

Non-financial report

Since the financial year 2017, S IMMO has published a non-financial report each year. It contains information about environmental, employee and social issues (including a diversity concept) in connection with the key issues defined by S IMMO as well as about observing human rights and combating corruption and bribery. When preparing this report, S IMMO implements the legal requirements of section 267a of the Austria Commercial Code (UGB). A national, EU-based or international framework is not used in the preparation of the report.

Environmental policy

As a property developer and portfolio manager, S IMMO is constantly faced with environmental and energy considerations. Sustainability and responsible interaction with the environment have therefore been part of S IMMO AG's operating and strategic activities for many years. Environmental aspects are taken into account in economic decisions. S IMMO is aware of its responsibility towards the environment. Its primary goal is therefore to use energy and resources in an efficient and environmentally friendly manner.

Portfolio properties make up the majority of S IMMO's real estate holdings. The construction of new buildings results in a reduction in green space and an increase in carbon emissions. Through sustainable construction, the environmental impact and emissions are reduced as far as possible in order to preserve a liveable environment for future generations. This chiefly involves seeking green building certification for new construction projects. In the medium term, the energy footprint is to be improved both at the company's locations and in its properties (to the extent this is independent of the tenants), and the transition to renewable energy is to be stepped up. Renewable energy is already a vital source of electricity in all three of the company's regions.

S IMMO pledges to comply with all laws and official requirements when it comes to environmental considerations. S IMMO employees' awareness of environmental issues and climate change is raised via the ongoing provision of information as well as tangible measures. Tenants and business partners are also included in environmental activities when this is within the company's power.

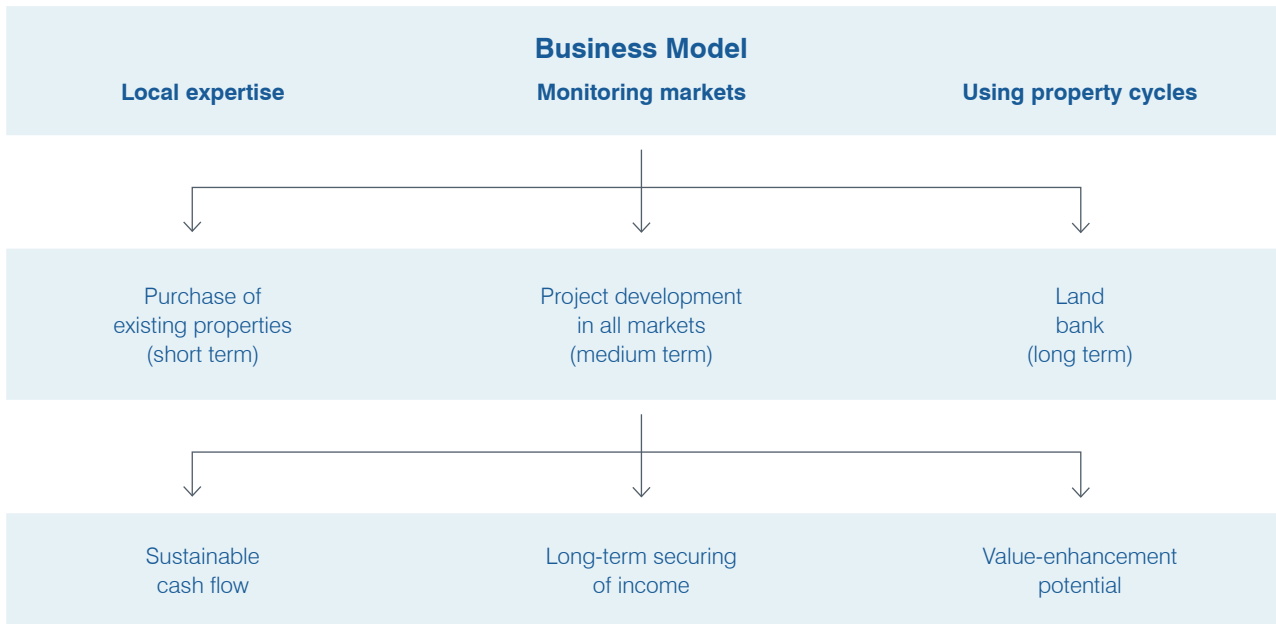
Business model

S IMMO AG has been pursuing a sustainable and prudent business policy for more than three decades with the aim of constantly improving its results. The company applies a business model that has proven itself over years, anticipating property cycles and benefiting from them. To this end, the company's local experts continuously monitor the markets where S IMMO operates and associated trends in the property sector. Among other things, they evaluate at what time it makes economic sense to buy or sell existing properties and land or project developments.

With its business policy, S IMMO always aims to generate added value for its investors and sustainably secure the company's income. The company invests in existing properties that generate rental income directly. It also develops projects that will contribute to cash flow in the medium term, once they are complete. The acquisition of land in up-and-coming regions with exciting projects is intended to contribute to the company's long-term success.

In this context, S IMMO's strategic direction is strongly guided by the interests of its stakeholders. The impact of the company's business activities on environmental, employee and social considerations, the observance of human rights and the efforts to combat corruption and bribery have been and will continue to be taken into account on a consistent basis.

Without people, even the best property is just lifeless bricks or concrete. That is why people are at the core of S IMMO's activities. With its properties, S IMMO satisfies people's basic need for living and working space. In this way, the company plays a very important role in the lives of many people and thus actively fulfils its economic, environmental and social responsibility. The satisfaction of tenants and employees as well as respectful interaction with one another are particularly important to the company.



Materiality analysis

The non-financial report is based on a materiality analysis, which analyses potential areas of sustainable management in connection with the Austrian Sustainability and Diversity Act (NaDiVeG). Next, the possible impacts of the topics selected were examined in the course of a recorded workshop involving in-house and external experts. The effects on people and on the environment (x-axis) were analysed as well as their significance for key stakeholders such as shareholders, tenants or employees (y-axis). In 2017, the materiality analysis was carried out for the first time as part of a recorded workshop in which employees of S IMMO AG held comprehensive discussions with an external team of consultants and made estimates. The assumptions and estimates are re-evaluated and validated once a year. For the 2019 reporting year, minor adjustments were made in consultation with in-house experts from the various departments, some of which are briefly described below:

The 'health and occupational safety' and 'work-life balance' aspects were merged into one. A balance between work and free time is a significant factor for the health of all employees and should therefore not be presented separately from other health-care and occupational safety measures.

'Diversity and equal opportunities' have increased in importance, both for S IMMO's stakeholders and with regard to the impact on people and the environment. S IMMO is clearly committed to diversity and equal opportunities regardless of age, gender, skin colour, religion, etc.

The 'energy efficiency in planning and construction' aspect has been augmented to include 'operations' and repositioned. It replaces the previously separate 'energy efficiency in operations' topic. Ensuring sustainable energy efficiency begins in planning and construction and is then inextricably linked with the sale and operation of a property. Both energy efficiency and the aspect of 'sustainable mobility' have clearly gained in significance in recent years and are now hot topics thanks not least to movements such as 'Fridays for Future'. This trend has also been accounted for in the materiality analysis. In connection with this, 'renewable energy' has been moved further to the left with regard to its impact on people and the environment. S IMMO is trying to further reduce its energy consumption through the increasing use of renewable energy sources – especially in Austria and Germany.

The 'data protection and security' factor became even more important when the General Data Protection Regulation (GDPR) came into force in May 2018. S IMMO is clearly committed to the careful and legal use of all data that it obtains during the course of its activities. The GDPR has increasingly raised stakeholders' awareness, and the impact on people and the environment has grown as a result of the enshrinement in law.

Certain aspects such as 'open space design and district climate', 'species protection and contaminated sites', 'ecological cleaning and maintenance', etc., have gained in sociopolitical importance due to increasing environmental and climate awareness in Austria, but are currently less significant for S IMMO. This is due firstly to the fact that most of the S IMMO portfolio comprises existing buildings. Secondly, extensive project developments have been successfully completed in recent months.

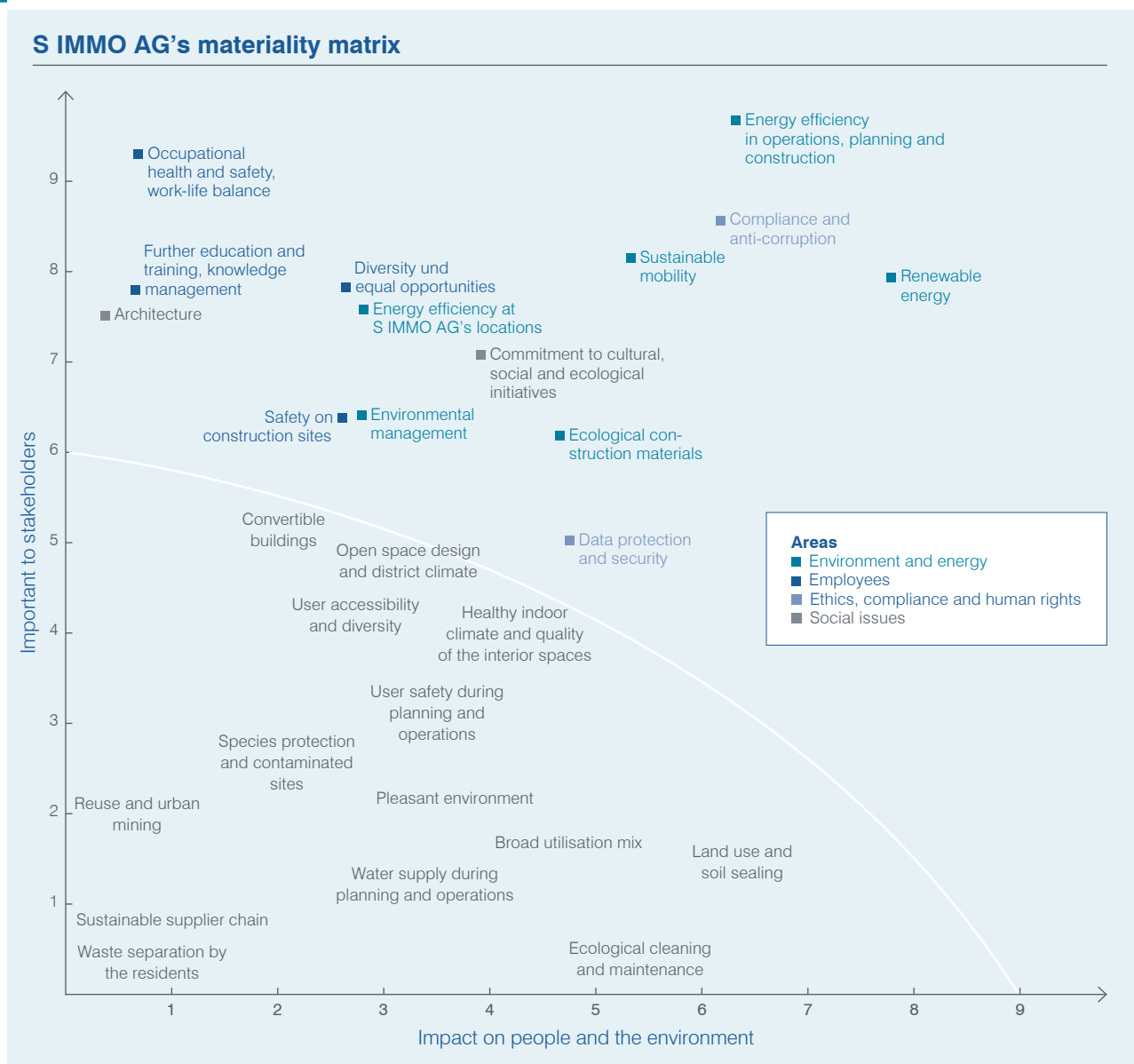
No major construction or development activities are planned for 2020. As soon as S IMMO becomes more involved in project development again, it will of course address all these topics with the utmost care and conscientiousness.

In addition, the discussion resulted in a number of minor shifts within the materiality matrix for certain aspects. For example, 'further education and training, knowledge management' was repositioned, as the impact on people and the environment was seen to be lower. 'Energy efficiency during planning and operations' was renamed 'energy efficiency in operations, planning and construction'.

Even after these minor adjustments, the topics relevant for S IMMO can be assigned to the following four areas:

- Environment and energy
- Employees
- Ethics, compliance and human rights
- Social responsibility

The main topics for S IMMO AG are thus those 14 aspects that have the greatest impact and/or are the most important to stakeholders and are of the most significance for S IMMO's business activities. Those topics are presented in the following matrix:



In this non-financial report, S IMMO AG details its activities and the measures adopted in relation to the topics defined as key issues:

Issue	Topic	Description	Considerations under the NaDiVeG
Environment and energy	Energy efficiency in planning, construction and operations	Energy efficiency of buildings (heating, cooling and electricity consumption), for example, through the thermal quality of the building envelopes, energy-efficient building services, energy-efficient devices, energy-efficient operation of buildings and energy-efficient conduct of users, etc.	Environmental considerations
	Renewable energy	Consideration in connection with energy concepts and the purchase of land, retrofitting capacity to accommodate renewable energy sources	Environmental considerations
	Ecological construction materials	For example, those made of renewable materials, manufactured in an environmentally friendly manner, regionally sourced, free from pollutants, having a multifunctional purpose and recyclable	Environmental considerations
	Sustainable mobility	Connection to public transport networks, footpath and cycle path networks, provision of infrastructure for bicycles, e-mobility, car and bike sharing options, incentive to use environmentally friendly means of transport	Environmental considerations
	Environmental management	Noise and dust prevention, exclusion of contaminated sites, effective waste management, safe handling of chemicals, short transportation distances	Environmental considerations
	Energy efficiency at S IMMO AG's locations	Conservation of resources within the company's facilities (heating, electricity, water, waste avoidance), sustainable mobility during the employees' commute	Environmental considerations
Employees	Occupational health and safety, work-life balance	Health and motivation of the team are strengthened, different working patterns and flexible time management are offered	Employee considerations
	Safety in construction	Protection from accidents for all persons involved in the construction	Employee considerations
	Diversity and equal opportunities	Heterogeneous team structure in relation to employment, age, gender, background, etc.	Employee considerations
	Further education and training, knowledge management	Sharing information within the company, promoting further education, professional execution of training measures	Employee considerations
Ethics, compliance and human rights	Combating corruption, capital market compliance and corporate governance, human rights	Properly managed contract award processes, sound working relationships with contractors, observance of legal requirements (employment law, competition law, data protection, etc.), observance of human rights	Combating corruption and bribery, observing human rights
	Data protection and security	Oberservance of legal requirements	Social issues
Social issues	Architecture	Attractive design, incorporation into the cityscape	Social issues
	Commitment to cultural, social and ecological initiatives	Long-standing cooperation with a variety of institutions, associations and organisations	Social issues, environmental considerations

Potential risks that arise as a result of S IMMO's business activities and could thus have a negative impact on the aforementioned interests are incorporated into the Group's risk management processes, which are the responsibility of the Management Board.

Accordingly, in the run-up to producing this non-financial report, risks arising from social and ecological aspects were also systematically identified and assessed. The identified risks are described on page 58 in the separate risk report within the management report.

1. Environment and energy

As a property developer and portfolio manager, S IMMO is constantly faced with environmental and energy considerations and, at the same time, strives to act with the greatest possible care and sustainability in all areas. As of 31 December 2019, S IMMO Group had 331 (31 December 2018: 284) properties with a total area of approximately 1.2 million m² (31 December 2018: 1.2 million m²). Based on main types of use, 71.0% (31 December 2018: 70.7%) of the portfolio consisted of commercial properties (office, retail and hotel) and an additional 29.0% (31 December 2018: 29.3%) of residential properties. Two hotels – the Vienna Marriott and Budapest Marriott hotels – are operated under management agreements.

Energy efficiency in planning, construction and operations

Energy consumption (heating demand and electricity consumption) and water usage in the buildings managed by S IMMO is highly dependent on tenant conduct and is therefore largely outside the company's control. However, S IMMO can influence the energy consumption of its buildings to a certain degree by means of construction measures. Accordingly, as a matter of principle, S IMMO applies the highest standards in development projects, when renovating portfolio properties in terms of their energy consumption and construction, and when managing its portfolio. In this way, the company takes due account of

the energy efficiency of the buildings, including during their operation, and endeavours to use resources in an environmentally friendly manner. As a result, operating costs and emissions are reduced and a significant contribution is made to protecting the environment.

To get a better overview of the consumption at S IMMO's properties, the company collects and analyses data on heating demand, electricity consumption and water usage for the entire portfolio, broken down by region and main types of use.

The consumption and usage data of buildings which have been owned by S IMMO for at least one full calendar year form the basis of the portfolio monitoring. Properties purchased intra-year, properties sold in the reporting year and properties under construction therefore do not appear in the following statements on key indicators. If the complete accounting for the calendar year 2019 for selected properties was not yet available, partial data were used to project full-year figures.

It is a challenge to collect qualitatively uniform data, as the data is collected in different countries from different service providers. S IMMO is working to increase the quality of data and to create a valid assessment basis. Nevertheless, the company sees potential for further optimisation in this area in the coming years.

Overview of energy and water consumption for the entire portfolio by types of use in 2019

	Portfolio by main types of use			
	Office	Retail	Hotel	Residential
Heating demand in MWh ¹	34,553 (49.8% gas, 1.1% oil, 49.1% district heating)	11,047 (63.8% gas, 1.3% oil, 34.8% district heating)	14,757 (81.9% gas, 0.1% oil, 18.0% district heating)	33,955 (65.4% gas, 4.2% oil, 30.4% district heating)
Electricity in MWh	10,108 ²	12,061 ²	11,162 ³	957 ²
Water in m ³	204,347	134,511	184,648	265,683

¹ The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.

² Electricity consumption, excluding electricity consumed by tenants

³ The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

Overview of energy and water consumption for the entire portfolio by types of use in 2018

	Portfolio by main types of use			
	Office	Retail	Hotel	Residential
Heating demand in MWh ¹	32,090 (50.9% gas, 1.0% oil, 48.1% district heating)	12,601 (70.9% gas, 0.3% oil, 28.7% district heating)	15,421 (81.2% gas, 0.1% oil, 18.7% district heating)	29,751 (61.4% gas, 3.0% oil, 35.6% district heating)
Electricity in MWh	8,425 ²	11,762 ²	11,746 ³	691 ²
Water in m ³	182,863	155,518	184,616	247,793

¹ The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.

² Electricity consumption, excluding electricity consumed by tenants

³ The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

Overview of energy and water consumption for the entire portfolio by region in 2019^{1, 2, 3}

	Region		
	Austria	Germany	CEE
Heating demand in MWh	11,601 (10.2% gas, 89.8% district heating)	54,680 (54.6% gas, 3.6% oil, 41.8% district heating)	28,032 (98.1% gas, 1.9% district heating)
Electricity in MWh	9,818	2,717	21,753
Water in m ³	109,013	380,882	299,294

¹ The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.

² Electricity consumption, excluding electricity consumed by tenants

³ The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

In Germany, energy and water consumption rose in 2019 due to the acquisitions.

Overview of energy and water consumption for the entire portfolio by region in 2018^{1, 2, 3}

	Region		
	Austria	Germany	CEE
Heating demand in MWh	12,226 (10.0% gas, 90.0% district heating)	46,498 (52.0% gas, 2.7% oil, 45.3% district heating)	31,138 (98.5% gas, 1.5% district heating)
Electricity in MWh	10,013	1,919	20,692
Water in m ³	111,470	349,722	309,599

¹ The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.

² Electricity consumption, excluding electricity consumed by tenants

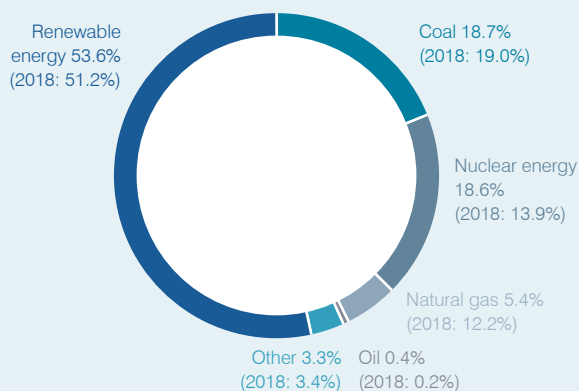
³ The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

In order to establish a transparent energy footprint for its portfolio properties, S IMMO records the energy sources used for its entire portfolio. In the tenants' interest, S IMMO selects energy

suppliers for communal areas in accordance with the cost/benefit principle.



Overview of the energy sources used by S IMMO AG in 2019



In 2019, the energy sources in S IMMO's portfolio comprised among others 53.6% (2018: 51.2%) of renewable forms of energy, followed by 18.7% (2018: 19.0%) of coal and 18.6% (2018: 13.9%) of nuclear energy. Compared to the previous year, the use of renewable energy increased.

The top three energy sources per region in 2019

	Region		
	Austria	Germany	CEE
1	Renewable energy (99.9%)	Renewable energy (91.0%)	Nuclear energy (29.1%)
2		Coal (5.1%)	Coal (28.8%)
3		Natural gas (2.1%)	Renewable energy (28.1%)

The top three energy sources per region in 2018

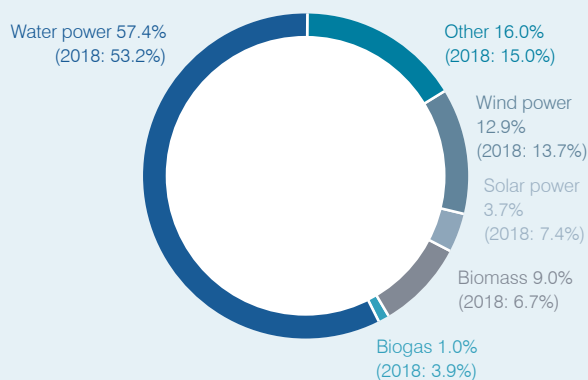
	Region		
	Austria	Germany	CEE
1	Renewable energy (76.8%)	Renewable energy (93.0%)	Renewable energy (34.9%)
2	Natural gas (17.2%)	Coal (4.0%)	Coal (26.7%)
3	Coal (6.0%)	Natural gas (1.5%)	Nuclear energy (21.9%)

Renewable energy

Based on S IMMO's entire portfolio, hydroelectric power accounted for the largest proportion of renewable forms of energy at 57.4% (2018: 53.2%) in 2019, followed by wind power at 12.9% (2018: 13.7%) and other renewable energy sources at 16.0% (2018: 15.0%). Since energy suppliers in Germany are not required to indicate the composition of renewable energy, it has been assigned to the category 'Other'.



Composition of renewable energy sources in 2019



It is S IMMO AG's medium-term aim to improve its energy footprint over the next few years by increasing the share of renewable forms of energy and reducing carbon emissions. However, since the expenses for the energy consumption in communal areas is allocated to all tenants (as part of operating costs), cost and competitive factors must also be taken into account.

Carbon emissions in S IMMO's entire portfolio in 2019 (in tonnes)¹

	Region		
	Austria	Germany	CEE
Heating demand	2,226	10,870	5,602
Electricity	209	335	9,392

¹ The conversion of energy sources into carbon emissions is based on the conversion factors provided by the Environment Agency Austria (<http://www5.umweltbundesamt.at/emas/co2mon/co2mon.html> dated October 2017) and country-specific data from ecoinvent version 3.4. dated February 2018, scope 2 & 3.

Carbon emissions in S IMMO's entire portfolio in 2018 (in tonnes)¹

	Region		
	Austria	Germany	CEE
Heating demand	2,346	9,199	6,223
Electricity	1,436	207	8,840

¹ The conversion of energy sources into carbon emissions is based on the conversion factors provided by the Environment Agency Austria (<http://www5.umweltbundesamt.at/emas/co2mon/co2mon.html> dated October 2017) and country-specific data from ecoinvent version 3.4. dated February 2018, scope 2 & 3.

S IMMO has made a clear commitment to climate protection and, as part of its sustainability commitment, is focused on energy efficiency and the use of state-of-the-art technologies. Both in terms of its existing properties and for new project developments, the company always strives to find the best solution to keeping energy consumption, and thus also the operating costs for its tenants, as low as possible. For example, in the case of new projects, efforts are made to obtain green building certificates attesting to sustainability, and thermal optimisations are both considered and, depending on the prevailing market situation, implemented as far as possible (see section 'Ecological construction materials').

The data collected, which form the basis of this report, are intended to serve as the basis for monitoring the success of S IMMO's efforts in the future.

Ecological construction materials

Portfolio properties make up the majority of S IMMO's real estate holdings. In order to meet the growing demand for sustainable construction, the Group launched the gradual certification of its existing properties in 2014. As of 31 December 2019, the area certified under BREEAM stood at 272,741 m² (2018: 201,500 m²) or 22.2% (2018: 17.81%) of the total area in the portfolio (not including development projects or potential projects).

The offices completed in 2019 – the Einsteinova Business Center in Bratislava and The Mark in Bucharest – have excellent ecological data. S IMMO received a BREEAM sustainability certificate with an 'excellent' rating for both buildings. BREEAM stands for Building Research Establishment Environmental Assessment Method and has been the leading worldwide certification system for sustainable construction since 1990. So far more than 250,000 buildings worldwide have already been certified by BREEAM and more than one million registered for certification.

Sustainability has always been a priority at every stage of development for The Mark in Bucharest. This is shown by the efficient, flexible interior design offering a range of different workspaces as well as by numerous highly efficient low-energy installations which, in conjunction with a climate-sensitive façade and an innovative shading system, contribute to reducing the building's energy consumption significantly.

The Einsteinova Business Center in Bratislava has an automatic external shading system, a smart lighting system and an open green space on the third floor. In addition, during the planning for the building, provision was made for charging stations for electric cars, bicycle stands and showers to allow employees to travel to the offices in an environmentally friendly manner. Geothermal energy is used in the building. A ventilation system with humidity control and windows that can be opened contribute to ensuring a particularly pleasant indoor climate.

There is also a clear commitment on S IMMO's part regarding ecological construction materials: The company strives for the highest standards in all new development projects and thus to obtain the accompanying certification; it also examines the need for optimisations in the case of ongoing renovations.

Sustainable mobility

S IMMO AG's properties are located in Austria, Germany and the CEE region and, for the most part, are in the capital cities of the European Union. The vast majority of the buildings are therefore easily accessible on account of the well-developed local public transport networks, cycle paths and footpaths. In addition, car-sharing schemes are in operation in an increasing number of cities. Location and the ease of accessibility by public transport are key factors when making decisions in connection with development projects and the purchase of properties.

For example, the office project The Mark is located in Bucharest's central business district and can be easily accessed by public transport. An underground station and several tram stops are just a few minutes away. The Sun Plaza shopping centre is located in the south of Bucharest. In addition to direct access to an underground train, a unique feature that is not offered anywhere else in Romania, the shopping centre has excellent connections to numerous forms of other public transport. The completed Einsteinova Business Center in Bratislava is connected to the old town by a bridge carrying pedestrians and trams. Bus stops located five minutes away by foot and a tram connection offer good accessibility by public transport.

In the interests of sustainable performance and the satisfaction of its tenants, S IMMO will also attach great importance to location, favourable infrastructure and convenient transport connections when selecting properties and land in future. In this way, the company is demonstrating its readiness to respond to the ever-growing demands of its tenants for sustainable mobility options (such as public transport, bicycle parking, e-charging stations, etc.).

Environmental management

When renovating and developing buildings, S IMMO makes sure to keep noise and dust pollution to a minimum. In addition, effective waste management, the secure handling of chemicals and short transportation distances are key priorities. Efforts are made to exclude contaminated sites by performing thorough location analyses. Where necessary, professional disposal of waste or treatment of contaminated sites is agreed by means of framework construction contracts. Strict compliance with official regulations is guaranteed in all cases.

Energy efficiency at S IMMO AG's locations

In addition to its registered office in Vienna, S IMMO Group has its own employees in Germany, Hungary, Croatia and Romania. The German-based property management company Maior Domus is part of the Group. Employees at all of S IMMO Group's locations are encouraged to incorporate energy efficiency (e.g. reduction of water, energy and paper use) into their day-to-day work. Given the small number of employees, the branches in Hungary, Croatia and Romania do not have a significant impact on the Group's overall consumption. Thus, data in this category is only collected for the locations in Austria and Germany.

Energy and water consumption at S IMMO's locations in 2019¹

	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	28,700 kWh	63,101 kWh	99,598 kWh
Electricity	38,582 kWh	19,978 kWh	35,172 kWh
Water	339 m ³	181 m ³	287 m ³

¹ Where information is specific to a location, branches with a team of less than 15 employees are not taken into account.

Energy and water consumption at S IMMO's locations in 2018¹

	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	34,800 kWh	44,478 kWh	71,688 kWh
Electricity	39,209 kWh	18,669 kWh	35,151 kWh
Water	258.7 m ³	129.50 m ³	212.1 m ³

¹ Where information is specific to a location, branches with a team of less than 15 employees are not taken into account.

Carbon emissions at S IMMO's locations in 2019

carbon emissions in tonnes	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	5.5	12.1	19.0
Electricity	0.6	2.5	4.3

Carbon emissions at S IMMO's locations in 2018

carbon emissions in tonnes	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	6.6	8.5	13.7
Electricity	0.8	2.0	3.8

Other measures to reduce environmental pollution

Headquarters in Vienna

In the past few years, numerous measures have been adopted to minimise environmental impact. One particular concern was to reduce the company's use of paper. To that end, the company has decided, amongst other things, to cease printing all four reports that are published each year and, from now on, to print just the annual and half-year reports using a carbon-neutral process starting in the financial year 2018 and FSC mix paper or PEFC-certified paper for printing. The FSC system guarantees that forests are used in line with the social, economic and ecological requirements of current and future generations. The PEFC (Programme for the Endorsement of Forest Certification Schemes) label identifies paper from forests that have been managed actively, sustainably and in a climate-friendly manner.

Furthermore, the S IMMO team is instructed to keep the printing of documents to a minimum – 'think before you print'. Last year, around 231,675 (2018: 233,016) pages were printed. This equates to a yearly paper consumption per person of 5,357 (2018: 5,470) pages. Documents are generally printed on environmentally friendly FSC recycled paper entirely manufactured from waste paper. In addition, employees are asked to avoid printing documents in colour. In February 2020, S IMMO also replaced its printers with new HP PageWide Technology business printers. The new devices consume up to 84% less energy, because there is no fuser that has to be heated up before print-

ing. Compared with other laser printers of the same class, business printers with HP PageWide Technology have fewer moving parts that will need to be replaced during their lifetime. The XL cartridges allow many more pages to be printed, so the waste generated is lower. This will reduce the waste from consumables and packaging by 94% in total. Old toner cartridges are currently collected and returned for charitable purposes. This is part of a recycling project for the benefit of the children's cancer charity 'Kinder-Krebs-Hilfe'.

Rubbish has been separated at S IMMO AG's headquarters for years. When supplying mineral water in office spaces, the company also ensures that recyclable glass bottles (return and refill system) are used. Furthermore, plastic caps from bottles and tetra packs are collected for the association SPD-EDINOST Bleiburg (www.stoepsel-sammeln.at). These caps are sold to a recycling company in Slovenia, which uses them to make granulate for the production of plastic parts. The proceeds are donated to families with children who need surgeries and therapies.

In the past year, the S IMMO team travelled some 684,000 km (2018: 882,890 km) by train, plane and car in Austria and Germany. In the coming years, S IMMO will continue to endeavour – depending on current projects – to increase the usage of sustainable transport means and to keep travel activity to a minimum by using new forms of communication technology.

Kilometres travelled in 2019 (Austria)

Location/figure in km	Pool of company vehicles/rental vehicles ¹	Train	Plane	Private cars ¹	Total
S IMMO AG in Vienna	3,995	40,924	464,000	8,109	517,028

¹ Based on travel expense settlements

Kilometres travelled in 2018 (Austria)

Location/figure in km	Pool of company vehicles/rental vehicles ¹	Train	Plane	Private cars ¹	Total
S IMMO AG in Vienna	5,909	42,115	501,337	13,469	562,830

¹ Based on travel expense settlements

At the Group's headquarters in Vienna, most of the kilometres travelled in 2019 were travelled by plane. This is the result of the company's international business activities. According to atmosfair, a climate protection organisation that focuses on travel, 15.5% of the 464,000 kilometres flown were short-haul flights (less than 500 km), 81.5% were medium-haul flights (between 500 and 1,600 km) and 3% were long-haul flights (more than 1,600 km). In total, the 465 flights caused carbon emissions of 50.9 tonnes (calculated using the VDR method). Because of a local development project, Bucharest was the main destination with 242 flights, emitting 19.8 tonnes of CO₂. The company's travel policy requires employees to travel economy class, with the exception of transatlantic flights. 92.9% of all S IMMO flights last year were economy flights. According to atmosfair, flights in economy have a better CO₂ footprint than flights in business class.

Locations in Germany

Employees at the locations in Germany are also instructed to save paper and to reduce the number of documents printed to the necessary minimum. In the past year, 4,321 (2018: 5,253) pages were printed in Germany per S IMMO Germany employee and 6,960 (2018: 7,545) pages per Major Domus employee.

The composition of the kilometres travelled differs significantly in Germany from the data in Austria. This is due to the fact that portfolio and development properties in the CEE region are managed from the Vienna location, making the plane the primary means of transport. In Germany, most of the portfolio is located in the immediate vicinity of Berlin and can therefore be reached by the local team by public transport or car. Car pools were set up and rail cards for the German rail networks were purchased in order to reduce the number of kilometres travelled by car. In addition, a number of office bicycles have been purchased to be used to travel short distances for work and showers were provided on site, making it easier for bicycles to be used in daily working life. The pool of company vehicles largely comprises fuel-efficient Smart cars. In addition, an electric vehicle was purchased in Germany at the start of the year. Employees are also encouraged to use car-sharing services. Moreover, a large kitchen was renovated and set up for preparing meals and holding team events at S IMMO Germany. The kitchen is connected to an outside terrace where employees can have lunch or take short breaks. All the measures taken and planned are appreciated and very positively received by the team.

As in Vienna, mineral water bottles that are part of return and refill systems are also used in Germany.

Kilometres travelled in 2019 (Germany)

Location/figure in km	Pool of company vehicles/rental vehicles	Train	Plane	Private cars	Total
Major Domus	47,400	11,000	2,100	N/A	60,500
S IMMO Germany	72,700	23,500	10,000	610	106,810
Total					167,310

Kilometres travelled in 2018 (Germany)

Location/figure in km	Pool of company vehicles/rental vehicles	Train	Plane	Private cars	Total
Major Domus	89,370	13,860	123,830	N/A	227,060
S IMMO Germany	59,500	20,500	12,500	500	93,000
Total					320,060

The data collected for this report are used to take stock of the current situation. All measures adopted to date will also be continued in the future and additional environmentally friendly measures are constantly being examined. In this regard, it is S IMMO's clear objective to increase employee awareness – at all Group locations – of the issues identified above and, in doing so, to improve the related key indicators.

2. Employees and diversity

Qualified employees are S IMMO's most important asset. The company attaches particular importance to providing the team with a motivating working environment as well as the personal scope for development and the ability to strike a healthy balance between work and family life. S IMMO supports an open corporate culture in which cooperation as well as the satisfaction and health of all employees are promoted at all levels.

S IMMO aspires to attract the best people for the company and, working together with them, to shape the company's future each and every day. This only works if an environment is created in which employees do not have to decide between their career and their family but can instead combine both aspects. This generates motivation, promotes team spirit and fosters a feeling of solidarity.

Employee structure

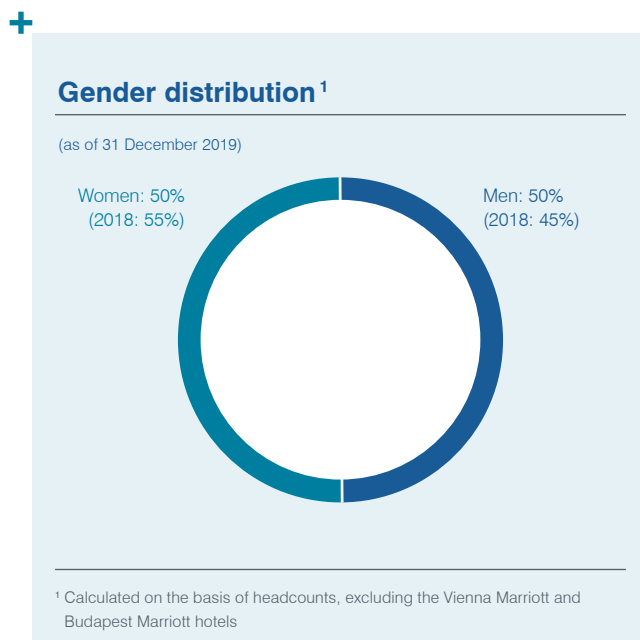
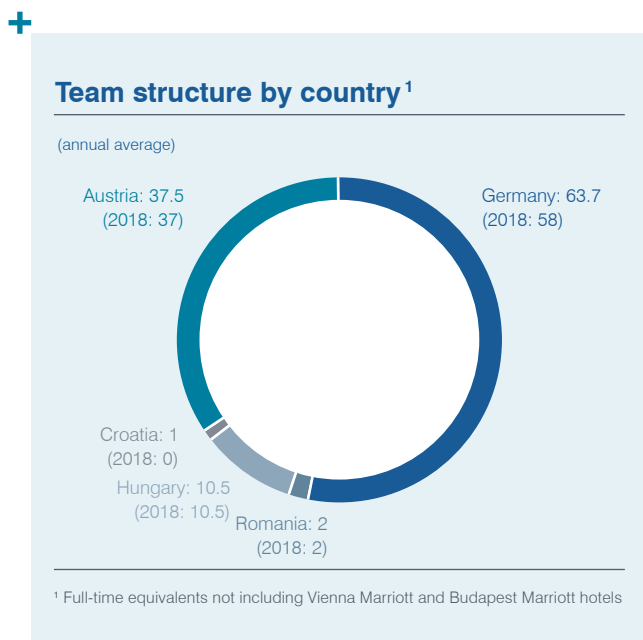
S IMMO's employees are the manifestation of the company's comprehensive expertise and make a significant contribution to the company's success. S IMMO Group had an annual average of 113.4 employees (2018 annual average: 107.5) in Austria, Germany, Hungary, Croatia and Romania (calculated on the basis of full-time equivalents, not including employees on leave).

Including hotel staff, the Group employed 623 (annual average in 2018: 595.5) people. The two hotels – Vienna Marriott and Budapest Marriott – are operated under management agreements. Management of the hotel staff is therefore a matter for the two hotels and is not within S IMMO's control. The two Marriott hotels ensure that the guidelines relating to employee matters are observed.

Where reference is made in the following to S IMMO Group, this should be understood to include all employees in Austria, Germany, Hungary, Croatia and Romania, but not employees of the Marriott hotels. If a key indicator does not refer to all locations, this is explicitly stated.

Health and occupational safety

Promoting the health of its employees and reducing the corresponding risk factors for damage to health in the workplace are particularly important to S IMMO. For this reason, a medical check-up is organised at the company's headquarters in Vienna once a year along with various specialised tests at irregular intervals, such as melanoma screening programmes, eye exams or seasonal vaccination programmes. For this purpose, S IMMO is always enquiring about current and new options that can be implemented in the company pension plan. In 2020, all female employees will for the first time be offered the opportunity to attend training on early breast cancer detection provided by the organisation Discovering Hands. Discovering Hands aims to train visually impaired women in 'tactilography' (the early detection of breast cancer through tactile examination). In Austria, this precautionary measure can currently only be undertaken as a part of an official study and together with a mammogram and medical consultation. However, the organisation also offers training on tactile self-examination. In this training course, the



examiners talk about the anatomy of the breast and teach special finger movements for the early detection of atypical developments in the breast tissue.

In addition, medical advice concerning the ergonomic design of the workplace is provided on a regular basis.

The offers provided are very well received by S IMMO's employees. In order to secure occupational safety, there are four first-aiders and one safety officer based in Vienna and two employees in Germany are also trained first-aiders.

In the reporting year, S IMMO collected accumulated sick leave data relating to its employees for all locations. On average, employees at all locations took seven (counted from the first day) sick days (long-term sick leave is included at a blanket rate of 42 days). In 2018, this figure amounted to eight days (this only applies to the locations in Austria and Germany).

Both management and the S IMMO team are very happy with the measures adopted in relation to occupational health and safety. The company will also continue all measures adopted in the years to come.

Safety in construction

S IMMO's building contractors ensure that everyone involved in construction is protected, taking into account local statutory provisions. S IMMO therefore abides by high quality standards when selecting partner companies and opts for companies which attach great importance to the environment, safety in the workplace and employee protection. For example, in Germany S IMMO works in conjunction with partners who are ISO-certified in the area of energy, environmental and quality management.

In the case of project developments, S IMMO works with general contractors and is therefore able to manage concerns relating to environmental protection and safety in construction when selecting partners. When making such selections, S IMMO will also exercise the utmost care and focus on the highest standards in future.

In 2019, there were no occupational accidents or fatalities at the locations of S IMMO AG.

Diversity and equal opportunities

Diversity and equal opportunities are key aspects of S IMMO's corporate philosophy. As an internationally operating group, S IMMO employs people from many different countries. The Group considers a wealth of languages and cultures to be an extremely valuable resource.

The average age of employees was 42.6 in the reporting year (2018: 42.1). As of 31 December 2019, there were 13 employees in the <30 age group (2018: 15), 77 in the 30–50 age group (2018: 72) and 43 in the 50+ age group (2018: 45).

Employees in Austria are covered by a collective agreement. In all other countries in which S IMMO Group has employees, all local legal provisions and requirements are conscientiously observed.

All locations used by S IMMO Group itself are barrier-free, and ease of access is taken into account for all new buildings. In total, four people (2018: four) were employed with long-term physical, mental or psychological impairments or impairment of their sensory functions.

S IMMO maintains a company-wide 'open door policy' and constantly strives to bring all kinds of conflicts to a quick and non-bureaucratic conclusion that is satisfactory to all sides. The satisfaction and well-being of the team is one of S IMMO's key assets, and the greatest care will also be taken to maintain them in future. Making the best possible use of the personal strengths and potential of each individual is not only in the company's own interest, but also increases the motivation and identification of all employees on a sustainable basis. At the same time, the company aims to create a working environment that is free from discrimination and harassment. The work of every team member is appreciated, regardless of gender, age, disability, marital status, sexual orientation, skin colour, religious or political beliefs, ethnic background or nationality. There were no cases of discrimination at S IMMO in the reporting year.

S IMMO AG has set itself the goal of continuously increasing the proportion of women in management positions and is expressly committed to the advancement of women. S IMMO places great emphasis on the advancement of women when filling senior managerial positions. As of 31 December 2019, 50.0% (2018: 54.4%) of the S IMMO Group workforce and 42.9% (2018: 46.2%) of managers (not including the Management Board) were female. There were no women on the Management Board of S IMMO AG in the reporting year. Specific measures to appoint women to the Management Board will be considered when a change to the composition of the Board is due. With the company's best interest in mind, the emphasis when making appointments to the Management Board and the Supervisory Board has been on the maximum degree of professional skill and international experience possible. In addition, the company makes a conscious effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender. As of 31 December 2019, the proportion of women on the Supervisory Board was 37.5% (2018: 37.5%).

Work-life balance

S IMMO attaches the utmost importance to a healthy work-life balance. The company regards this as key to the increased motivation, stronger commitment and improved performance of its employees; in addition, this makes a major contribution to equal opportunities within the company. S IMMO offers, among other things, flexible working hours and the option of personalised working and part-time work patterns, including in conjunction with study or training. Paternal leave and sabbaticals are also supported, as are various schemes to simplify re-entry into the workplace after parental leave. Such opportunities are positively viewed and very well received by S IMMO employees.

As of 31 December 2019, 29 staff members were employed on a part-time basis at S IMMO (2018: 29), 22 of whom were women. As of 31 December 2019, two employees were on parental leave or in maternity protection (31 December 2018: four).

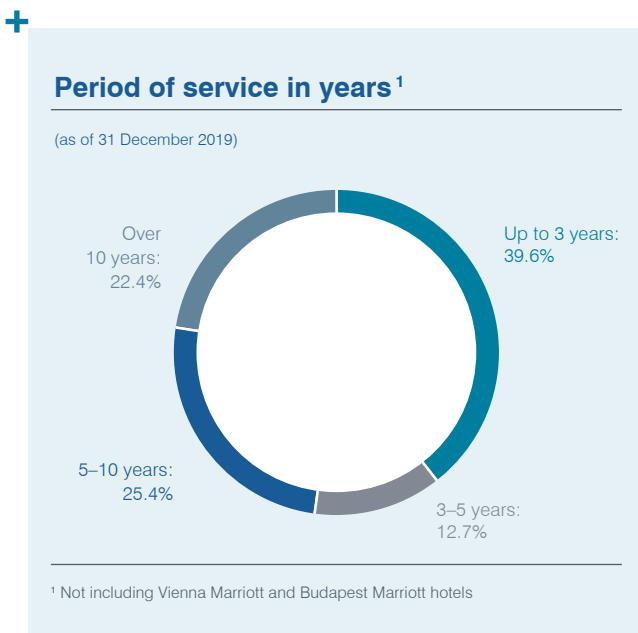
It is particularly important for S IMMO that employees' families are also involved in various events. Children are happy when they get to know their parents' workplace, spouses and family members gain an understanding for the business model and contact between families strengthens team spirit and promotes identification with the company. In order to continuously encourage a feeling of togetherness, a variety of events are organised such as an annual summer festival, to which families are invited, a Christmas party, team excursions and joint participation in events such as the Business Run in Vienna.

Employee satisfaction with the measures adopted and their effectiveness in various areas are also shown by the years of service of employees, which averages 6.3 years (2018: 5.9) across all locations. The turnover rate across all locations is 13.3% (2018: 18.2%) for the reporting year.

Further education and training, knowledge management

S IMMO provides targeted support to its staff in relation to professional and personal further education and training. Along with individual coaching sessions, language courses and part-time study courses, the primary focus in this area is on expanding employees' industry-specific knowledge, for example through the completion of postgraduate programmes in the field of real estate. In 2019, EUR 59,874 (EUR 1,384 per employee) was spent on further education and training in Austria. S IMMO Germany invested EUR 4,000 (EUR 217 per employee), Maior Domus EUR 10,000 (EUR 189 per employee) in the training of employees.

Since 2016, trainees have also received training at Maior Domus in Berlin. There are currently three trainees at the company. They spend time in all departments of the property management company as part of their three-year training programme and take on sole responsibility of properties from their second year, where they are supported by mentors. The first trainee who started the training programme in 2016 has already been taken on by the Maior Domus team on a permanent basis. The current trainees also show great potential and actively support the work of their colleagues. Trainee programmes are an integral part of the company's human resources policy and a valuable investment in the future.



S IMMO regards the annual performance review between employees and their line manager as a key human resources management tool. The aims of the review are, amongst others, to provide the opportunity for reciprocal feedback, to improve the quality of cooperation between employees and their managers, to groom employees in an efficient and targeted manner for their current and future roles, and to improve the corporate culture and climate of communication.

All the aforementioned measures relating to knowledge management are to be continued in the future. Safeguarding in-house expertise and ensuring the continuous training of its team is a declared aim of S IMMO and a key component of human resources management.

Internal communications

S IMMO Group's corporate culture is characterised by lean, efficient structures and interdepartmental collaboration. The close ties fostered with management allow for quick and open communications and are standard practice at S IMMO. The intranet was relaunched in 2019 and is an important internal communication channel for employees, which is used to share both internal and industry-related news. Highly relevant or topical information may be provided directly by the Management Board either by email or in a meeting. If necessary, topics that need extra explanation or discussion, such as the introduction of a new time attendance recording system, are dealt with at an employee breakfast.

3. Ethics, compliance and human rights

Combating corruption

The observance of internationally applicable rules, the fair treatment of stakeholders and transparent communications with all target groups are basic cornerstones of S IMMO's corporate culture. As a company listed on the stock exchange, S IMMO AG is subject to the Austrian and European provisions of capital market legislation. Building upon that legislation, the company feels not only bound by the laws but, in addition, has established a policy which lays down codes of conduct for business activity on a company-wide basis, particularly with regard to the acceptance of gifts.

Official contact persons are available to all employees at their request and when a breach is suspected. Local management can also be used as the point of contact when reporting compliance infringements.

No cases of compliance violations were reported in 2019 and there were no indications of corruption or cases leading to disciplinary measures, legal proceedings or the termination of an employment relationship. In addition, no supplier contracts had to be terminated on account of breaches of the compliance guidelines. S IMMO was not required to make any penalty payments in connection with cases of corruption or breaches of competition law in the reporting year.

Capital market compliance and corporate governance

For the purpose of preventing market abuse and the misuse of insider information, a guideline governing issuer compliance was established and is valid company-wide. It is binding for all employees, regulates the handling of insider information and the management of capital market compliance, and clarifies the legal regulations governing insider information.

Since 2007, S IMMO AG has been committed to observing the Austrian Code of Corporate Governance (for details, please see the corporate governance report), which contains principles on transparency and good corporate governance. The Management Board has brought corporate governance into line with the principles of the Austrian Code of Corporate Governance and, in conjunction with the Supervisory Board, declares that the company observes and complies with the C Rules (deviations from the C Rules are also set out in the corporate governance report).

All compliance measures will also be continued in the future. Training courses are again planned for the current year and ensuring that all employees are aware of key principles is a declared aim of the company.

Observance of human rights

S IMMO is aware that companies' activities can have an impact on human rights. This topic – especially with regard to the effects of business activities – is ranking ever higher on the global political agenda.

In this (value) context, the company would like to emphasise that it is dedicated to upholding, protecting and promoting human rights and that all the company's activities comply with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. S IMMO is committed to complying with the UN Convention on the Rights of the Child and is therefore not at all involved in and does not condone the illegal employment or exploitation of children through work.

In addition, S IMMO recognises the right to clean water as a fundamental human right. The company holds the view that sustainable water reserves, safe drinking water and the protection of ecosystems and communities with appropriate sanitation facilities and equipment are basic needs. The company therefore ensures that employees and tenants are supplied with clean water throughout its entire property portfolio, both in property development and in property management.

S IMMO is constantly looking to create an inclusive working environment with no space for harassment or discrimination on the basis of a person's status – their (ethnic) background, religion, nationality, political affiliation, sexual orientation and gender identity, disability, age, sex or other characteristics protected by law. S IMMO has a zero-tolerance policy against sexual harassment.

All employees regardless of gender, age, position, type of contract or status are responsible for contributing to a working environment that is free of sexual harassment, putting a stop to unacceptable behaviour and reporting such incidents. The management is obliged to take action against violations of these standards and to impose disciplinary measures.

S IMMO pledges to provide all its employees a safe and healthy working environment and to practise accident prevention for the protection of employees, tenants and visitors. S IMMO offers fair working conditions and complies with all legal requirements regarding wages and working hours. In addition, the company offers competitive salaries and benefits (part-time work, maternity protection, regular paid holiday, sick leave and paid parental leave) as well as training and other opportunities for development.

S IMMO forbids all forms of corruption, including extortion and bribery.

The company encourages its employees to report suspected violations of S IMMO's human rights policy and ensures confidentiality. The central point of contact in such cases is S IMMO's Compliance Officer, who will contact management and convene a committee to resolve the case if necessary.

In 2019, there were not any violations of human rights at any of the S IMMO branches.

Data protection and security

It is essential that the company complies with the obligations of the EU General Data Protection Regulation (GDPR). Processes introduced before the Regulation took effect in May 2018 were optimised in 2019. An internal working group comprised of employees from various departments is responsible for creating and implementing internal data protection policies. The working group is an important internal point of contact for employees with regard to data protection law. In addition, the members monitor the decisions of the Austrian Data Protection Authority (DSB) and consult external legal experts as needed.

In order to meet the extensive legal obligations, it is necessary to get the employees involved. In autumn 2019, the employees were again called upon to review their contacts' data. This annual data review is intended firstly to ensure that the available data is correct in order to comply with the right to accuracy, and secondly to guarantee that data is only stored for as long as it is necessary.

In the 2019 financial year, S IMMO received no complaints from third parties or supervisory authorities regarding GDPR infringements.

4. Social responsibility

Architecture and art

Art Supermarket (Kunstsupermarkt)

In 2019, S IMMO continued its cultural engagement and again made its facilities at Mariahilfer Strasse 103 available to the Vienna Art Supermarket for the 13th time. For four months, approximately 5,000 original works by 95 international artists were exhibited in a space of over 250 m² with the aim of making art more accessible and offering it to potential buyers at modest prices. The Art Supermarket is therefore one of the largest contemporary art events in Austria. This year's event focused on the works of female artists.

Commitment to cultural, social and ecological initiatives

To support sustainable development and change, S IMMO is keen to pursue long-term partnerships in those countries in which it operates.

In addition, it is most important to S IMMO that its employees are actively involved in social projects. In recent years, the S IMMO team has worked on several corporate volunteering projects in Caritas organisations. Last year, volunteers prepared freshly cooked hot meals for those in need at 'Zweite Gruft' in the 18th district of Vienna.

S IMMO has supported various charitable Caritas projects in Austria, Hungary, Romania and Bulgaria that have been providing people in need with a home under the motto 'Giving shelter' since 2008. The aim of these projects is to provide people in need with a home. In addition, the company is committed to further projects that help young people.

Hoffnungshaus (hope house) and family children's home in Romania

Since 2000, Caritas has operated four hope houses for children and adolescents without parents in Alba Iulia. The aim of the project is to offer young people a safe place to live and positive prospects for the future as well as to support them in their integration into society. Thanks to financial assistance from S IMMO, urgently needed repairs and renovation work were carried out at the hope house. Moreover, the company also supported the family children's home in Stremt. The family home takes in children from low-income families who cannot sufficiently provide for them. In addition to food and accommodation, the children receive social care and education and are prepared for life.

Day centre, soup kitchen and mobile care in Bulgaria

In the Bulgarian village of Pokrovan, 90% of the residents are over the age of 70. The village is heavily affected by migration – there is neither a school nor a community centre. Many elderly people live in poverty and isolation. At the day centre, Caritas cares for around 40 elderly and needy people, providing them with hot meals, medical aid and company. People with reduced mobility are visited by care workers in their homes and provided with the care they need.

Future for children in Hungary

Members of the Roma minority in Hungary are often affected by poverty and unemployment. At the 'Unser Haus' (Our House) community centre, care is provided to some 90 socially disadvantaged children and adolescents. The aim of the project is to help these people pull themselves out of poverty. S IMMO supports the 'external class' project, which helps pupils to finish school and to start a vocational training programme.

Christmas campaign

S IMMO's traditional fundraising drive was again hugely popular in 2019. Website users were invited to take part in an online game to raise money for a charitable cause. The money raised went to the charity MOKI Mobile Kinderkrankenpflege, whose professional, qualified care workers provide medical home visits and care, advice and support for premature babies, sick newborns and children, and young people with severe disabilities and chronic and terminal illnesses. MOKI cares for 1,250 children and young people a year in Austria.

Promoting young talent

S IMMO adopts targeted measures to promote young talent in the industry via the academic sector. As part of the existing collaboration with Danube University Krems, the company allowed students of the postgraduate real estate programme to undertake a foreign studies module at S IMMO Germany in Berlin. In addition, a scholarship for the short-term master's level course Green.Building.Solutions was also awarded in 2019. This annual summer programme provides 30 students from the fields of architecture and civil engineering with extensive insight into the topic of sustainable construction.

Financial literacy

Proper money management and basic knowledge about finances and the economy are skills which have a great impact on people's lives. Through its financial literacy initiative, S IMMO contributes to making it easier for young people to learn about this issue. Since 2016, the finance blog apropos-geld.at and the accompanying social media channels have posted regular articles about money and investments. In 2019, the channels were optimised and given a new look for the target group of young people interested in finance.

Memberships

For S IMMO, sustainability means taking responsibility for society and the environment. A further expression of the company's well-established CSR concept are its memberships in the corporate platform respACT (Austrian Council for Sustainable Development) and the Austrian Sustainable Building Council (ÖGNI). ÖGNI is committed to creating sustainable living spaces.

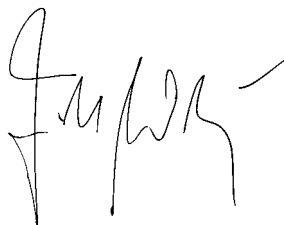
S IMMO is convinced that long-term forms of cooperation are the best way of fulfilling its social responsibility on a sustainable basis. For this reason, cooperation with the aforementioned institutions will also be continued in 2020.

Vienna, 17 March 2020

Management Board



Ernst Vejdovszky



Friedrich Wachernig