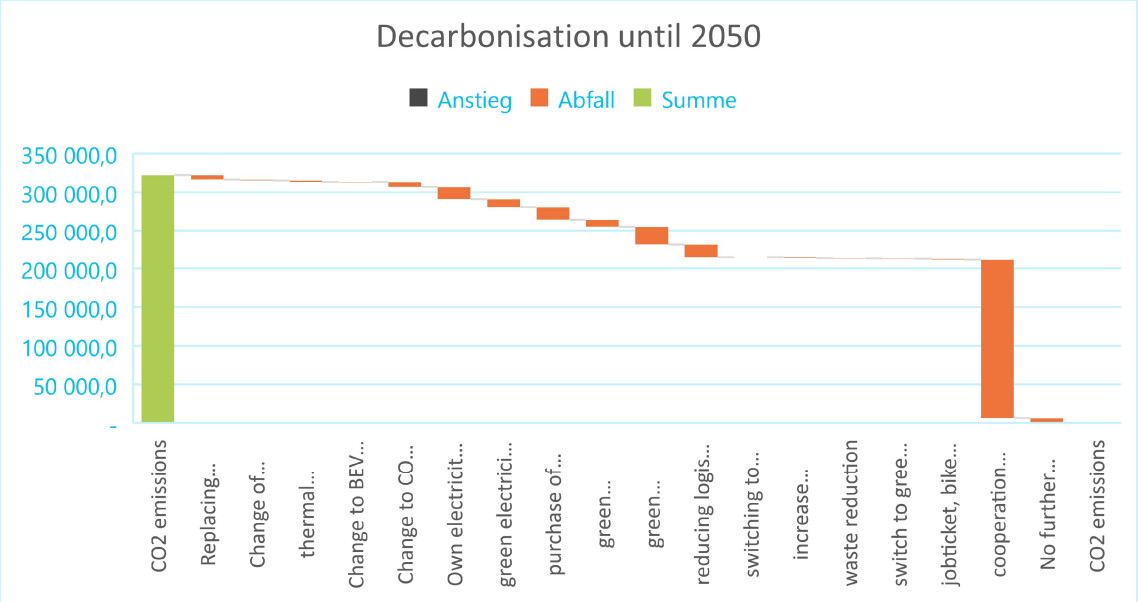
On the basis of the CRREM decarbonisation pathways, the following maximum permissible emissions per country and asset class ($kgCO_2e/m^2$/year) arise:

| | Office | Vivo | Stop Shops | Hotels |
|---|---|---|---|---|
| AT | 0,59 | 0,67 | 0,51 | 0,65 |
| DE | 0,55 | 0,63 | 0,48 | 0,66 |
| CZ | 0,53 | 0,61 | 0,46 | 0,59 |
| PL | 0,58 | 0,66 | 0,50 | 0,68 |
| SK | 0,58 | 0,66 | 0,51 | 0,69 |
| HU | 0,59 | 0,67 | 0,51 | 0,69 |
| RO | 0,59 | 0,68 | 0,52 | 0,70 |
| SLO | 0,54 | 0,62 | 0,51 | 0,65 |
| IT | 0,58 | 0,67 | 0,51 | 0,69 |
| HR | 0,55 | 0,63 | 0,48 | 0,65 |
| SRB | 0,57 | 0,65 | 0,38 | 0,67 |

On the basis of the current portfolio, the following maximum permissible emissions ($tCO_2e/m^2$/year) arise:

| portfolio m² | 2050 | Average Intensity Factor (kg $Co_2/m^2$/year) | Co2 Emissions ($tCo_2e$/year) |
|---|---|---|---|
| Office | 1 035 842 | 0,57 | 594 |
| Vivo! | 313 607 | 0,66 | 208 |
| StopShop | 636 992 | 0,48 | 308 |
| Hotels | - | - | - |
| | | | 1 111 |

The following reduction measures should contribute to achieving the emission targets to the extent shown. The details can be found in the waterfall chart.



# 7. Compensation measures

The transition plan set out in this document will lead to a significant reduction in greenhouse gas emissions by 2050. Nevertheless, from today's perspective, it will not be technically possible to avoid 100% of greenhouse gas emissions in 2050. For this reason, compensation measures will be necessary to remove the resulting greenhouse gas emissions from the atmosphere. In the following, technical measures are presented that should be used to offset the remaining emissions. It should be noted that some measures require a lead time and should therefore be implemented in good time.

## 7.1. Forrest plantation

For long-term storage of $CO_2$, we can look to nature for inspiration. Forests store large quantities of $CO_2$, which is why reforestation is a way of storing $CO_2$. In discussions with providers, prices starting at EUR 30 per ton of $CO_2$ stored can currently be achieved. These prices are below the costs for $CO_2$ certificates in exchange trading, which is why it represents an additional incentive, especially in view of the certificate trading that will apply from 2027.

## 7.2. Direct Carbon Capture

In the direct air capture (DAC) process, $CO_2$ is captured from the air in an industrial plant. The $CO_2$ is then stored in tanks and is available for further use. The process does not currently offer any possibility of long-term $CO_2$ storage. From today's perspective, the costs for this process in 2050 will range between EUR 170 and EUR 250 per ton of $CO_2$ captured.

## 8. Glossary

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| 1.5°C goal | The 1.5°C climate threshold, shorthand for global average surface warming of 1.5 degrees Celsius above pre-industrial temperatures. That's the level of warming that the countries who signed the Paris Agreement have agreed to try to stay below. |
| BEV | A battery electric vehicle (BEV) is a fully electric vehicle that is powered solely by a battery-powered electric motor. The BEV is charged via the power grid and does not require any fossil fuel. This means that the vehicle is 100% emission-free, given the right electricity mix. |
| $CO_2e$ | CO2 equivalents ($CO_2e$) are a unit for measuring the impact of various greenhouse gases (GHG) on the climate. By converting different types of emissions into the equivalent amount of carbon dioxide ($CO_2$), these impacts can be compared. |
| CRREM | Carbon Risk Real Estate Monitor aims at supporting the real estate industry to tackle these risks and foster investments in energy efficiency. |
| DAC | Direct air capture (DAC) is the name given to the chemical-technical process of extracting carbon dioxide ($CO_2$) from the ambient air. The basic principle is that ambient air flows through a separator that extracts some of the $CO_2$. As with carbon capture and utilisation, the result of the process is pure $CO_2$. |
| DEER studies | Deep Energy Efficiency Refurbishment Studies investigate the possibility of holistically refurbishing existing buildings to improve their energy efficiency and reduce their primary energy demand. |
| EBPD | The European Energy Performance of Buildings Directive was first adopted in 2002 and has since been amended several times – most recently in 2024. The Energy Performance of Buildings Directive aims to promote improvements in the energy efficiency of buildings within the EU. |
| ESG | The abbreviation ESG stands for Environmental, Social and Governance and refers to a comprehensive set of rules for evaluating the sustainable and ethical practices of companies. |
| ESRS | The European Sustainability Reporting Standards (ESRS) were developed to ensure consistency and standardisation of sustainability reporting in the EU, which will be mandatory for large capital companies from 2024 |

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| | under the CSRD. The CSR report will become part of the management report through the CSRD directive and must be externally audited. |
| European Green Deal | The European Green Deal (EGD) is a political project of the European Commission (see the entry for this term in the dictionary) that was adopted in 2019. The objective of the package of measures is to achieve climate neutrality in Europe by 2050. With the law, the EU and its member states have adopted the commitment to reduce net greenhouse gas emissions in the EU by at least 55% by 2030 compared to 1990. |
| EU sustainability goals | he six environmental objectives of the Taxonomy are: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity. |
| EU Taxonomy | The taxonomy is a classification system that defines criteria for economic activities that are aligned with a net zero trajectory by 2050 and the broader environmental goals other than climate. |
| GHG | Greenhouse gases (also known as GHGs) are gases in the earth's atmosphere that trap heat. During the day, the sun shines through the atmosphere, warming the earth's surface. At night the earth's surface cools, releasing heat back into the air. |
| GWh | A gigawatt hour (GWh) is a unit of measurement for energy. One gigawatt hour is equal to one million kilowatt hours. The output of large power stations is often stated in gigawatt hours. |
| Landlord emissions | Landlord emissions refer to those emissions that can be traced back to the landlord's energy purchases. These emissions are categorised as Scope 2 and are the opposite of tenant emissions. |
| LCA | A life cycle assessment (also known as an environmental audit, eco-balance or, life cycle assessment or LCA) is a systematic analysis of the potential environmental impacts and energy balance of products throughout their entire life cycle. |
| Location based | Location-based reporting calculates emissions based on the average emission intensity of the power grid that is physically connected to. It doesn't matter which electricity contracts a company holds. |
| PPA | A power purchase agreement (PPA) is a contract between two parties, usually between an electricity producer and an electricity purchaser, that |

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| | sets out the commercial terms for the sale of electricity between the two parties. These include the commencement date of the contract, the transfer of guarantees of origin (if applicable), the penalties for under-delivery and the termination of the contract. |
| Greenhouse Gas Protocol | GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. |
| GWP | Greenhouse gases have different global warming potentials (GWP). The higher the GWP, the stronger the climate impact per unit of a greenhouse gas. |
| HVAC | Heating, ventilation and air conditioning (HVAC) systems are essential to creating a comfortable environment in commercial and residential buildings, from shopping malls to apartments. |
| Market based | The market-based method examines a company's specific energy contracts. If renewable energy is purchased through RECs (Renewable Energy Certificates) or a power purchase agreement (PPA) is concluded, emissions are lower than if grid electricity is used exclusively. |
| NUS Consulting | NUS Consulting Group (National Utility Service) is an independent consultancy dedicated to helping commercial and industrial organizations transform their energy management and sustainability processes. |
| Paris Agreement | The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. |
| Property manager | The property manager is responsible for the professional management of commercial property. In addition to commercial management, there is a certain degree of specialisation, with the technical property manager taking care of all the technical aspects of a property. |
| PV systems | A photovoltaic system (also called a PV system) is a solar power system in which solar cells are used to convert part of the solar radiation into electrical energy. The typical direct type of energy conversion is called photovoltaics. |
| SBTi | Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals. More than 6,000 |

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| | businesses around the world are already working with the Science Based Targets initiative (SBTi). |
| Tenant emissions | Tenant emissions refer to those emissions that can be directly attributed to the tenant's purchase of energy. These emissions are categorised as Scope 3 and are the opposite of landlord emissions. |