

SUSTAINABILITY REPORT

2022

Foreword



Dear Readers,

The year 2022 has once again shown that it is five minutes to midnight for the global climate clock: The summer has brought Europe – to name just one example – forest fires to an unprecedented extent. These events have once again highlighted the scale of climate change and the urgency of taking action and counter-measures against it. Global geopolitical tensions and the Russian war of aggression against Ukraine have in many respects shifted the focus on a social and political level, and climate rescue has thus been partly pushed into the background temporarily.

We at the IMMAC group also see our own responsibility and have therefore firmly anchored the topic of ESG in our management processes. The aspects of the environment, social affairs and corporate governance, which are hidden behind the English abbreviation ESG, play a central role for us. The measures we have imposed on ourselves in this regard are reflected in our ESG strategy. As an investor in the field of social and health care real estate, the topic of social issues has been anchored in our business model since our incorporation and is part of the corporate culture. We will continue to expand this – and despite, or rather because of, the current challenging market situation, we will not ease up on our efforts in the area of sustainability.

Information on our ESG strategy can also be found in our corporate presentations and on our websites, 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 2022 and provides an outlook on what we have planned for 2023. 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
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* See here: [IMMAC.com/sustainability](https://www.immac.com/sustainability)

ESG as a Foundation of the **Corporate Strategy** of the IMMAC group



IMMAC ESG Strategy: Milestones

The basic idea behind our ESG strategy is the consistent orientation of the IMMAC group in line with the 2030 Agenda's sustainability goals and the 17 goals set out therein, the so-called Sustainable Development Goals, or SDGs for short. Since their introduction by the UN in 2015, they have served as a guideline for creating a sustainable world and enjoy the highest international recognition.

ESG and sustainability issues are integrated into our management processes and thus have an impact across the entire company and on all

business processes. Our focus was on nine of the 17 SDGs: SDG 3 Good Health and Well-being, SDG 4 Quality Education, SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action and SDG 17 Partnerships for the Goals.



A further basis of the ESG strategy is formed by the principles that 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 the 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. This includes a continuous internal quality assurance and review as well as an ongoing improvement of the current processes. For this purpose, two new positions were created in 2022 that focus specifically on monitoring and improving our processes.

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.

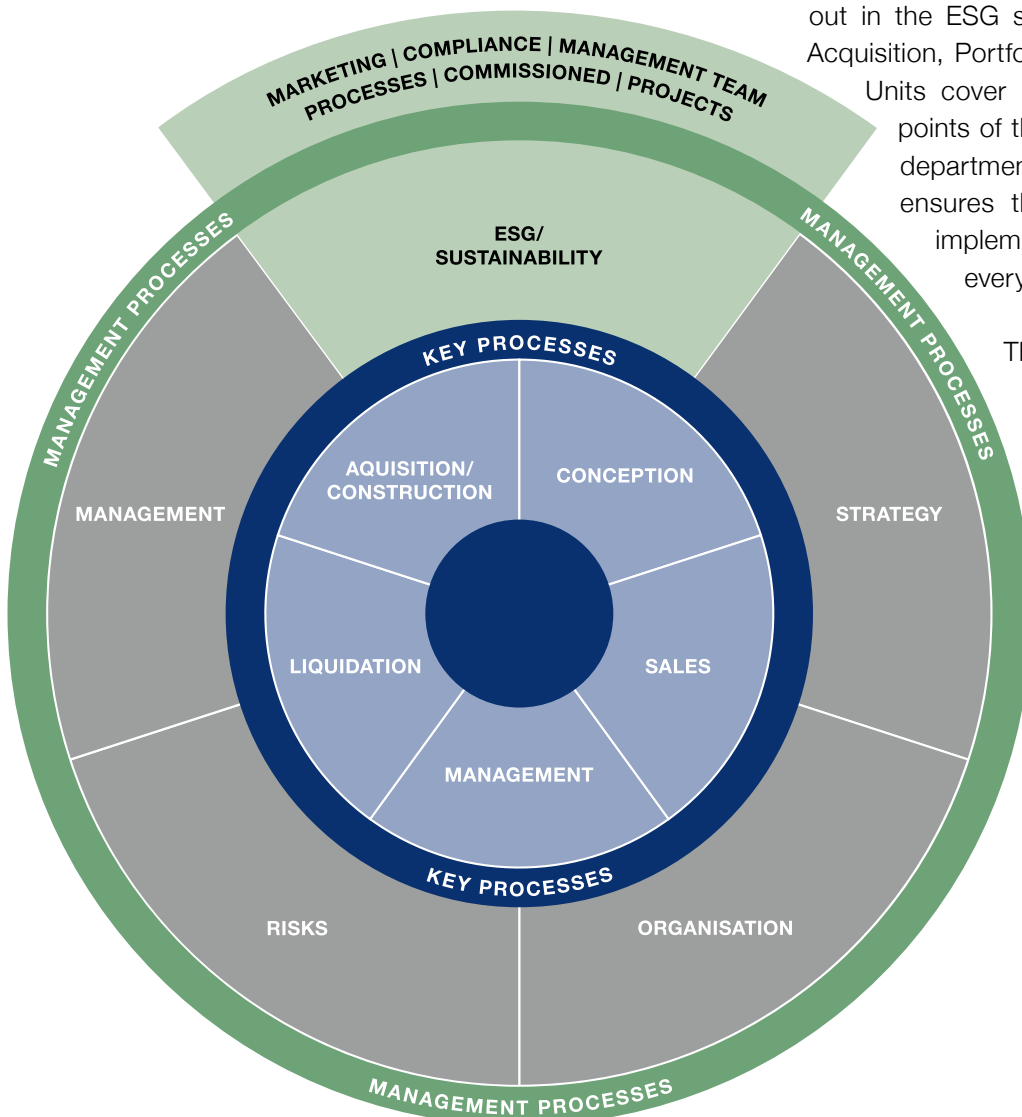
ESG as a Leadership Process

Within the IMMAC group, the ESG department is a higher-level staff function within the management processes (cf. chart). In addition to the appointment of an ESG management team, an ESG officer was appointed for the entire IMMAC group. Since then 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 as well as the overarching ESG project controlling and monitoring. In addition, the ESG officer reports to the ESG management team as well as 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: Group, Construction, Acquisition, Portfolio and Fund Product. All five Units 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 ESG measures are controlled by a central register that can be accessed and viewed by all persons responsible for this 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.



ESG as a Management Process within the IMMAC group

Our Successes and Challenges

Group Unit

Remote Work and Flex Office

Like many other companies, we have been significantly concerned with the issue of remote work, especially since the beginning of the Corona pandemic. In order to establish remote work permanently in the company, we have developed and implemented a hybrid working model with all employees of the IMMAC group and with external support. To this end, we have drafted specific guidelines 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 the course of this, we launched the pilot project "Flex-Office" in 2022. On a voluntary basis, a group of employees gave up their previously permanent office and switched to a so-called flex model. For this purpose, special workstations have been created that can be booked via a software, introduced specifically for this purpose. Also, a first set of high desks was also purchased as an incentive and in consideration of the health aspect.

A reduction in business trips was achieved at Group level through targeted training measures regarding digital skills. Comparing the years 2018/2019 to 2021/2022 (annual comparison before and after the Corona pandemic), we were able to halve the number of kilometres driven with our pool vehicles and thus save around 16.8 tonnes of CO₂¹.

Donation and Foundation Culture

We have always maintained an open donation and foundation culture and invested part of our company's revenues in social projects, including professional sailing and the related promotion of young talents. 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 and sponsors, at least 20 Optimists (Optimisten) are built every year in the Schleswiger Werkstätten, an inclusive workshop in Kappeln, which are then donated to youth projects. Thus, the sponsorship project has already brought together a total of more than 190 Optimists at about 70 clubs. 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.

¹ Based on CO₂ emissions of 167.6 grams per kilometre of a diesel passenger car, source: Federal Environmental Agency.

Education and Training

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

Assessment of the Status Quo

In order to achieve the targets regarding a new travel policy, the target “Status quo CO₂ Emissions” was added in 2022. In order to be able to implement specific measures and assess their impact, the Group unit decided to prioritise this goal in 2023. The goal of reducing CO₂ emissions from the vehicle fleet, which is to be implemented by 2026 (originally 2025), initially had to be put on hold. Due to the market situation and supply chain issues, it is currently not possible to assess whether the vehicle fleet can be completely converted to hybrid driving by the specified date. In addition, the suitable infrastructure in our leased office building in Hamburg is still missing.

IMMAC Bikes

To avoid inner-city car traffic and save CO₂, we have implemented the ESG target to provide six bicycles. Whether for business or pleasure, these bikes are available to all IMMAC group employees. With this project, we also participated in the “SDG Challenge” campaign organised by RENN.nord and UmweltPartnerschaft Hamburg and were honoured as one of the three winners. You can find more information on this at the following link: <https://hamburg.sdg-challenge.de>.

Office Culture

In addition to the implementation of a hybrid working model and the introduction of Flex Office on a voluntary basis, we have introduced the following innovations in our Hamburg office in 2022: we have removed all waste paper baskets at the desks in our offices and replaced them with central waste bins with recycling.

We have also reorganised our range of beverages in 2022 and offer our employees “Viva con Agua” brand water. The company pursues charitable projects with a view to providing access to clean drinking water, hygiene facilities and basic sanitation for all people.

Green IT

Since there is a lot of potential for energy savings at the technical level, the topic of green IT was included as part of the IT strategy of the IMMAC group. Content that overlaps in the areas of IT and ESG is listed here and separate measures are being developed. These will be steadily implemented in the future according to their priority.

Construction Unit

Plant for Beds

Since 2021, IMMAC has been a partner of the PLANT MY-TREE® initiative. This is a reforestation programme for CO₂ capture. The focus is on areas for initial reforestation as well as forest conversion and forest protection on areas where the forests have been destroyed. The regional focus of the reforestation areas is Germany. Based on this partnership, the IMMAC group launched the “Plant for Beds” project: 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, 388 trees have already been planted for our properties in Bückeberg, Mechernich, Lengede and Cismar.

In November 2022, we also participated with a group of employees in the reforestation campaign organised by PLANT-MY-TREE®. On an area near Itzehoe, 6,500 oak seedlings were planted in one day. By participating in this campaign, we have made an active contribution to the reforestation of forest areas. Further tree planting campaigns are planned for 2023.

Concept Care Homes

In cooperation with care specialists, we have developed concept care 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 in Mechernich and Cismar, and others are in the planning stage.

Sustainable Construction

The development of a comprehensive guide on the topic of “sustainable construction” was also planned for 2022. Due to the unforeseen and challenging market situation and the discontinuation of the federal KfW funding programme, we had to reschedule our priorities

at short notice and were unable to complete the guide. However, we still have our sights set on the target, which is scheduled for 2023.

Acquisition Unit

Acquisition Process

We have been pursuing a sustainable approach to our to our fund product 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 linked 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 for the transaction process and the parameters to be checked are determined by the fund product.

In the past year, we have therefore increasingly included the examination of ESG criteria as part of the acquisition process. In the course of the internal approval process of proposed acquisitions, the ESG topic is listed and discussed in a separate section. In 2023, the topic of ESG and sustainability will be further promoted both internally and together with our external partners as part of the due diligence processes, and an ESG DD will be established at the technical and market level.

Portfolio Unit

Assessment of the Status Quo

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 technical 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. We subjected the specially developed ECORE tool for data collection to initial test runs in 2022. The new tasks for the Portfolio Unit resulting from the related issues were also included in the ESG strategy.

The overarching goal of the Portfolio Unit is first of all a comprehensive status quo survey in order to reduce CO₂ emissions by 70 per cent by 2040 with targeted measures. To this end, we have carried out an intensive evaluation of existing service providers on the market in 2022, in order to proceed to commissioning on this basis in 2023. For the implementation of this goal, we need support from experts being experienced in this field.

Austria

The two Austrian care facilities in Köflach and Tillmitsch were awarded the klimaaktiv Bronze certificate by the Austrian Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology. Both buildings meet

the basic criteria according to the klimaaktiv building standard and thus the Austrian quality mark for sustainable residential and service buildings.

Fund Product Unit

Regulatory

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 (German Federal Financial Supervisory Authority). In 2021, statements on ESG and sustainability were made in our fund prospectuses already. 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 created the basis for the Acquisition Unit to take sustainability criteria into account in the acquisition process and thus in the due diligence process from 2022 onwards.

The handling of sustainability risks as well as sustainability factors in investment processes in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector) has been published on the website of HKA Hanseatische Kapitalverwaltung GmbH, a wholly owned subsidiary of IMMAC Holding AG. Not only at the regulatory level, but also as part of our ESG strategy, we are committed to communicating transparently and openly to all stakeholders.

Outlook

We have also set ourselves ambitious objectives for 2023 and would like to get closer to achieving our goals. Despite the current challenging global market situation, the issue of sustainability will not be pushed into the background of our business processes and will continue to be implemented with high priority. Within the Group Unit and across all Units, we plan to continue to drive digitalisation forward by constantly optimising processes and procedures both internally and externally. Among other things, we would like to further expand digital document signing internally, but also with our partners. We are also looking into signing the UN Principles for Responsible Investment (UN PRI), an investor initiative founded in 2006 in partnership with the UN.

Sustainability reporting is also under review and is to be drawn up on the basis of a reporting standard, which will further professionalise the entire ESG reporting. In the course of this, the existing reporting standards will be evaluated and it will be examined how these can be implemented in a practical way in our context. A comprehensive status quo analysis of the CO₂ emissions of our internal processes will form the basis for the implementation of further measures and their prioritisation.

In the acquisition process, we will continue to promote the ESG criteria formulated by the Fund Product Unit in the course of the due diligence process, both internally and together with our external partners, and establish ESG due diligence at the technical and market level.

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 the construction of more concept care homes that create a positive impact on all three levels of environment, social and governance.

Our long-term goal is to reduce the CO₂ emissions of our existing properties by 70 percent by 2040. Firstly, we will carry out a comprehensive inventory of our properties and build up a broad and deep database. In this context, we strive to work in partnership with external service providers who have experience and expertise in this field. We are also pursuing active participation in the ECORE initiative in 2023.



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