

SUSTAINABILITY REPORT

2021

Foreword



Dear Readers,

social, economic and ecological conditions have changed significantly in recent years and have in some cases become imbalanced. This concerns the ecological sphere with advancing climate change, but changes can also be observed at the social and economic level, including a growing gap between rich and poor. Worldwide, this requires not only a rethink and new strategies for action, but also the practical implementation of adequate measures.

We at the IMMAC group also see ourselves as having a responsibility in this regard and would like to make a contribution to climate protection through targeted measures. But the aspects of social responsibility and corporate governance (ESG) also play an important role for us.

As an investor in social and health care real estate, social issues are firmly anchored in the Group and is already part of our corporate culture. We are committed to ecology, the “E” in ESG, with our “Plant for Beds” initiative, among other things, which we launched in 2021. The third aspect of ESG, corporate governance, has also been anchored in the business strategy through successfully implemented and future-oriented projects.

In order to improve our efforts to date, we have developed an ESG strategy as a Group and have set ourselves the goal of actively participating in this paradigm shift, which is introducing new directions across all industries and levels, and playing an exemplary role in shaping this paradigm shift.

Information on our ESG strategy can also be found in our corporate presentations and on our website, in order to keep our customers and business partners informed about our positioning with regard to ESG and sustainability.

This sustainability report presents what we as the IMMAC group have already achieved in 2021 and provides an outlook on what we have planned for 2022. This includes all companies and subsidiaries of the companies of the IMMAC group. For an overview of our 2040 goals, please refer to the ESG strategy published on our websites.

We wish you pleasant reading



Mechthild Mösenfechtel
Member of the Executive Board (Finance)



Jens Wolfhagen
Member of the Executive Board (Market)

The way to our ESG Strategy – Milestones



The creation of the Group-wide ESG strategy is based on a one-year process that started at the end of 2020.

Our ESG strategy is based on the 17 Sustainable Development Goals (SDGs) set by the UN in 2015. They act as a guide to achieving a sustainable world and are universal and global in scope and can be applied simultaneously at the regional level.

A further basis of the strategy is formed by the principles that already guide us as a company:

Partnership: Both internally and externally, we maintain relationships based on partnership. We act as a strategic partner for our clients, accompanying them along their entire journey. We strive for proactive teamwork with our employees.

Experience: We are market leaders in our portfolio and are continuously expanding our

know-how through employee diversification and the development of new business sectors. We rely both on the experience of employees who have been with us for decades and on the fresh wind of new colleagues.

Sustainable economic efficiency: All of our investments are made with due consideration of the associated risk, which we want to keep as low as possible. We work primarily on strategic projects and partnerships. At the same time, we are committed to carrying out processes and business activities as effectively and efficiently as possible.

Our employees: We have identified several topics whose design is essential for effective, efficient and long-term cooperation. In this context, the aspects of further education, health, flexibility, freedom and team spirit are particularly worth mentioning.

In a further step towards our ESG strategy, information material was reviewed and evaluated. In order to guarantee the involvement of all specialist departments in this development process, a temporary ESG committee was set up. Employees from different departments participated in the development of the ESG strategy, on behalf of the entire Group. The overriding goal of this working group was to develop a theoretical basis as well as possible concrete ESG measures for the Group. The ESG Committee took the perspective of the employees. This committee was supported by the external organisation "RENN.nord". RENN stands for "Regionale Netzstellen Nachhaltigkeitsstrategien (Regional Network Centres for Sustainability Strategies)" and is an organisation funded by the federal government. And pursues the goal of providing impetus in the area of sustainability and networking stakeholders and initiatives to create sustainable development. Together, measures and recommendations for management were developed in two workshops.

Another milestone in the strategy process is the establishment of the ESG management team. This is made up of representatives from the management level of the IMMAC group and serves as a superordinate steering element in this strategy process. An intensive workshop was held in this decision-making team to develop the final ESG strategy that applies to the entire company. The recommendations of the ESG Committee were also taken into account.

In addition, the ESG management team is the overarching steering element in the implementation of the ESG strategy. Through the position of ESG Officer, which was also created in this

process, the management team is regularly the management team is regularly informed about the progress of the project.

At the end of 2021, the ESG strategy was written down published in the form of a brochure and communicated externally to our stakeholders.

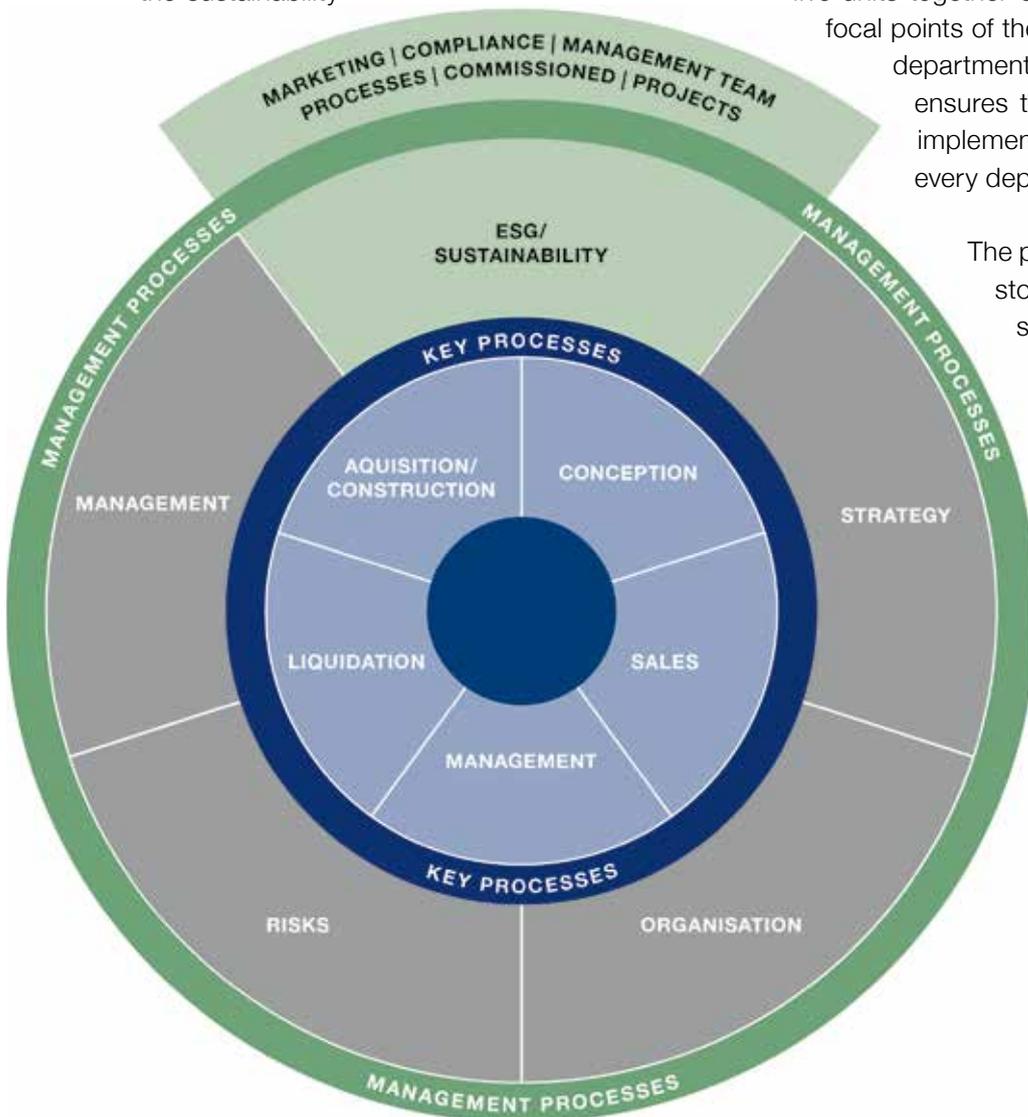
ESG organisational structure

Within the IMMAC group, ESG is a staff function of the Executive Board department “Executive Board IMMAC Market” and thus also part of the management processes within the company (cf. chart). In addition to the appointment of an ESG management team, an ESG officer was appointed for the entire IMMAC group. The officer is responsible for the coordination and implementation of the ESG strategy at the company. Other areas of responsibility include the development and maintenance of the sustainability

management system and the overarching ESG project control. In addition, the ESG Officer reports to the ESG management team and to the relevant project teams and interfaces and acts as a contact person for questions relating to ESG issues in the company.

In total, five project teams (“units”), were established to implement the measures set out in the ESG strategy: These are the Group, Construction, Acquisition, Portfolio and Fund Product units. All five units together cover all business areas and focal points of the IMMAC group, including all departments belonging to the units. This ensures that the ESG strategy, when implemented, reaches every unit and every department.

The projects are kept in a centrally stored register of ESG measures, which is accessible to all those responsible for the project. In each case, responsibilities, deadlines milestones and the current status of implementation are described and documented. In addition, specifications for uniform project implementation were set out and recorded in our company handbook.



Our successes

Group unit

The IMMAC group has been a training company in the past and will continue to provide training in the future. The topic of further training for our employees is also firmly anchored in our company. We regularly provide further training through internal training programmes and make use of external consultancy services for topics that we cannot cover internally. In addition, we provide our employees with individual training opportunities to expand their know-how in a targeted and specialised manner.

Like many other companies, our Company has been dealing with the topic of remote working, especially since the beginning of the Corona pandemic. Even after the pandemic, we would like to offer our employees a hybrid working model in the future. To this end, we have created concrete framework conditions which, on the one hand, provide orientation and, on the other, create uniform framework conditions for remote working. In this way, we have created a win-win situation by giving our employees a more self-determined working life, including greater personal comfort in terms of time and planning. At the same time, there is an improvement in efficiency and a reduction in costs (due to lower fluctuation, among other things) in the Group, which goes hand in hand with a strengthening of our employees' sense of responsibility. In addition, further targeted training measures in the area of digital issues lead to a reduction in business trips, which in turn leads to CO₂ emissions reduction.

We maintain an open donation and foundation culture and invest part of our company's revenues in social causes, including professional sailing and the promotion of young talent. In order to

support projects for children and young people who previously had no connection to sailing, the IMMAC Förderverein was established in 2010. Together with supporters, at least 20 Optimists are built every year in the Schleswiger Werkstätten, an inclusive workshop in Kappeln, which are then donated to youth projects. 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

Construction Unit

The technical innovation team and the development cooperation was founded in 2021 as part of the implementation of sustainable construction methods for the projects of the IMMAC group – in particular the subsidiaries IMMAC Sozialbau GmbH and IMMAC Wohnbau GmbH – and consists of representatives of the construction department, the research department and the management of the IMMAC group. The aim of this innovation team is to exchange information on new developments on the market. The focus is on sustainable construction, among other things.

Since 2021, IMMAC has been a partner of the PLANTMY-TREE® initiative. This is a reforestation programme for CO₂ capture. The focus is on areas for initial afforestation as well as forest conversion and forest protection on areas where the forests have been destroyed.

The regional focus of the afforestation areas is in Germany. Based on this partnership, the IMMAC group launched the "Plant for Beds" project in 2021. For each newly built nursing home bed and each newly built assisted living unit, we plant a tree and thus contribute to CO₂ capture and

climate protection. Since the start of the project, 289 trees have already been planted for our properties in Bückeberg, Mechernich and Lengede.

In cooperation with nursing specialists, we have also developed concept nursing homes that take into account living and well-being standards for residents and staff that go far beyond basic and standard care. The first buildings have already been completed, and more are in the planning stage.

Acquisition unit

We have been pursuing a sustainable approach to our fund product ever since the Group was established. With every acquisition object, the question is therefore always asked: Is the property suitable for a sustainable investment in terms of aspects such as longevity, security and market and location development? In addition to examining economic indicators, the research department within the IMMAC group assesses each acquisition project for the suitability of the location itself as well as the general market development and makes an acquisition recommendation after each assessment. In addition, the property is inspected as part of a technical due diligence. The acquisition unit is closely related to the Portfolio and Fund Product units. This is because the properties acquired through the acquisition are then transferred to the portfolio management and a fund product. The specifications regarding the transaction process and the parameters to be examined linked to it are determined by the fund product. The implementation of these transaction targets will be the focus in 2022.

Portfolio Unit

At the end of 2021, we joined the ESG Circle of Real Estate (ECORE). More than 100 companies in the finance and real estate sector are already part of this initiative launched by Bell Management. The aim of the initiative is to develop a scoring standard to make the sustainability of

real estate portfolios transparent, measurable and comparable and, in the next step, to enable CO₂ reduction in building portfolios and ESG-compliance in the real estate sector. In order to achieve the objectives, four expert committees were set up within the ECORE project organisation, which focus on the different types of building use. A specialist committee deals specifically with care and social real estate. With our membership in the ESG Circle of Real Estate, we contribute to creating comparable market values in order to reduce CO₂ emissions in our real estate portfolio.

Fund product unit

The priorities of the Fund Product unit result from close interaction with the Portfolio unit, the Construction unit and the legal requirements for financial products. e.g. the EU taxonomy and the requirements of BaFin. In 2021, statements on ESG and sustainability were made in our fund prospectuses. The transaction requirements for the acquisition unit with regard to the examination of ESG parameters in the course of due diligence were also included in the business planning. This formed the basis for the Acquisition Unit to integrate sustainability criteria into the acquisition process in 2022 and thereby take due diligence into account.

Outlook

We have also set ourselves ambitious objectives for 2022 and would like to take another step towards achieving our goals. As part of the Group unit, we are planning to purchase six company-owned bicycles for our employees, thus providing a healthy and CO₂-saving way of getting around in and around Hamburg. In addition, we will drive forward digitalisation across all units. Among other things, we would like to further expand digital document signing internally, but also with our partners.

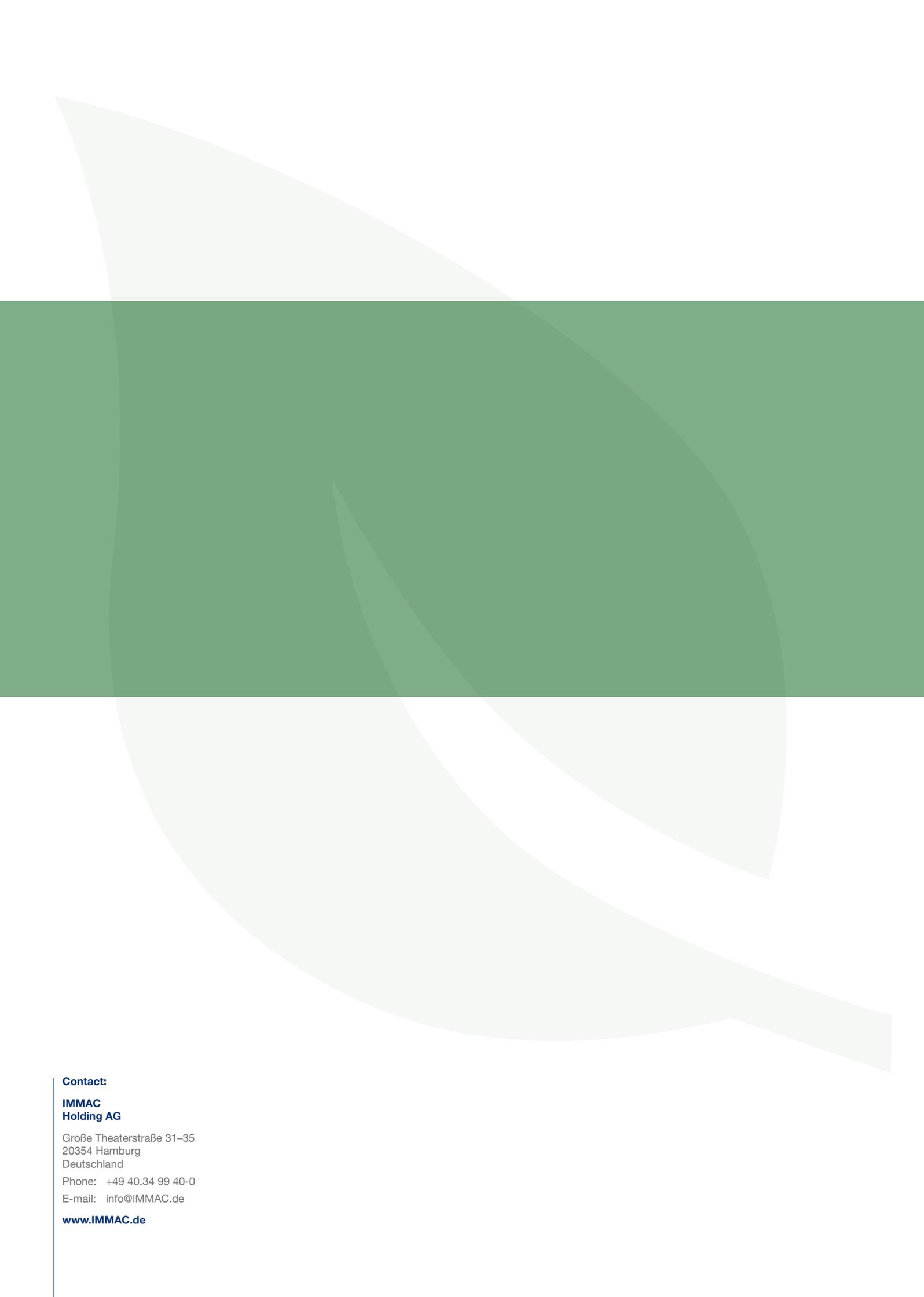
In the acquisition process, we will include the ESG criteria formulated by the Fund Product Unit in the due diligence both internally and together with our external partners and service providers.

In the construction industry, we are striving partnerships and development cooperation, in order to make our new construction projects even more sustainable. Our mission includes reducing energy consumption at the office locations we use and in the real estate we manage, while at the same time increasing energy efficiency.

Our long-term goal is to reduce the CO₂ emissions of our existing properties by 70 percent by 2040. To this end, we will first conduct a comprehensive inventory of our properties and create a broad database. In this context, close cooperation with ECORE will be sought, as described for the Portfolio Unit. In doing so, we would like to actively participate in the design and development of the scoring.

Overall, the topic of environment, social and governance (ESG) will continue to play a central role in the IMMAC group in the future and will be firmly anchored in our business strategy.





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