

Responsibility. Commitment.
ESG targets.

IMMAC GROUP SUSTAINABILITY STRATEGY



Sustainability - a central issue. *A dialogue.*

ESG Officer Cita Born and Board Member Jens Wolfhagen on sustainability in financial products, return requirements and the outlook for 2040.

Since its establishment in 1997, the IMMAC group has published information on its sustainability initiatives and the Group-wide sustainability strategy for the first time in 2021. Cita Born and Jens Wolfhagen talk about ESG – Environment, Social, Governance (German: Umwelt, Soziales und Unternehmensführung) – and how the theme of sustainability runs through the entire company.

” **Cita Born:** The term sustainability has become ubiquitous in everyday life. What is the position of sustainability at IMMAC and how are the ESG criteria integrated into it?

” **Jens Wolfhagen:** For us, sustainability is a very central and strategic theme. It runs through all divisions and levels of the Group. We are clearly aware of our social and corporate responsibility, especially in the area of nursing homes. Housing is a fundamental right and an existential part of services of general interest. The properties we manage comply with this fundamental right and for this reason alone we bear a special responsibility for the current and future residents. Our central task is to build and manage sustainable products, i.e. sustainable real estate, that meet people's needs and equally serve as a long-term capital investment.

” **Cita Born:** Sustainability is often equated with renunciation. Does this therefore also mean a sacrifice in the quality of living or the return requirements?

” **Jens Wolfhagen:** Not at all. The consistent implementation of our sustainability strategy leads to added value for stakeholders, partners and investors. Here is

an example from a cross-company sector, which additionally pays off positively for the operator and subsequently also for the resident in the long term: In general, the life cycle assessment of real estate is based on the assumption that the energy consumption in the construction phase is about 20% and the essential 80% is then incurred in the actual management phase.

The real estate under construction as of today are already built according to the respective Reconstruction Loan Corporation (Kreditanstalt für Wiederaufbau, KfW) criteria in force or even exceed them. Since IMMAC not only constructs these buildings, but subsequently often manage them over a long time, it has to plan for and implement the advantages of an energy- and resource-saving construction method from the outset. As a concrete example, the use of modern and maintenance-free heating systems or consumption-minimised water or lighting control can be mentioned here. Ultimately, all these measures lead to a reduction in energy costs and thus to an added value of the investment, which is then also reflected in the expected return.

This is just one of many examples that receive attention in the context of our ESG strategy. As the ESG Officer of the IMMAC group, you are the central contact person for all aspects relating to sustainability. The question of how to structure and prioritise this multitude of topics is bound to come up.

” **Cita Born:** Yes, this question is often asked. We view all sustainability issues as a cross-cutting discipline across the firmly established business processes. This means that our sustainability strategy did not require any general adjustments within the company, but only the allocation of the respective topics

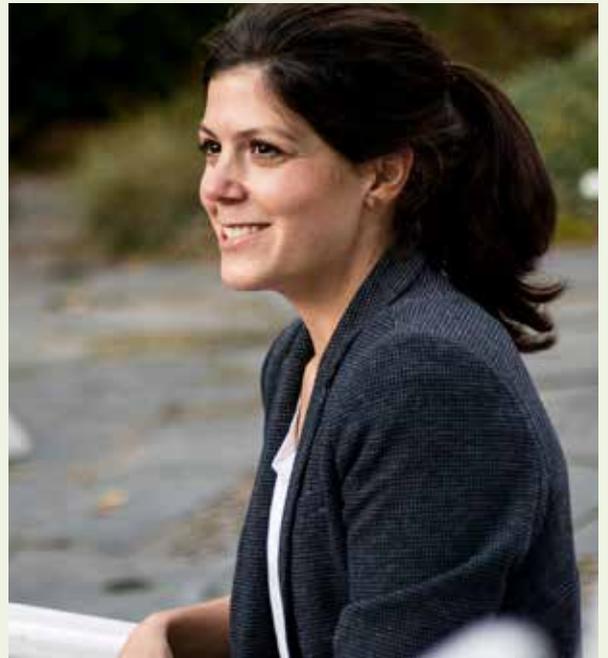




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The benchmark for us will be the reduction of CO₂-Emissions in all real estate properties.

Jens Wolfhagen



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From 100 % paperless investor management to 100 % green electricity in all IMMAC real estate, thousands of trees planted together with the PLANTMY-TREE® initiative and internet access at every care bed.

Cita Born

to the different company units: Group, Construction, Acquisition, Portfolio and Fund Product. At the group level, for example, all topics relating to the reduction of CO₂-Emissions, the promotion of the digital process landscape and employee management and responsibility are located. Of course, all social projects, such as our long-standing cultural sponsorship and our commitment to sailing, are also reflected here. All overarching themes in turn have their individual focal points and prioritisations per business area. From increasing energy efficiency in construction and reducing energy consumption through sustainable management in existing buildings to optimizing energy consumption in the real estate when purchasing.

” **Jens Wolfhagen:** And even when designing a fund product as a sustainable financial investment, certain ESG criteria are directly applied.

” **Cita Born:** When we buy the products, we already know what kind of assets may be included in the portfolio. Criteria for this were clearly defined in close consultation with the specialist departments. Since our business model is built on social values, we have always considered it our social responsibility to make investments strictly according to ethical and moral principles.

” **Jens Wolfhagen:** Yes, that is correct. I would like to add here that we quickly found a consensus for our work in the ESG management team, consisting of team leaders and managers from the various company units, on the topic of “sustainable fund products”. This is certainly also due to the long-standing and close ties with our investors and partners, e.g. church institutions, foundations, financial institutions, private and also institutional investors. They are all united by a basic ethical and moral stance, which is reflected in their behaviours as well as in the selection of investment products.

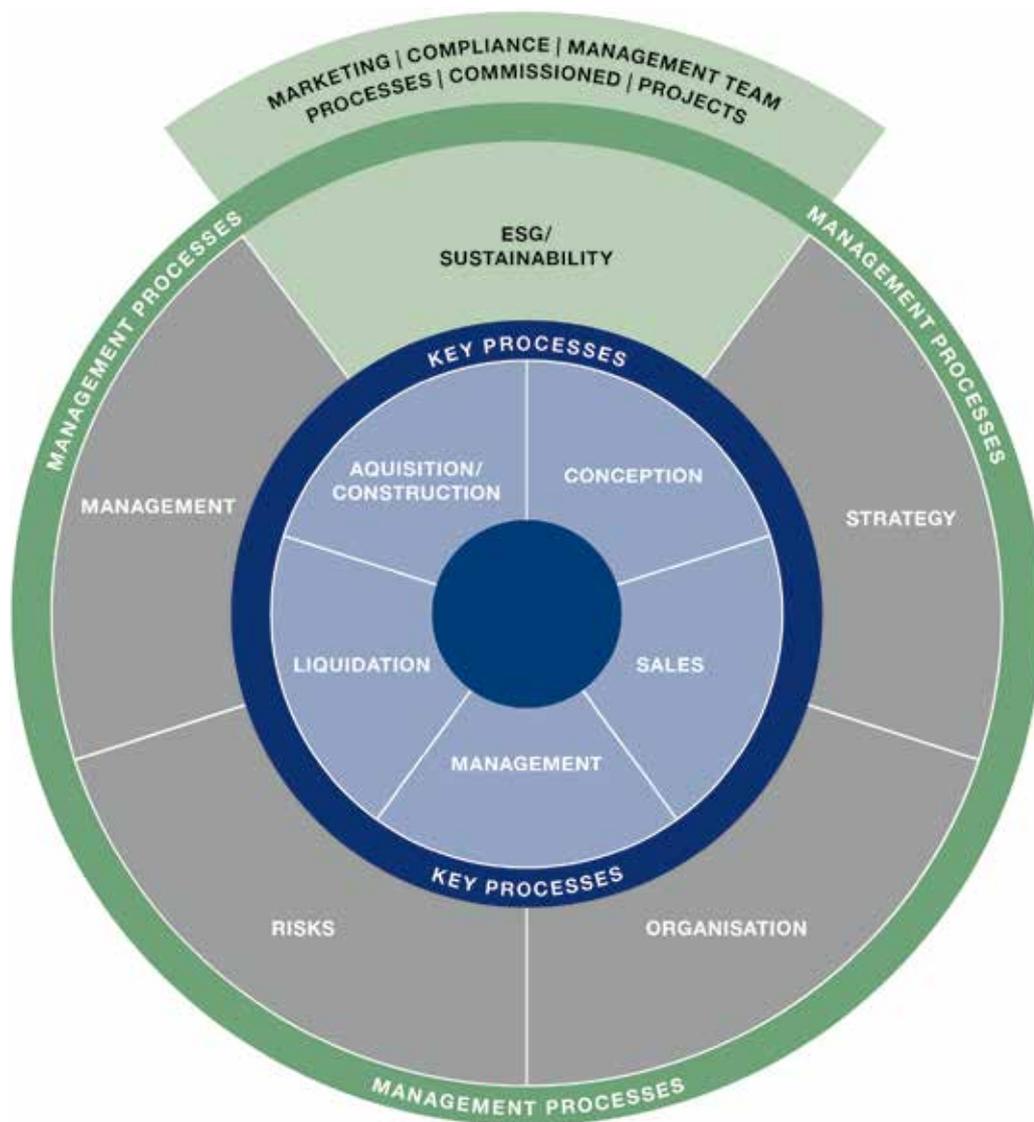
” **Cita Born:** And if we were now almost 20 years further on, in the year 2040 – surely we would have achieved a lot by then. From 100% paperless investor management to 100% green electricity in all IMMAC real estate, thousands of trees planted together with

the PLANT-MYTREE® initiative and internet access at every nursing bed. Beyond that – what specifically would we measure ourselves against?



” **Jens Wolfhagen:** The benchmark for us will be the reduction of CO₂-Emissions in all real estate properties. This means an huge task for the portfolio management in particular, because only continuous and forward-looking investments can reduce the energy consumption of the buildings by 70%. Nevertheless, and perhaps precisely for this reason, this target is firmly anchored in our ESG strategy. The holistic implementation of the ESG strategy is a major challenge for IMMAC. It involves a lot of effort and requires a lot of time and money. However, not pressing ahead with implementation at full speed now is not an option for us.

ESG. An integral part of the IMMAC group



The ESG strategy forms an integral part of the company's organisation. In the company-specific process map, it has a direct effect on the core proces-

ses with its complete organisational structure of the IMMAC group. It operates as a guiding principle and is equal to the other higher-level leadership processes.

People. Health. Real estate. Construction. Finance.



The ESG strategy is also strongly oriented towards the 17 Sustainable Development Goals (SDGs) of the UN resolution, which have acted as a guideline for creating a sustainable world since their introduction in 2015 and enjoy the highest international recognition.

The ESG strategy works across the entire company and through all business processes. For each business sector, measures of diverse degrees of intensity were identified that directly contribute to one of the 17 SDGs. Some of these measures have been implemented for many years or will be implemented soon, for others work is already underway for future implementation according to a set timetable. We have categorised the following areas:

The basic idea of our ESG strategy is the consistent orientation of the IMMAC group in terms of the sustainability goals of the Agenda 2030. Above all, for the implementation of this strategy, the specific characteristics of the markets in the health industry, the financial industry, the construction industry, the hotel industry and the real estate industry must be taken into account.

**Group, construction,
acquisition, portfolio and
fund product**



People

In the Group

The basic values of the IMMAC group and its companies have always been the foundation of our actions: Partnership, transparency, loyalty, sustainability and economic behaviour. We act responsibly in the interests of our partners and stakeholders. For our employees, the focus is on health, promotion and further training, the promotion of orientation for future generations, flexibility and freedom as well as positive social interaction.

Specifically, the areas of training and further education, social commitment, good working conditions and reduction of CO₂-Emissions for health promotion are pursued here at Group level. The following is an excerpt:

Reduction of CO₂-Emissions

- Replacement of the vehicle fleet with hybrid passenger car models – by 2025
- Avoidance of inner-city traffic through the use of IMMAC bicycles – from 2022 onwards
- Reduction of travel and office work by promoting remote work – from 2022 onwards

Digitisation

- Complete conversion of digital underwriting processes (as far as possible under applicable law) – from 2022 onwards

Personnel & Education

- Promotion of internships and working students by working angels for integration into professional life – already implemented
- IMMAC is a licensed training company – already implemented
- Allocation of staff positions irrespective of gender, ethnic or faith-based origin – already implemented
- All food provided by the company comes from controlled organic and regional cultivation – from 2022 onwards





Construction

Construction industry



This section covers the ESG measures of the IMMAC group companies in the construction sector. This primarily concerns IMMAC Sozialbau GmbH (ISB), IMMAC Wohnbau GmbH (IWB) and all directly or indirectly affiliated subsidiaries and project companies. The focus of these companies is on the expansion, conversion and new construction of fully inpatient care facilities and real estate in the assisted living, residential and hotel sectors.

Sustainable construction, real estate for several generations and technical innovations go hand in hand with this for us. We are guided by the applicable construction standards and supplement these for the care sector with targeted measures for energy-efficient construction. The following are some excerpts from the ESG measures:

Climate protection

- Reforestation: Together with PLANT-MY-TREE®, IMMAC will plant a tree for every nursing home bed built from 2022 onwards.

Technical Innovation Team

- Establishment of a technical innovation team for the further development of ecological and energy standards in construction projects

Sustainable construction

- An interdisciplinary team of experts consisting of care specialists, industrial engineers and real estate experts develops a nursing home concept as a benchmark for living and well-being standards for residents and staff alike – publication 2022
- IMMAC develops its own guideline for “Sustainable construction” for nursing homes properties – publication 2022

Reduction of energy consumption in nursing homes

- Definition of optimisation and development potentials in cooperation with the nursing home operators to create a uniform reference basis

Building certification

- Evaluation of sustainable construction materials in the construction of new constructions according to ecological, energy-efficient and certified standards

Acquisition

Sustainable business

Since the founding of the IMMAC group, we have pursued a sustainable approach to fund products. That is why we always ask ourselves the question with every acquisition object: Is the property suitable for a sustainable investment with regard to the aspects of longevity, security as well as market and location development? The examination of the economic parameters is carried out, on the one hand, by our trained and qualified staff in the transaction and research teams and, on the other hand, by external experts and appraisers, for example for the areas of technical due diligence or in the preparation of market value appraisals.

In general, the acquisition takes into account the sustainability goals of the portfolio and fund product areas. Thus, already in the acquisition phase of the real estate cycle, very essential and important features are included in the portfolio before it is included as

an investment product. In the context of sustainable management, this means, for example, the following:

Sustainable investment

- Carrying out a technical due diligence to determine the as-is analysis including initial optimisation potentials
- Time and resource savings through the integration of data in the investment process

Optimise on an ongoing basis

- Concretisation and monetary evaluation of the energy improvement measures including initial indication of the timeframe for implementation
- Identifying suitable funding or adjusting the equity requirement



Real estate

Manage real estate portfolios with responsibility

Approximately 160 commercial properties in Germany, Austria and Ireland are currently managed by HKA Hanseatische Kapitalverwaltung GmbH (HKA), a wholly owned subsidiary of the IMMAC group. As a specialist in tangible assets, IMMAC invests primarily in commercial residential uses, fully inpatient nursing homes, service living, clinics, rehabilitation centres and hotel properties.



The goals and measures of the “Portfolio” unit focus primarily on the topics of sustainable management, innovation, climate protection and energy. Here, HKA pays particular attention to reducing energy consumption and lowering CO₂-Emissions. For this reason, the diverse ESG measures in the portfolio tend to be oriented towards the medium to long term. In order to fully exploit the optimisation potential of the existing real estate, it is required the implementation of concrete measures, which can only take place in close cooperation with the respective operators. In terms of content, this includes, for example:

Reduction of CO₂-Emissions

- Detailed evaluation of the CO₂-Emissions (e.g. Energy consumption and amount of waste) in all properties
- Expansion of e-mobility to avoid CO₂-Emissions for short urban trips through the expansion of the e-charging infrastructure.

Resource conservation

- Paper- and resource-saving investment management
- Use of “green electricity”

Finance

Fund products



Sustainable funds combine ecology with economy. They result from the close coordination between the areas of construction, portfolio and legal regulations, such as the EU taxonomy and the requirements of the Federal Financial Supervisory Authority (BaFin). Innovation, health, climate protection and energy play a key role here. This is because all the aspects behind these focus topics also find their translation in the fund product.

Sustainable business

- Application of ESG criteria in the transaction process as of 2022
- Digitisation of the subscription process and our fund documents
- Promoting health and well-being through the expansion of social infrastructure and targeted investment of private capital in the healthcare segment



IMMAC SAILING ACADEMY

Sailing experience for children and young people

Enthusiasm for sailing and the desire to intensively promote young talent provided the impetus for the founding of the IMMAC SAILING ACADEMY e.V. in 2010. Since then, the aim has been to open up access to sailing to as many children and young people as possible.

In close cooperation with sailing clubs and schools, the IMMAC SAILING ACADEMY supports the sailing courses and sailing clubs offered there free of charge by providing optimists as training boats. In this way, implementation can be ensured independently of public funding.



Fleet on course for the future

The association is continuously pushing the expansion of the IMMAC Opti fleet. Partners in the production are the Schleswiger Werkstätten, a recognised institution that enables people with disabilities to participate in working and living life. The training optis are handmade here.

Already in 2010, 23 Optimists were commissioned. To date, the fleet has grown to 160 boats and is used for training by 37 sailing clubs nationwide.





Well dressed

As early as 2011, the "Förderverein der IMMAC Sailing Academy e.V". acquired its own mould for Opti production. It enables high construction quality, durability and stability of the boats. Special attention is paid to the safety of the young sailors. The inner hull shape of the IMMAC Optimists is designed without corners and edges so that no one gets hurt by protruding components.

Every year, non-profit sailing clubs and schools with sailing clubs can apply for the IMMAC Optimist. To ensure that the fleet grows quickly, the IMMAC group covers the cost of at least ten Optimists every year. Thanks to numerous donations, the IMMAC SAILING ACADEMY

has been able to have up to 20 Optimists built each year in recent years. The goal for the next five years is to exceed the mark of 20 new boats per year.

You can become a partner too, by donating to the "Förderverein der IMMAC Sailing Academy e.V". Together we can make a valuable contribution to promoting young talent!

Contact

info@immac-academy.de

www.immac-sailingteam.de/academy



One tree for each new bed

IMMAC Plant for Beds



The IMMAC group has already created several thousand beds for full inpatient care and assisted living. We bear a social and ecological responsibility for every property. For many years. For decades.

Together with the PLANT-MY-TREE® initiative, we will plant a tree for every new bed built in the IMMAC Healthcare portfolio from 2022 onwards, thus contributing to reducing our carbon footprint in the long term. And as far as possible under construction law, at least 5% of the trees are planted on the site of the newly

constructed property; the remaining trees are planted in German and European forests in cooperation with certified organisations.



This document provides an overview of the ESG strategy of the IMMAC group. It has been compiled with the greatest care, but the information is nevertheless provided without guarantee. The overview is for information purposes only. This is not product information, a sales prospectus or any other sales document and at the same time does not constitute an offer to conclude a fund participation. All statements of opinion reflect the current assessment of the IMMAC group, which is subject to change without notice. Insofar as the information contained in the document recognizably originates from third parties (e.g. in the case of references), no guarantee is assumed for the correctness and completeness of this information. Future developments cannot be inferred from past developments.

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