

Sustainability Report 2022

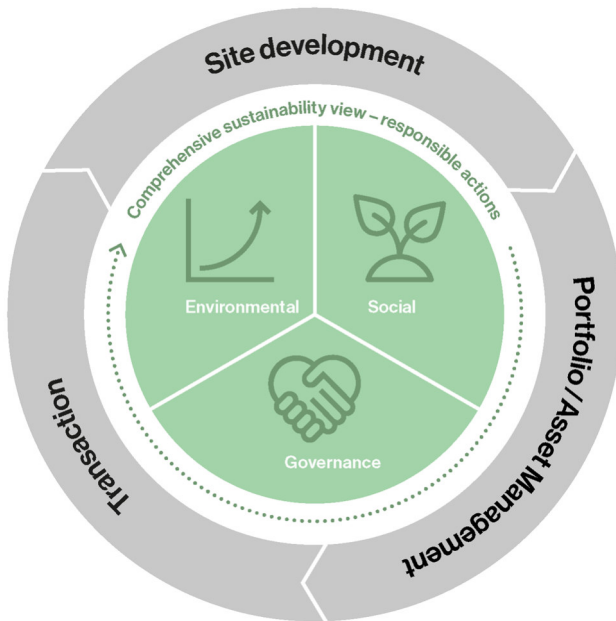
Highlights of the Sustainability Report 2022:

Reduction pathway for greenhouse gas emissions in the yielding portfolio, page 41
Sustainable Building Manifesto, page 57
Sustainability in action, page 29

As a reliable and conscientious company, HIAG pursues economic, environmental and social value creation throughout a property's entire value chain. The concept of sustainability is taken into account in all HIAG's business processes and the entire organisation is held accountable in this respect.

HIAG is committed to the United Nations Sustainable Development Goals (SDGs). The SDGs shape HIAG's sustainability strategy and reporting with their comprehensive view of sustainability.

Sustainability is part of HIAG's business model:



This Sustainability Report forms an integral part of HIAG Immobilien Holding AG's Annual Report. It focuses on social and environmental information. More detailed information on responsible management and HIAG's economic performance can be found in the Corporate Governance Report on page 64 and in the Financial Report on page 113 of this Annual Report.

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GRI 2-1

HIAG Immobilien Holding AG, which has its registered office in Basel (Switzerland), is a real estate company listed on SIX Swiss Exchange. HIAG Immobilien Holding AG operates exclusively in Switzerland.

GRI 2-2

Sustainability reporting covers all of HIAG's strategic business units (see page 121), with the exception of the recycling business of Jaeger et Bosshard SA due to the different fields of activity, its marginal contribution to HIAG's business results and the fact that its operational management is outsourced to Thommen AG.

As at 31 December 2022, one associated company existed (HIAG Solar AG, share: 49%). Unless expressly stated, HIAG Solar AG is not included in this report.

GRI 2-5

This report has been prepared in accordance with GRI Standards, which means that it is based on systematically collated sustainability indicators. An independent external audit of selected sustainability data was not performed during this reporting period. However, this is our goal in the medium term. The Audit Committee of HIAG Immobilien Holding AG is responsible for conducting external audits (see 78).

GRI 2-4

Internal quality controls conducted during the preparation of this report revealed minor errors in the collection of consumption data relating to individual properties for the 2021 reporting period. However, their influence on the consolidated figures in the 2021 Sustainability Report is marginal, and therefore negligible. The only exception is electricity. Due to a reporting error in financial year 2021, the amount of general electricity required in the year under review is lower than the electricity requirement reported for 2021. The source of this error was remedied internally. However, this has no influence on the reported greenhouse gas emissions. The remaining errors are almost exclusively due to confusion of the units used (m³ instead of kWh). The responsible managers were made aware of this potential source of error.

Significant changes in the current report compared to the 2021 report concern the new presentation of the topic of occupational safety, as well as a clearer separation between sustainability goals and guidelines. For example, the sustainability principles listed in the Sustainability Report 2021 were integrated into a group-wide sustainability policy. The policy was ratified by the Executive Board.

The current version of the Sustainability Policy is available online via the following link:

https://www.hiag.com/media/t5xiexuv/20221216_sustainability-policyhiag.pdf

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GRI 2-3

Based on the principles of the GRI Standards, the information in this report is limited to topics that are material to HIAG. Unless otherwise stated, the data in this Sustainability Report refer to financial year 2022 (1 January to 31 December 2022). Sustainability reporting is carried out annually together with the financial reporting as part of the Annual Report (Management Report, Sustainability Report, Corporate Governance Report, Compensation Report, Consolidated Financial Statements and Annual Financial Statements).

5 Internal organisation

GRI 2-12; GRI 2-13; GRI 2-14

HIAG's sustainability activities are based on the sustainability strategy adopted by the Board of Directors in 2021. This is part of HIAG's Strategy 2025. The Board of Directors bears overall responsibility for all economic, ecological and social matters, including this Sustainability Report. It has commissioned the Executive Board with the implementation of the sustainability strategy. The Executive Board is assisted in this respect by an internal Sustainability Project Manager who works closely with the cross-divisional sustainability team. The involvement of the different departments ensures the relevance of the various sustainability activities in practice.

Necessary adjustments to the sustainability strategy and its implementation are systematically reviewed each year based on internal and external feedback. In financial year 2022, the sustainability strategy was expanded to include a comprehensive ESG risk analysis (see page 59). The Board of Directors is informed about the status of the implementation of the sustainability strategy by the Executive Board at the quarterly board meetings.

HIAG's sustainability organisation:



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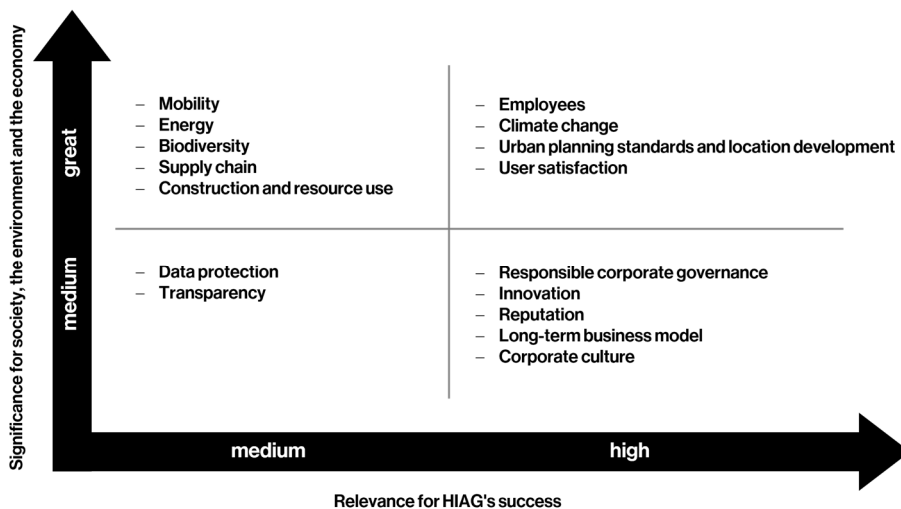
6 Material topics

GRI 3-1; GRI 3-2; GRI 2-25

This report is based on the list of material topics. The topics were further refined on the basis of the new GRI Standards 2021 and findings from the Sustainability Report 2021. Specifically, the topics of “Construction” and “Resource use” were combined due to significant overlap. The same applies to “Urban development standards” and “Location development”. Other changes concern the use of more specific terminology. The relevance or importance of individual topics were also reassessed.

The list is based on the principle of indirect stakeholder involvement. It was drawn up for the first time in 2020 in partnership with external sustainability experts. HIAG drew on its wealth of internal experience gained from personal tenant interviews, discussions in trade media and other publications. Internal and external feedback has contributed to further refinements in past years.

Presentation of material topics from the 2022 materiality assessment (double materiality):



GRI 2-29

HIAG’s stakeholders include all individuals and organisations that are directly or indirectly affected by HIAG’s business activities. Naturally, the perspectives and requirements differ depending on the stakeholders. This is illustrated in the following figure. HIAG maintains an intensive and personal dialogue with all the stakeholders listed here. The purpose of this is to boost the company’s efficiency, productivity and management capability in the long term. Further information on cooperation with stakeholders can be found in the sections “Sustainability in action” (page 29), “Urban planning standards and location development” (page 38), and “Transparency and fair competition” (page 60).

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Key stakeholders and their concerns in 2022:

Stakeholders:	Material topics:
Residents and tenants	User satisfaction, data protection, mobility, construction and resource use, urban planning and location development, energy
Employees	Corporate culture (including opportunities for progression), reputation
Business partners	Responsible management, transparency, reputation, innovation
Shareholders and investors	Long-term business model (including economic performance), responsible management, transparency, innovation
Authorities	Urban planning and location development standards, energy, mobility, climate change, construction methods and use of resources, transparency
Organisations and associations <ul style="list-style-type: none"> — Business promotion offices — Social partners — Nature and heritage protection organisations 	Urban planning and location development standards supply chain, employees Climate change, biodiversity, construction methods and use of resources, urban planning and location development standards

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7 Sustainability goals

GRI 2-25

Concrete added value is created using sustainability goals developed in accordance with the SMART¹ concept. HIAG regularly assesses the level of achievement for the various different goals and communicates it as part of its Sustainability Report. New goals are evaluated annually. Three goals were met in financial year 2022 (see page 28). These were replaced by five new goals (see page 26).

The implementation of the sustainability agenda and achieving its goals are fundamental to the compensation paid to the Executive Board (CEO, CFO) and the Sustainability Project Manager (see page 90). For financial year 2023, this performance-related salary component was extended to the new members of the Executive Board (Head of Portfolio/Transactions and Head of Development/Realisation), the Head of HR and the Communication Manager. There are also non-monetary incentives such as regular internal interim reports and reduction paths specifically broken down for the individual asset managers for the competitive reduction of greenhouse gases. As part of the annual employee appraisal (see page 32), each employee was asked to set themselves a personal sustainability goal for 2023 that is aligned with HIAG's strategy.

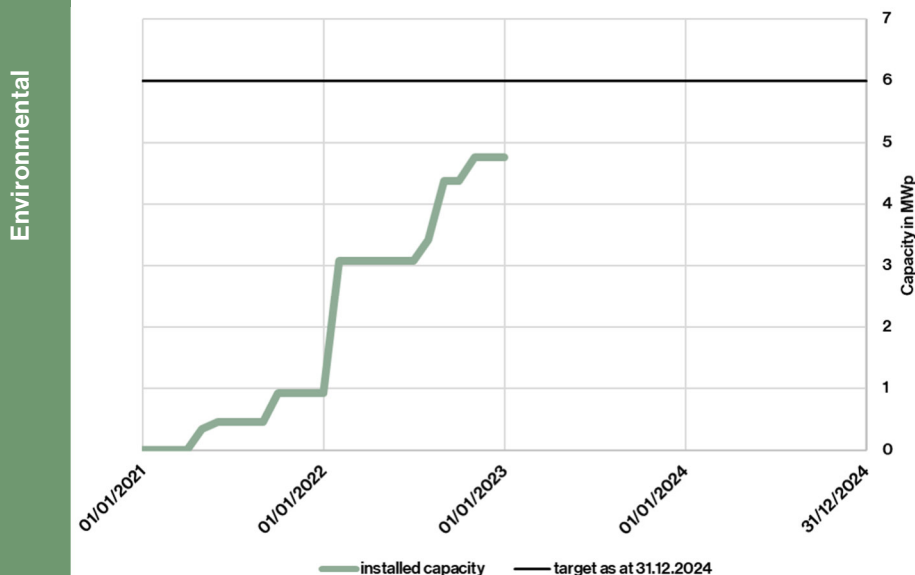
7.1 Current goals

Goal 2021.4

Six-fold increase in the plant capacity of HIAG Solar, the joint venture with our technology partner aventron, from 1 MWp in 2021 to 6 MWp in 2024

Degree of target achievement: As at 31 December 2022, the installed capacity was 4.7 MWp. The announced target of 6 MWp in 2024 still applies (see page 49).

HIAG Solar's expansion status as of 31 December 2022:



¹ Specific Measurable Achievable Reasonable Time-Bound

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Environmental

NEW: Goal 2022.1

Reduction of greenhouse gas emissions in the yielding portfolio:

- a) The Scope 1 emissions of the yielding portfolio are reduced by 85% per m²_{ERA} by 2035, based on the 2021 values.
- b) The Scope 1 and 2 emissions of the yielding portfolio are reduced by 65% per m²_{ERA} by 2035, based on the 2021 values.
- c) By 2050, the Scope 1 and 2 emissions of the existing portfolio are net 0 kg/m²_{ERA}.

The targets are based on the reduction path for the yielding portfolio. HIAG currently expects that compensation measures will be necessary in order to achieve the net zero target by 2050. Further information can be found on page 41.

Social

NEW: Goal 2022.2

Conduct periodic, quantitative employee satisfaction surveys from 2023 onwards.

NEW: Goal 2022.3

Conduct periodic, quantitative customer satisfaction surveys from 2023 onwards.

Governance

NEW: Goal 2022.4

Development of a concept for sustainable property management by 2024.

NEW: Goal 2022.5

Voluntary convergence with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) by 2024.

The Ordinance on Climate-Related Reporting provides for the mandatory implementation of the internationally recognised recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for large Swiss companies. Due to its comparatively low employee headcount, HIAG is voluntarily working towards achieving compliance with the requirements of this Ordinance.

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7.2 Achieved goals

Goal 2021.1: Development of a plan to reduce greenhouse gas emissions in the yielding portfolio by 2023

The announced reduction path has already been achieved ahead of schedule in financial year 2022. Further details can be found under “Reduction path for the yielding portfolio” on page 41.

Goal 2021.2: Development of guidelines for building certification and the handling of recyclable products by 2023

The guidelines have already been achieved ahead of schedule in financial year 2022. Further details can be found in the “Sustainable Building Manifesto” section on page 57.

Goal 2021.3: Participation in the GRESB Real Estate Assessment 2022 (Standing Investments and Development)

In 2022, HIAG participated in the GRESB Real Estate Assessments (Standing Investments and Development) for the first time. The assessment was carried out during the grace period and is therefore not publicly available. For the GRESB Public Disclosure Level, HIAG received a rating of 83 points in 2022 (rating: A).

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8 Sustainability in action

Sustainability is put into practice holistically at HIAG and understood as a driver of innovation. With numerous projects, HIAG creates environmental, economic and social added value every day.

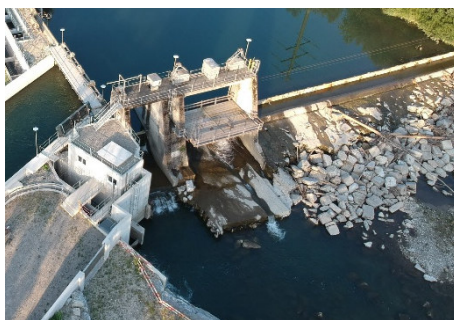
Selected examples:



CO₂ mineralisation in Biberist

CO₂ storage in concrete

As part of the dismantling process in Biberist, large quantities of mineral deconstruction material are being produced. The demolition material is processed on site into recycled products, infused with CO₂ from biogas plants, and reused on site. As the recycled concrete stores the CO₂ permanently, this results in negative emissions. HIAG is working on this with the Swiss scaleup neustark.



Hydropower plant in Biberist

Green electricity from our own hydropower

HIAG operates five historic hydroelectric power plants at the Biberist, Diesbach and Aathal/Wetzikon sites. In 2022, this generated green electricity for around 1,300 households.



HIAG Solar plant in Brunegg

HIAG Solar

In 2021, HIAG launched the HIAG Solar joint venture in partnership with aventron. As of 31 December 2022, the installed capacity was 4.7 MWp. The green electricity produced by HIAG Solar, which was made available to tenants in 2022 and fed into the grid, is equivalent to the electricity requirements of 850 households.



Roof biotope in Meyrin

Space for nature

The close to nature maintenance of HIAG's large sites not only makes them appealing places to work and live, it also provides valuable niches for flora and fauna, and positively influences the microclimate.

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Work playground in Dornach

HIAG as part of society

Cultural events such as summer festivals or children's activities are regularly held at HIAG's sites. By opening up the sites, HIAG strengthens its relationship with the local population and engages with them in an informal environment.



Participatory workshop in Dornach

Involvement of all stakeholders

When preparing development concepts, HIAG attaches great importance to maintaining a dialogue with the public and the relevant stakeholders. The company therefore conducts numerous information events and participatory workshops on its development projects.



Smart lighting in Meyrin

Greater efficiency through innovation

The solar-powered LED car park lighting in Meyrin operates self-sufficiently and makes efficient use of resources. The integrated sensors regulate the light as needed. This is not only efficient, but also effectively reduces light pollution.



Former Windisch spinning mill

Transitioning identity into the future

HIAG is creating new economic power by reoccupying historic industrial sites. In doing so, it endeavours to preserve the existing structures. This saves resources and thus grey energy, but also keeps the regional industrial history alive. The result is appealing locations with a fascinating history that are pleasant places to spend time in.



Management dialogue with tenants

Treating our customers as equals

HIAG attaches great importance to close contact with tenants. Thanks to the predominantly in-house management and regular, in-person meetings with tenants, HIAG is well aware of its tenants' needs.

9 UN Sustainable Development Goals (SDGs)

Through its activities, HIAG actively contributes to the achievement of ten SDGs. Its contribution to the various goals is described in detail in the Sustainability Report. The following overview serves as a guide.

UN SDGs	HIAG's approach to the UN SDGs:
	<ul style="list-style-type: none"> — Social responsibility: employees, page 32
	<ul style="list-style-type: none"> — Environment: energy, page 44
	<ul style="list-style-type: none"> — Social responsibility: employees, page 32 — Social responsibility: urban planning quality and location development, page 38 — Financial report, page 113
	<ul style="list-style-type: none"> — Sustainability goals, page 26 — Social responsibility: innovation, page 39
	<ul style="list-style-type: none"> — Social responsibility: employees, page 32
	<ul style="list-style-type: none"> — Social responsibility, page 32 — Environment, page 41
	<ul style="list-style-type: none"> — Environment: construction and resource use, page 56
	<ul style="list-style-type: none"> — Environment: reduction path for the yielding portfolio, page 41 — Environment: climate change, page 51
	<ul style="list-style-type: none"> — Environment: biodiversity, page 59
	<ul style="list-style-type: none"> — Material topics, page 24 — Social responsibility: social commitment, page 39 — Environment: energy, page 44

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10 Social responsibility

10.1 Employees

GRI 2-7

With a motivating corporate culture, HIAG creates the conditions for attracting qualified employees and retaining them in the long term. At the same time, HIAG promotes attractive working conditions. These are set out in the employment regulations. The employment regulations are reviewed regularly and amended as necessary.

In the year under review, HIAG aims to reduce the above-average staff turnover (see page 33) and stabilise it at an industry-standard level in the medium term. The reasons for the situation in the year under review are manifold, and mainly of a personal nature, affecting all departments equally. The extraordinary pace of change in the reporting year is due, among other things, to the rapid development of the company, which requires the introduction of new structures and processes. This is exacerbated by ordinary retirements and departures for family-related reasons. Measures that have already been implemented include the build-up of personnel, particularly in the HR function and in selected business units with high workloads. Internal communication was also expanded. Employees are also to be offered additional opportunities to provide feedback (see sustainability goals, page 26).

HIAG as an employer

GRI 2-8; GRI 401-2

As at 31 December 2022, HIAG employed 67 people (2021: 66) in German-speaking and French-speaking Switzerland, who together filled 63 (2021: 60.6) full-time positions (Jaeger et Bosshard SA not included). With a few exceptions, all HIAG's activities are carried out by its own staff. The only exceptions are selected professionals who are hired on a temporary basis. There are no structural, seasonal fluctuations in staffing levels.

HIAG grants the same standard employee benefits to all employees regardless of their contractual relationship (full-time, part-time, permanent, temporary). The only exception is the employee stock option programme (see "Fair and performance-related remuneration", page 36). Employees with temporary contracts are excluded.

Performance commitments and employee development

GRI 404-3

HIAG fosters a corporate culture based on partnership and offers interesting work with a great deal of creative freedom. All employees are offered attractive development opportunities.

HIAG addresses the needs of all its employees in depth through performance reviews that take place at least once a year. Individual performance targets are set in agreement with the employees as part of a performance assessment. The content of these reviews is recorded in a memo, and provides HR and management with a representative overview of employee satisfaction and employee perceptions of the company's culture.

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Diversity and workers' rights

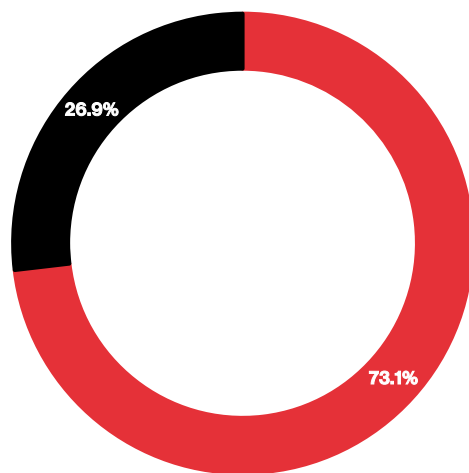
HIAG sees diversity as a driver of opportunity and innovation. Employees' individual values are respected, and workers' rights such as freedom of association are supported. Detailed figures on the composition of the workforce are based on data from the personnel database.

Employee figures as at 31 December 2022

GRI 401-1; GRI 405-1

The composition of HIAG's workforce (excluding Jaeger et Bosshard) by nationality reflects the national average (Swiss 74.3%, nationals of other countries 25.7%)². Nationals of other countries mainly consist of Germans (16.5% of the workforce) and French (4.5% of the workforce).

Nationalities in HIAG's workforce as at 31 December 2022:

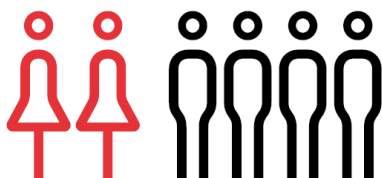


■ Swiss nationals
■ Nationals of other countries

² FSO, Population, status and development (2021)

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Members of the Board of Directors

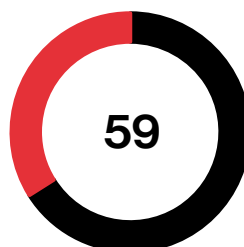


2 Women
33%

4 Men
67%

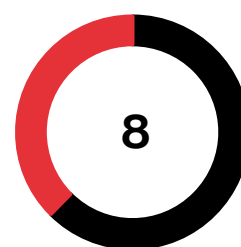
Real estate employees by region

German-speaking Switzerland



20 Women (34%)
39 Men (66%)

French-speaking Switzerland



3 Women (37%)
5 Men (63%)

Employees per function

Executive Board and management	2 women	10 men	0 women	3 men
Non-managerial employees	18 women	29 men	3 women	2 men

Employees in full/part-time positions

> 90%	14 women	31 men	1 woman	5 men
50 – 90%	4 women	8 men	2 women	0 men
< 50%	2 women	0 men	0 women	0 men

Employee per age group

< 30 years	2 women	1 man	1 woman	0 men
30 – 50 years	11 women	28 men	1 woman	4 men
> 50 years	7 women	10 men	1 woman	1 man

Contract

Indefinite	17 women	38 men	3 women	5 men
Temporary	2 women	1 man	0 women	0 men
Hourly wage basis	1 woman	0 men	0 women	0 men

Employee turnover in financial year 2022

Entry rate	30.5%	25.0%
Exit rate	23.7%	37.5%

Entries per age

< 30 years	1 woman	0 men	1 women	0 men
30 – 50 years	6 women	9 men	0 women	1 man
> 50 years	1 woman	1 man	0 women	0 men

Exits per age

< 30 years	2 women	0 men	0 women	0 men
30 – 50 years	3 women	3 men	2 women	0 men
> 50 years	2 women	4 men	0 women	1 man

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Employee communication

GRI 402-1

Employees are informed promptly and transparently about important events and kept up to date on HIAG's development through monthly newsletters. The manageable size of the company allows direct, personal contact and knowledge transfer at all times. The stock exchange listing also guarantees a high degree of transparency and timely information. As part of the annual two-day company excursion "HIAG on Tour", selected properties are visited by HIAG and third parties. Presentations provide insight on specific skills that help employees with their work.

Development

GRI 404-1; GRI 2-17

HIAG expects its employees to take responsibility. The company supports them with specific training and further education. An open culture of constructive criticism improves the quality of work and promotes team spirit. In 2022, HIAG supported 15 employees with their further education. These were all administrative employees. Furthermore, digital training courses on the topics of IT security (participation rate: 100%) and sustainability (participation rate: 98%) were held for the first time in 2022. This results in a total of 940 hours of training. The individual further training courses were be credited as time spent working in accordance with the provisions of the employment regulations.

The individual members of the Board of Directors are fundamentally responsible for their own further development. The close connection to the operational business ensures that the members of the Board of Directors have the necessary operational knowledge.

Hours of continuing education by gender and employee category:

Gender	Executive Board and management	Non-managerial employees
Women	22.9 hours per FTE	7.8 hours per FTE
Men	11.9 hours per FTE	19.5 hours per FTE
Total	14.9 hours per FTE	

Attractive work environment

GRI 2-30

HIAG attaches great importance to attractive working conditions and promotes digital processes. The focus is particularly on increasing efficiency and process quality, as well as creating ways to increase flexibility of working hours and location. Depending on their job, today's technical requirements allow most employees to work from home, other HIAG locations or on the go. None of HIAG's employment contracts are subject to a collective labour agreement. This is not uncommon in Switzerland. The employment contracts are subject to Swiss law and standards.

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Work-life balance

GRI 401-3

In order to promote a greater work-life balance, HIAG offers flexible working hours and part-time positions as standard practice. In addition, specific working models are created for employees returning from parental leave, if desired and possible.

In 2022, three employees (two women and one man) were entitled to parental leave. All eligible employees took leave. While the man returned to his job within the period under review, the two women are no longer employed by HIAG (return rate according to GRI 401-3; women: 0%, men: 100%). As no one was eligible to take parental leave in the reporting year 2021, the retention rate (number of employees who returned to work after completing parental leave and were still employed twelve months after returning to work) cannot be calculated.

HIAG complies with the working hours and rest periods defined in the Labour Code. Normal working hours are 42 hours per week on a yearly average. The maximum weekly working hours are 45 hours per week. In addition, a good balance between work and personal life is a fixed topic in the annual performance reviews.

Fair and performance-oriented remuneration

GRI 2-21

HIAG values fair compensation that recognises skills and achievements and allows a decent standard of living. Women and men receive the same salary for the same position and performance. The employment contracts comply with Swiss law. In addition to attractive compensation in line with local and industry standards, the compensation model provides additional performance-related target bonuses in certain cases. HIAG also has an employee stock option programme. This is designed to enable all employees (full-time and part-time) to be shareholders in the company. At the end of 2022, about 31% (2021: 41%) of all employees took advantage of this option.

The annual total remuneration ratio according to GRI 2-21 is 1:14. The median pay increased by 5.5% compared to 2021, while that of the CEO fell by 1.6%. All salary data was extrapolated to full-time positions for comparability. Variable salary components such as individual target bonuses or LTIP are taken into account. All data is based on gross pay levels.

Ethical standards

GRI 2-23; GRI 2-24

To ensure ethically correct behaviour and integrity, HIAG requires all employees to comply with and enforce the Codes of Conduct for Employees and Business Partners. The Code of Conduct for Employees is an integral part of employment contracts and defines the framework of business activities for the workforce. No violations of the Codes of Conduct were identified in financial year 2022. The Code of Conduct for Employees is revised on a regular basis and must be approved by the Executive Board. The current version is available online via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

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Occupational safety

HIAG attaches great importance to offering attractive, accident- and injury-proof workplaces at all times. This applies to the employees under HIAG's control, but also to the work on our construction sites. HR constantly reviews existing processes to further improve occupational safety.

The tables below provide a comprehensive overview of internal sick days and accident events.

Internal sick days and accident events in 2022:

Event	Absolute	per 100,000 hours worked
Sick days	197	87
Work-related accidents and injuries requiring medical treatment	1	0.4
Work-related accidents and injuries without medical treatment	0	0
Days lost due to work-related accidents	2	0.9
Work-related fatalities	0	0

10.2 Supply chain

GRI 2-6; GRI 2-23; GRI 2-24; GRI 204-1

HIAG consistently fulfils its responsibility as a listed real estate company throughout the entire supply chain.

As a company operating exclusively in Switzerland, HIAG's activities are governed by Swiss law and standards. In 2021, a Code of Conduct for Business Partners was put into effect, setting out HIAG's aspirations in terms of social responsibility, environmental management, governance, health, safety, gender equality, diversity and inclusion. It requires all business partners and their subcontractors to comply with the relevant guidelines. HIAG expects violations or suspected violations to be reported, and investigates suspected cases. HIAG's Code of Conduct for Business Partners offers an instrument to ensure compliance throughout the value chain. The Code of Conduct for Business Partners is revised regularly and must be approved by the Executive Board. The current version is available online via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

Where possible, HIAG supports the regional economy and awards contracts to local businesses. In 2022, 99% of the order volume was awarded to companies based in Switzerland. Most are based in HIAG's core regions of Zurich, north-western Switzerland and French-speaking Switzerland. This approach helps to ensure that working conditions along the supply chain meet high standards and that basic human rights are guaranteed. There were no significant changes in the supply chain in the financial year compared to the previous year.

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Overview of HIAG's main external business partners:



10.3 User satisfaction and cost structures

Tenant satisfaction is reflected directly in HIAG's business performance. HIAG therefore maintains close contact with the users of its properties. The majority of properties are man-aged in-house, and HIAG's specific tenant structure, with mostly large commercial tenants, supports an open dialogue. Several times a year, the needs and wishes of the tenants are elicited in personal talks.

In the 2022 talks, rent adjustments due to inflation and the installation of charging stations for electric cars were among the most relevant topics. The general tenant satisfaction is rated as very high.

This efficient way of measuring tenant satisfaction strengthens mutual trust, helps to identify problems quickly and allows tailor-made solutions to be implemented. In order to further strengthen the mutual dialogue, especially with smaller tenants, HIAG will conduct anonymous client satisfaction surveys for the first time in 2023 (see "Sustainability goals", page 6). These surveys are intended to complement the existing conversations and identify further opportunities for improvement.

HIAG rents out its properties at fair market conditions. An analysis of the price structures across HIAG's housing supply shows that the supply is representative of the national cost structure in the housing market.

10.4 Urban planning standards and location development

GRI 413-1

Site development is one of HIAG's core competencies. Regular interaction with the various stakeholders is crucial for the success of the projects. Right at the beginning of the many different projects, the relevant stakeholders are identified and included in the project. For example, the needs of politics, heritage conservation, existing users, the local public and, where appropriate, interest groups and associations are taken into account. Special emphasis is placed on mobility and biodiversity, and often also on preserving the historical identity of a site. Furthermore, the analysis and mitigation of potential impacts on the local population during the construction process play an important role.

Communication between HIAG and its stakeholders is a basic prerequisite for good cooperation. It is set out in communication concepts that include interactive workshops or regular information events, for example. It is important to HIAG that stakeholders can approach the project management at any time.

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On larger sites, HIAG works with its own teams. This strengthens proximity with the local stakeholders and promotes the development of high-quality projects that take the various interests into account.

In order to integrate interests and framework conditions that can often be complex, study commissions and competitions are carried out regularly for urban development issues and master plan procedures. HIAG can thus reconcile its entrepreneurial vision for a site with the parties involved and at the same time integrate proposals into its processes.

Due to their size and history, HIAG sites often have great local significance that extends far beyond the site. With the arrival of new tenants and jobs, HIAG brings new life and creates significant impetus. In financial year 2022, the XXXLutz furniture store in Dietikon and the LEM headquarters in Meyrin, among others, were put into operation. These new properties will provide jobs for about 230 people.

10.5 Innovation

Real estate development offers room for innovation and the development of user-friendly solutions and efficient processes, from acquisition to site development and management.

At the project level, HIAG collaboratively designs and implements new solutions. The focus is on the needs of shareholders and customers, as well as the motivation to create sustainable real estate. This type of cooperation between employees from different departments enables efficient and innovative processes.

With the multi-storey, vehicle-accessible “Fahrwerk” building in Winterthur, HIAG did pioneering work in the field of internal densification of commercial space in 2022. Other measures in the year under review include the further optimisation of the IT organisation and the implementation of a new ERP system. In the field of mobility, innovative access concepts via mobility concepts and the roll-out of additional charging stations for electric vehicles were pushed forward.

10.6 Social commitment

GRI 413-1; GRI 415-1

HIAG sites undergoing transformation are often lively regional meeting places and are made available to local associations and groups on attractive terms. Start-ups also find attractive and exciting locations with HIAG. HIAG organises regular cultural events at its sites, such as the open-air theatre productions for children by FAHR.WERK.ö! at the Schönau site in Wetzikon and the wide range of cultural events held at the Wydeneck site in Dornach.

HIAG's corporate social responsibility activities focus on culture, education and the promotion of local societies. HIAG maintains a close dialogue with educational and research institutions. In recent years, these have especially included the cooperation with HEPIA, Geneva's School of Landscape, Engineering and Architecture, ETH Zurich in the field of architecture, Lucerne University of Applied Sciences and Arts in the field of interior design and the University of Applied Sciences and Arts Northwestern Switzerland (FHNW) in the field of energy and environmental technology. HIAG supports employees who are invited to be guest lecturers at universities on certain specialist topics.

During the reporting year, selected organisations were again supported with patronage contributions. The list below is exhaustive. There were no financial or non-cash benefits

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of any kind to political parties. However, indirect contributions through memberships in associations and stakeholder groups (see page 62) cannot be ruled out.

Patronage contributions and sponsorship in 2022:

≥ CHF 10,000

- Stiftung Baukultur Schweiz
- Stiftung Kunstmuseum Basel
- Theatergenossenschaft Basel

< CHF 10,000

- Biberist active! Gymnastics and Sports Club
- Municipality of Brunegg, 750 years of Brunegg
- Municipality of Derendingen, federal celebration
- Event village of the municipality of Pratteln at the ESAF 2022
- FC Subingen
- Location promotion espace Solothurn, General Assembly
- Statistisch-Volkswirtschaftliche Gesellschaft Basel
- Gymnastics Club Aathal-Seegräben
- Gymnastics Club Dornach
- Verein Winzerfest Döttingen

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11 Environment

The construction and real estate industry contributes significantly to environmental pollution. With its energy requirements, the Swiss building stock accounts for about 30% of national CO₂ emissions and, with 15 million tonnes of construction waste annually, for more than 65% of nationwide waste. Through the transformation of the landscape, it also interferes significantly with nature and human habitats. The construction and real estate industry has significant potential to limit its environmental impact. It thus also plays an important role in achieving climate goals. HIAG wants to be a role model in this field and demonstrate responsible use of natural resources. Various measures have been taken to achieve this. These include the new “Sustainable Building Manifesto” (see page 37) as well as the reduction pathway for reducing greenhouse gases in the yielding portfolio that was also developed in 2022 (see page 21). As a further measure, HIAG is continuously expanding its capacities for the production of renewable energy (see page 29).

The new sustainability goal 2022.4 (see page 6) is intended to create the conditions for further resource savings in the operation of the properties. Active cooperation with the tenants is crucial for this.

The success of implemented measures is continuously monitored. This applies particularly to measures to reduce energy intensity and greenhouse gas emissions, and to a lesser extent to water-conserving measures. The measured consumption values are collated and analysed as part of the annual reporting (see page 23). The analyses form the basis for further initiatives and improvements.

Important terms:

CO₂e: CO₂ equivalent is a measurement unit aimed at standardising the climate impact of the different greenhouse gases.

Scope 1 emissions: Direct emissions from fuel combustion on site (such as gas or heating oil).

Scope 2 emissions: Indirect emissions from the generation of purchased energy (e.g. district heat, electricity).

Scope 3 emissions: Indirect emissions that occur in the value chain (e.g. through mobility services).

ERA: Energy reference area according to SIA.

11.1 Reduction path for the yielding portfolio

The reduction path developed in financial year 2022 represents a milestone in the further reduction of greenhouse gas emissions in HIAG’s yielding portfolio. It was developed over the past months as part of an intensive cooperation between the various departments. With the present result, the sustainability goal 2021.1 has been successfully implemented. In the interest of the ongoing refinement of the model, the reduction path is reviewed and updated on an annual basis. This ensures that new knowledge and changing circumstances are taken into account and communicated in a timely manner.

What does the reduction path represent?

The reduction path is a target path for reducing greenhouse gas emissions. It is based on a large number of assumptions and models. The path shows the Scope 1 and Scope 2 emissions under HIAG’s control. It forms the basis of the new greenhouse gas reduction targets (see sustainability goal 2022.1) and is consistently taken into account for the planning of upcoming maintenance and renovation work. The reduction path takes the heated or cooled properties of the yielding portfolio into account in accordance with the operational control approach of the GHG Protocol. This means that triple-net and comparable contractual relationships are not taken into account. HIAG currently expects that compensation measures will be necessary in order to achieve the net zero target by 2050. These could include the purchase of certificates, for example. The remaining emissions are largely attributable to district heating products purchased from contractual partners. Reducing these emissions is currently proving to be

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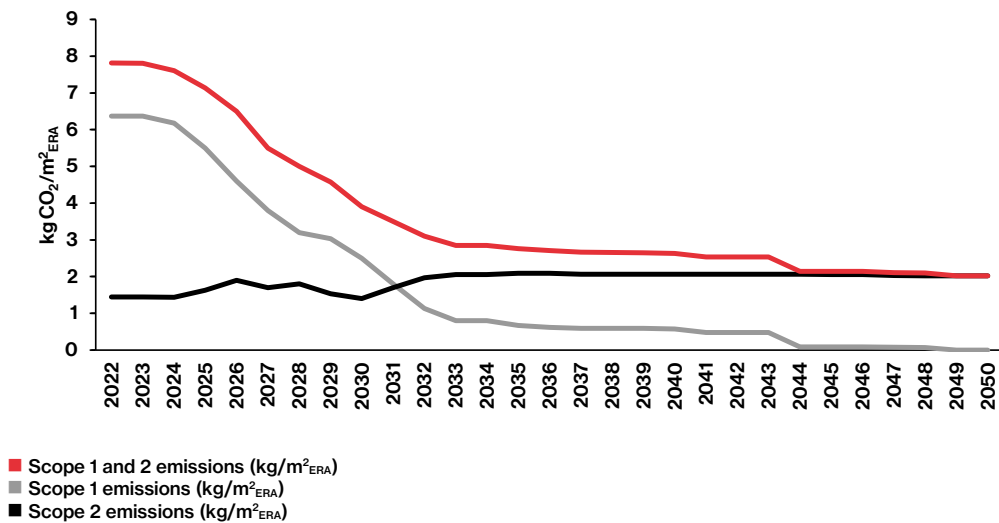
extremely challenging. HIAG assumes that district heating producers will also take measures to reduce greenhouse gas emissions. These are not included in the current presentation.

Assumptions made and existing uncertainties

The reduction path was developed using the CO2mpass software solution. The emission factors applied take fossil and biogenic emissions into account. Organic growth from the development business is integrated into the model. Forecasts, especially regarding the development of Scope 2 emissions, are naturally associated with uncertainties. They can only be influenced by HIAG to a limited extent. The model is based on the Scope 2 emission rates from the first survey year (2021). It is assumed that district heating (50%) or heat pumps (50%) will be installed in new development projects. HIAG does not use fossil fuel-based heating systems in new projects.

The modelled and measured consumption values may differ. There are many reasons for this. In addition to limitations of the model or the delayed development of the effects of implemented measures, these can include vacancy corrections, biogas shares that are not taken into account or climate corrections. Development projects that are brought forward or delayed, as well as the effective choice of heating systems in future development projects, may lead to adjustments to the model.

Reduction path for the yielding portfolio, including growth through completed development projects until 2050 (as at 31 December 2022):



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11.2 Consumption data

GRI 302-1; GRI 302-3; GRI 302-4; GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-4; GRI 305-5

HIAG has systematically recorded its own energy requirements and the corresponding greenhouse gas emissions since 2021. A distinction is made between the following four categories:

1. Yielding portfolio operations (electricity and heating/cooling)
2. Production of energy for sale (including HIAG Solar)
3. Electricity requirements for the operation of the main offices (Basel, Geneva, Zurich)
4. Business trips

Based on this data, HIAG consistently implements the measures set out in the sustainability goals. No consumption information is available for the development portfolio.

For the yielding portfolio, consumption data was collected based on billing in accordance with the GHG Protocol's operational control approach and used to calculate the energy requirements. Depending on the billing period, the analysis periods may lie outside the reporting period. The energy conversion was based on data from the Federal Office for the Environment³. The mobility data is based on information from mobility providers and expense reports. The consumption data for personal motorised vehicles is based on German sources⁴. For air traffic, the CO₂ footprint calculator of Swiss Climate⁵ and the 2020 Climate Protection Report published by the German Air Transport Association (BDL)⁶ were used.

The consumption data for properties that were purchased in financial year 2022 and for which no statements are available are based on estimates. The estimates were arrived at using the information from the CO2mpass (see page 41).

Greenhouse gas emissions were determined based on energy data and the energy mix declared by energy suppliers in accordance with the market-based approach. The emissions factors are based on the above-mentioned sources and a publication by treeze Ltd.⁷ that take the relevant greenhouse gases into account.

As Scope 3 emissions could not be split into fossil and biogenic emissions due to large uncertainties, no distinction was made. The information on Scope 3 emissions also takes the production of renewable sources, such as biogas or wood, into account.

As at 31 December 2022, the weighted energy reference area according to the operational control approach of the GHG Protocol in the yielding portfolio was 321,193.7 m². The energy reference areas were determined on the basis of available building plans or estimated using the CO2mpass.

³ https://www.bafu.admin.ch/dam/bafu/de/dokumente/klima/fachinfo-daten/CO2_Emissionsfaktoren_THG_Inventar.pdf.download.pdf/CO2_Emissionsfaktoren.pdf

⁴ <https://www.umweltbundesamt.de/bild/vergleich-der-durchschnittlichen-emissionen-0>

⁵ <https://www.co2-footprint.ch/>

⁶ <https://www.bdl.aero/de/publikation/klimaschutzreport/>

⁷ https://treeze.ch/fileadmin/user_upload/downloads/Publications/Case_Studies/Energy/619-GHG_Strom_Fernw%C3%A4rme_v3.0.pdf

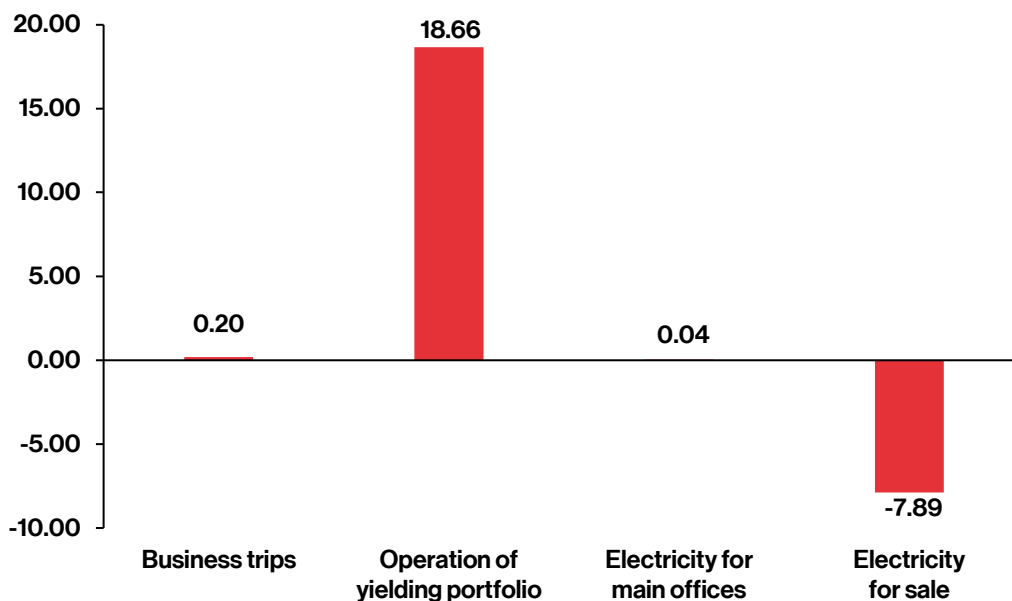
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11.3 Energy

HIAG wants to further improve its energy efficiency. This can reduce operating costs and make an important contribution to achieving the reduction path (see page 21). Energy efficiency always plays an important role in the context of new construction projects. The topic is always examined on an integrated basis at the outset of the planning process together with other questions such as the intended use (see “Sustainable Building Manifesto”, page 37).

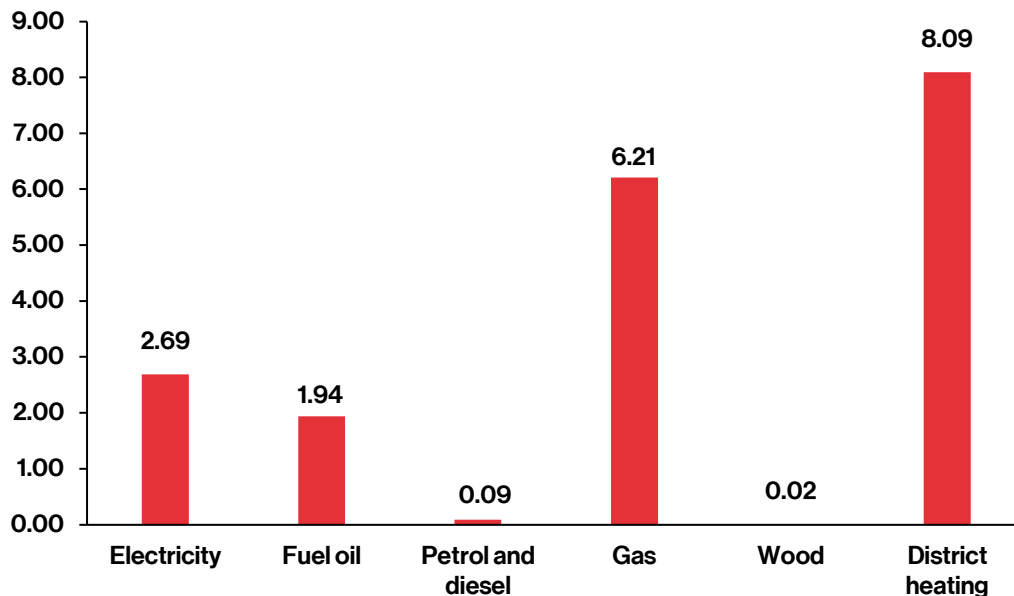
Alongside district heating, gas and heating oil, electricity is currently one of the most important energy sources. Compared to the energy consumption of yielding properties, the energy consumption for operating the main offices and for business travel is negligible.

HIAG’s energy requirements in 2022 in GWh (business trips, yielding portfolio operations, electricity requirements for the operation of the main offices, production of energy for sale):



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Energy sources in 2022 for the operation of the yielding portfolio, business trips and electricity at the main offices, in GWh:

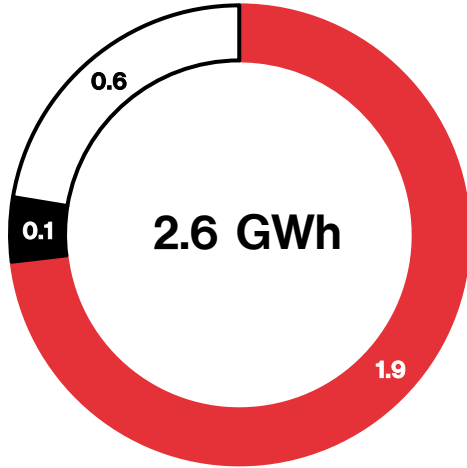


The share of renewable energy in the energy mix was 26% in 2022. The non-renewable share of district heating was 72%. This mainly consists of waste heat from nuclear power plants (100% non-renewable) and MSWIs (50% renewable). District heating from heat pumps was classified as 100% renewable. Electricity for sale includes 100% of the electricity from the joint venture HIAG Solar AG (HIAG share: 49%).

The following graphs show the electricity mix used for the operation of the yielding portfolio and the purchased district heating mix. These can only be influenced by HIAG to a limited extent (in particular the district heating mix).

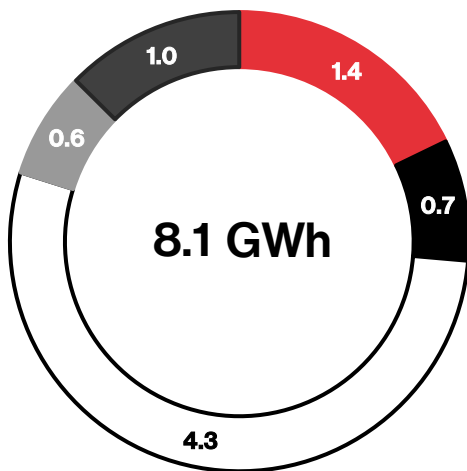
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Purchased general electricity mix of the yielding portfolio in 2022, in GWh:



- Hydropower
- Solar power, wind power, waste incineration, subsidised energy
- Nuclear energy

Purchased district heating mix of the yielding portfolio in 2022, in GWh:



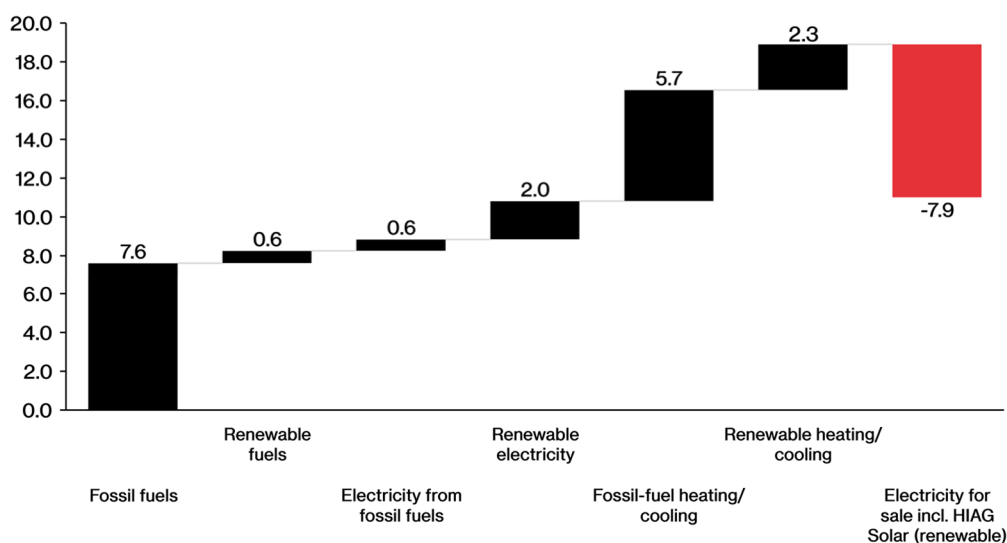
- Waste heat from waste incineration
- Oil and natural gas
- Waste heat from nuclear power plants
- Wood
- Heat pumps

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GRI 302-1

Fossil fuels and fossil heating and cooling energy (incl. nuclear energy) are currently the most important energy sources. These are primarily natural gas, heating oil and fossil fuels in district heating products. This includes, for example, district heating from the waste heat of nuclear power plants or fossil fuels, which are used to break peak loads.

Fossil fuel and renewable energy consumption in 2022 for the yielding portfolio, business mobility and electricity at the main offices, in GWh:



GRI 302-3

The tables below provide information on the energy requirements for (I) yielding portfolio operations, (II) business trips, and (III) the electricity requirements of the rented main offices. Further information on the collection of data can be found on page 43. The resulting greenhouse gas emissions are presented in the “Climate change” section (page 51).

Detailed energy requirements for the yielding portfolio in 2022:

	Heating/cooling			Electricity		
	GWh	% renewable	kWh / m ² _{ERA}	GWh	% renewable	kWh / m ² _{ERA}
Yielding portfolio	16.2	18%	50.6	2.4	76%	7.5

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Detailed energy requirements for business trips in 2022:

Means of transport	Energy used (MWh)	% renewable	Consumption (kWh/km)
Plane	8	0 ¹	1.0
Car-sharing (Mobility)	9	0 ¹	0.8
Employee private vehicle	55	0 ¹	0.8
HIAG vehicles	18	0 ¹	0.8
Public transport	113	90%	0.2
Total	203	50%	0.3

¹ Based on the assumption that no bioethanol has been blended into the paraffin, petrol or diesel

Further information on business travel can be found in the “Mobility” section (page 35).

Energy requirements from the electricity consumption of the main offices in 2022:

Locations	Electricity		
	MWh	% renewable	MWh / FTE
Basel, Geneva, Zurich (45.15 FTE)	37.0	100%	0.8

GRI 302-4

Change in energy consumption compared to the base year 2021:

Category	Unit	2022	2021	Δ as %	Δ LfL as %
Operation of yielding properties (heating, cooling, electricity)	kWh pro m ² _{ERA}	58.1	70.9	-18%	1%
	% renewable	25.8	29.2	-11%	-4%

The changes in gross consumption are shown. Sales from the company’s own energy production are not taken into account. The base year 2021 is the first survey date. The energy requirements for business trips and the electricity purchased for the main offices are not shown. Low relevance (see page 44) and small samples are decisive for this.

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Energy production

With the objective of reducing the consumption of non-renewable energy in the yielding portfolio and greenhouse gas emissions, HIAG concentrates on its own production of renewable energy in addition to energy-focused renovation projects and the installation of energy-efficient equipment.

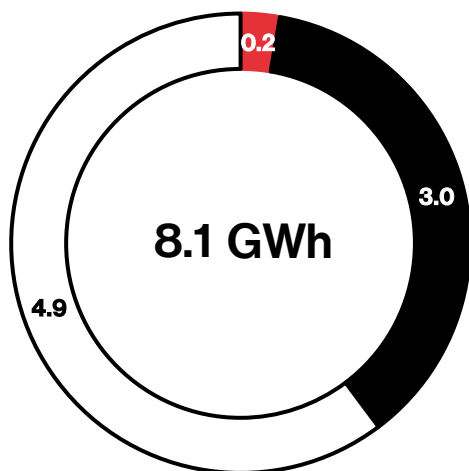
In order to leverage the enormous potential for the generation of solar power on the roofs of its own properties, HIAG set up the joint venture HIAG Solar in 2021 with aventron, an established Swiss producer of renewable electricity, in which HIAG holds a 49% stake. HIAG's goal is to become a significant solar power producer in Switzerland in the medium term.

As at 31 December 2022, 13 facilities with an output of 4.76 MWp were in the grid. The target output is about 6 MWp by 2024 (see page 26).

In order to use the solar power produced by HIAG Solar efficiently, purchase agreements in the form of green lease contracts were concluded with tenants on HIAG sites.

In addition to HIAG Solar's large solar panels, individual, smaller photovoltaic facilities and historic hydroelectric power plants are also in operation. A total of just under 8.1 GWh of renewable electricity was produced in 2022 (HIAG Immobilien Holding AG and HIAG Solar AG together). This corresponds to the annual use of more than 2,300 average Swiss households.

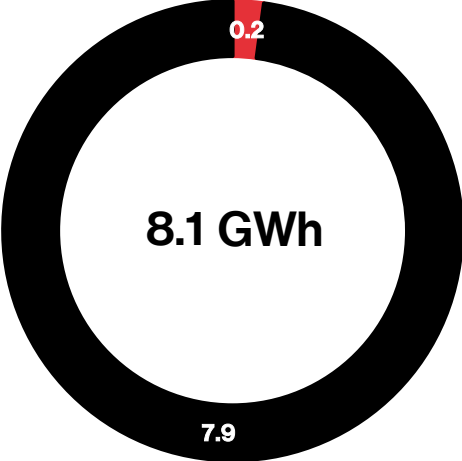
Production of renewable electricity 2022, in GWh:



- Solar power HIAG Immobilien Holding AG
- Solar power HIAG Solar AG
- Hydropower HIAG Immobilien Holding AG

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Share of energy sold from HIAG and HIAG Solar production in 2022, in GWh:



- Energy production for own use
- Energy production for sale

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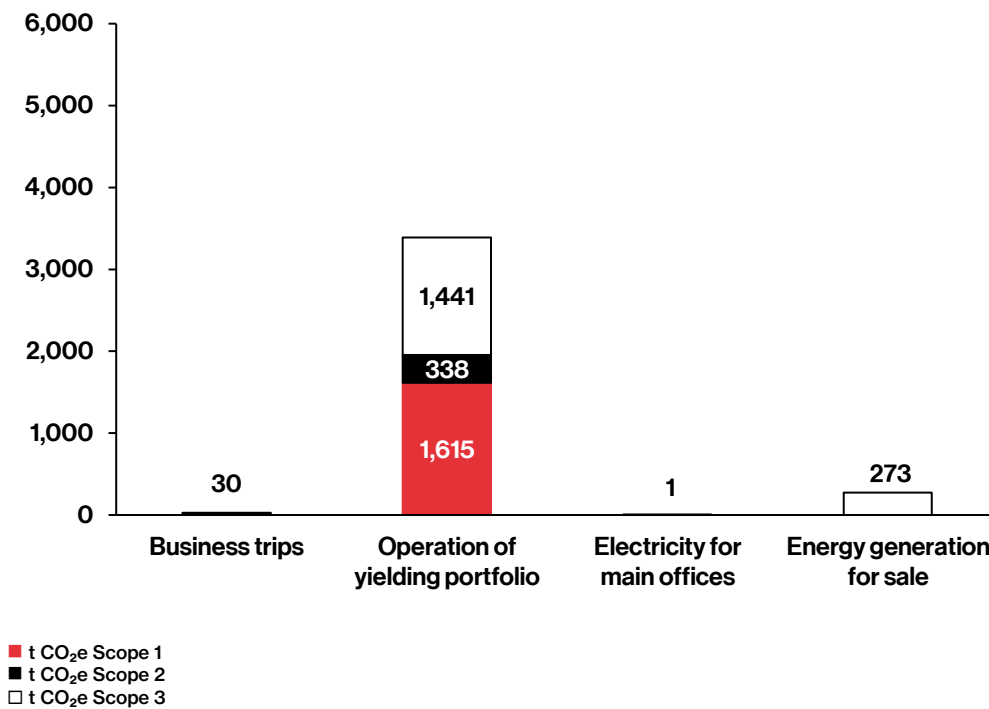
11.4 Climate change

GRI 305-1; GRI 305-2; GRI 305-3

HIAG wants to help protect the climate. To this end, various sustainable construction and management measures have been introduced (see pages 6, 21, 29 and 37). Extensive information on greenhouse gas emissions has also been published since 2021. The information is disclosed according to the categories defined on page 23. The corresponding energy requirements are shown on page 24.

In addition to various sources of emissions, HIAG also has carbon sinks of its own in the form of extensive, sustainably managed forests and farmland. The roughly 12 ha of forest areas absorb about 72 tons of CO₂ annually, based on the assumption⁸ that six tons of CO₂ are absorbed per hectare per year.

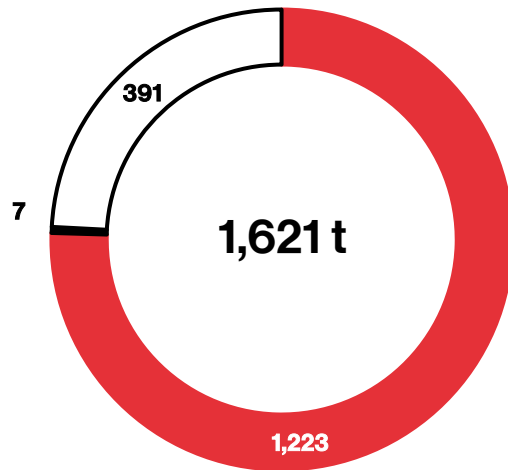
Greenhouse gas emissions by energy source in 2022 (business trips, yielding portfolio operations, electricity requirements for operation of the main offices, production of energy for sale) in t CO₂e:



⁸ <https://www.wald.de/waldwissen/wie-viel-kohlendioxid-co2-speichert-der-wald-bzw-ein-baum/>

Sustainability Report 2022

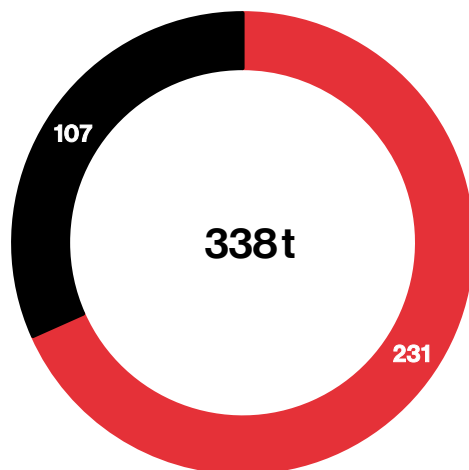
Scope 1 emissions 2022 from yielding portfolio operations, electricity for main offices, business trips, production of energy for sale in t CO₂e:



- Fossil Scope 1 emissions
- Biogenic Scope 1 emissions
- Fossil Scope 1 emissions compensated

The compensated fossil Scope 1 emissions include compensation measures for natural gas, which were taken over by the supplier.

Scope 2 emissions 2022 from yielding portfolio operations, electricity for main offices, business trips, production of energy for sale in t CO₂e:



- Fossil Scope 2 emissions
- Biogenic Scope 2 emissions

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Biogenic Scope 2 emissions are mainly emissions from the combustion of non-fossil organic raw materials (such as wood) or from the operation of hydropower plants. They are the consequence of released putrefactive gases, which are typically produced when watercourses are dammed.

The calculated key figures are based on the suppliers' energy mix (market-based). HIAG's purchased energy consumption has significantly lower CO₂ emissions compared with the national average (location-based) (see page 46).

Comparison of market-based approach and location-based approach for calculating Scope 2 emissions in 2022:

	Energy source	CO ₂ e emissions/kWh sourced from HIAG	CO ₂ e emissions/kWh national average
		(market-based, 2022)	(location-based)
Scope 2	District heating	45.1g	115.3g
	Electricity	0.7g	149.7g

GRI 305-3; GRI 305-4

Detailed greenhouse gas emissions linked to electricity requirements of the yielding portfolio in 2022:

Type of emissions	Scope 1: kg CO ₂ e	Scope 2: kg CO ₂ e	Scope 1+2: kg CO ₂ e	Scope 1+2: g CO ₂ e/kWh	Scope 3: kg CO ₂ e	Scope 3: g CO ₂ e/kWh
Fossil	0	611	611	1.90	76,582	238
Biogenic	50	1,182	1232	3.83		
Total	50	1,793	1843	5.74	76,582	238

The tables below provide information on the greenhouse gas emissions for (I) yielding portfolio operations, (II) the electricity requirements for operation of the main offices, and (III) business trips. The corresponding energy requirements are shown on page 44.

Detailed greenhouse gas emissions linked to heating/cooling requirements of the yielding portfolio in 2022:

Type of emissions	Scope 1: t CO ₂ e	Scope 2: t CO ₂ e	Scope 1+2: t CO ₂ e	Scope 1+2: kg CO ₂ e/m ² _{ERA}	Scope 3: t CO ₂ e	Scope 3: kg CO ₂ e/m ² _{ERA}
Fossil	1,608	231	1838	5.72	1,364	4.25
Biogenic	7	106	113	0.35		
Total	1,615	337	1,952	6.07	1,364	4.25

Greenhouse gas emissions from electricity requirements for main offices in 2022:

Location	Scope 2: kg CO ₂ e	Scope 2: kg CO ₂ e/FTE	Scope 3: kg CO ₂ e
Basel, Geneva, Zurich (45.15 FTEs)	22.2	0.5	1,011.6

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Detailed greenhouse gas emissions linked to business trips in 2022:

Means of transport	Scope 1: t CO ₂ e	Scope 3: t CO ₂ e	Scope 1+3 kg CO ₂ e/km
Plane ¹	-	2.2	0.277
Car-sharing (Mobility)	-	2.7	0.253
Employee private vehicle	-	17.4	0.253
HIAG vehicles	4.7	0.9	0.253
Public transport	-	2.5	0.005
Total	4.7	25.7	0.05

¹ CO₂e emissions from air travel were offset for 79% of the distance travelled. This fact was not reflected in the table. After offsetting, CO₂e emissions from business air travel would still amount to 319 kg.

GRI 305-5

Change in greenhouse gas emissions compared to the base year 2021:

Category	Unit	2022	2021	Δ as %	Δ LfL as %
Operation of yielding properties (heating, cooling, electricity)	Scope 1 kg CO ₂ e per m ² _{ERA}	5.0	6.7	-25%	-6%
	Scope 2 kg CO ₂ e per m ² _{ERA}	1.1	1.7	-35%	-33%

The changes in gross emissions are shown. Sales from the company's own energy production are not taken into account. The base year 2021 is the first survey date. The emissions for business trips and the electricity purchased for the main offices are not shown. Low relevance (see page 51) and small samples are decisive for this.

The emission intensity in the yielding portfolio is now 6.1 kg CO₂e per m²_{ERA} (2021: 8.5 kg CO₂e per m²_{ERA}). This reduction is due to various causes.

Reduction of Scope 1 emissions to 5.0 kg CO₂e per m²_{ERA} (2021: 6.7 kg CO₂e per m²_{ERA}):

- In financial years 2021 and 2022, numerous properties heated using fossil fuels were sold, for example at the Aathal/Wetzikon, Biberist and Diesbach sites, new triple-net contracts were entered into and a district heating connection was realised in Dietikon. These measures (including acquisitions) resulted in reductions of almost 450 tonnes of CO₂e in the reporting. Converted, this corresponds to roughly 1.4 kg CO₂e per m²_{ERA}. In a like-for-like comparison, this results in a reduction of 6%.

Reduction of Scope 2 emissions to 1.1 kg CO₂e per m²_{ERA} (2021: 1.7 kg CO₂e per m²_{ERA}):

- The emission rate of Scope 2 emissions has decreased significantly. It is now 45.1g CO₂e per kWh (2021: 71.1g CO₂e per kWh). Without this reduction, the Scope 2 emission intensity would still be 1.8 kg CO₂e per m²_{ERA}. The reduction can therefore be attributed to external factors. The reason for the lower emission rate is the lower proportion of fossil fuels in the district heating products purchased. As HIAG is only able to control and forecast Scope 2 emissions to a very limited extent, the assumptions used in the reduction path (see page 41) are still based on the rather conservative values from 2021.

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11.5 Mobility

The development of mobility increases the attractiveness of HIAG's sites and ensures the success of its development projects. With holistic mobility concepts, negative effects such as poor accessibility or noise emissions can be reduced or prevented. This can increase the quality of time spent at the sites. The needs of the different stakeholders are taken into account in the development of the mobility concepts.

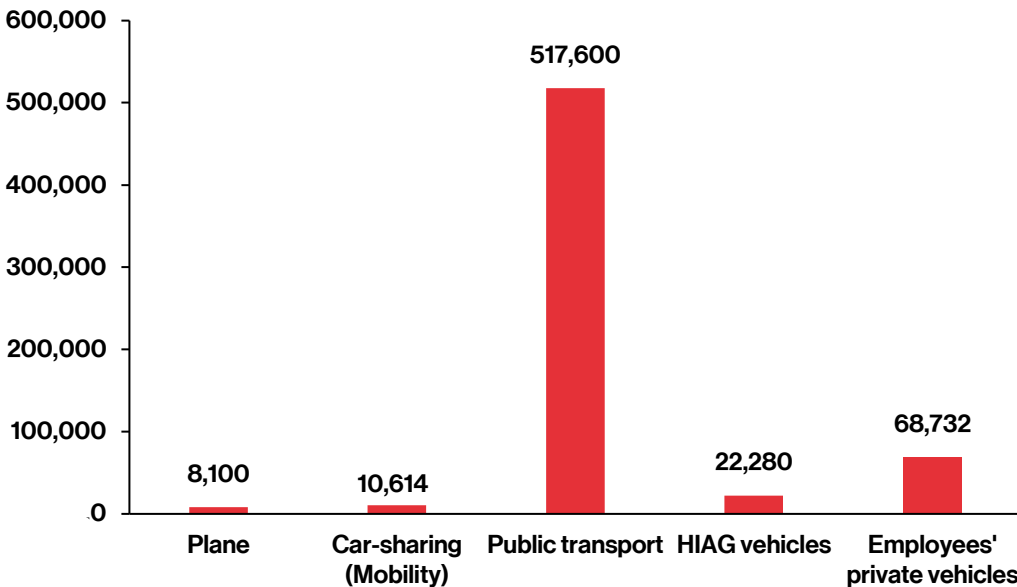
Creation of a sufficient number of parking spaces for bicycles and provision of efficient charging stations for electric vehicles are a consistent part of the planning process for development projects and carried out wherever possible. Where necessary, HIAG optimises site accessibility with innovative solutions from third-party providers, such as car-sharing services.

HIAG regularly analyses the accessibility of its sites using independent data. The results are continuously incorporated into the planning and optimisation of mobility concepts.

HIAG has a structured mobility management system and promotes the use of public transport. Employees who need to travel frequently receive general or half-fare travelcards. In addition, all employees have access to the Mobility car-sharing system.

Most business trips are made using public transport. In addition to cost savings and efficiency gains, this also reduces negative environmental impacts.

Business trips in 2022 by means of transport, in km:



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11.6 Construction and resource use

When developing its sites, HIAG ensures that existing buildings are incorporated. Thus, the sites' character and historical identity are preserved, and large amounts of waste and grey energy can be avoided.

With its Codes of Conduct for Employees and Business Partners, HIAG is attentive to the careful management of natural resources.

One example of the circular economy in action is the sale and planned dismantling of an industrial production plant and building on HIAG's Pratteln site in 2021. The plant and its building will be rebuilt and commissioned by the new owner at a location in the UK.

In order to conserve resources in terms of property maintenance, the properties are periodically checked and upgraded if necessary.

In the past financial year, as in 2021, the water consumption of yielding properties was once again evaluated using the operational control approach. Drinking water is readily available in Switzerland thanks to the country's ample water resources. The absolute consumption values are therefore of lesser importance in an international comparison. Nevertheless, water conservation and appropriate systems should relieve the burden on the water treatment infrastructure. The sustainability policy (see page 2) obliges us to plan and implement water-conserving solutions. This also includes water-conserving outdoor space design. All of HI-AG's properties are connected to the sewage system so that waste water can be properly purified. In order to preserve the water treatment infrastructure, most properties have dual waste water pipes for meteoric and brown water. In addition, water percolation and retention areas feed meteoric water into the groundwater and help to reduce power peaks and relieve the local infrastructure during intense precipitation.

GRI 303-5

Water consumption of the yielding portfolio in 2022:

Portfolio	total Water consumption in m ³	Water consumption in m ³ per m ² _{ERA}
Yielding portfolio	66,898	0.220

One indicator of resource efficiency is the share of certified properties in the portfolio. As at 31 December 2022, there were five certified buildings in HIAG's yielding portfolio. An official building energy certificate is available for a sixth building. These six properties account for 14% of the total value of the yielding portfolio. Based on the existing development pipeline, this number will continue to rise in the years ahead. Provisional Minergie certification (ZG-763) is available for the projects at Lorzenparkstrasse 17-21 in Cham, for example. In addition, SNBS certification is being sought for further building projects in Cham and Zurich-Altstetten. Minergie-Eco certification is planned for the Fahrwerk project in Winterthur.

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Certified buildings in the existing portfolio as at 31 December 2022:

Property	Type of use	Certificate / Building certificate
Spinnereistrasse 10A–10E, 5210 Windisch	Residential	Minergie-Neubau (AG-4388)
Spinnereistrasse 12A, 12B, 5210 Windisch	Residential	Minergie-Neubau (AG-4390)
Spinnereistrasse 14A, 14B, 5210 Windisch	Residential	Minergie-Neubau (AG-4389)
Route du Nant-d'Avril 150, 1217 Meyrin	Office	Minergie-Sanierung (GE-1755)
Route du Nant-d'Avril 154, 1217 Meyrin	Office	Minergie-Neubau (GE-1417)
Industriestrasse 24, 8155 Niederhasli	Office	GEAK building energy certificate Building envelope efficiency: B Total energy efficiency: A

Sustainable Building Manifesto

With the “Sustainable Building Manifesto” that was developed in financial year 2022, HIAG has laid down the central cornerstones of its concept of sustainability for new buildings and total refurbishments. This means that sustainability goal 2021.2 (development of a guideline for the certification of buildings and the use of recyclable products by 2023) has been successfully implemented ahead of schedule.

The content of the manifesto was developed in a number of workshops with the involvement of the responsible site developers and external experts. The document’s comprehensibility allows HIAG to communicate its sustainability requirements for construction projects. The manifesto describes the aspects of sustainable construction that are relevant to HIAG in the form of six principles.

These are:

1. Resilience to the impacts of climate change
2. Optimal accessibility and strengthening of sustainable mobility
3. High quality of stay and safety
4. Energy-efficient and low-emission infrastructure
5. High flexibility of use
6. Taking social needs into account

Within the framework of these six principles and the other provisions of the manifesto, a wide range of sustainability issues are considered. These include topics such as certification, biodiversity, energy efficiency, greenhouse gas emissions, pollution, safety, the expansion of renewable energy, resilience to natural hazards and sustainable material procurement. Further explanations regarding these six principles and the embedding of the topics of certifications as well as the use of recyclable products can be found in the publicly available manifesto:

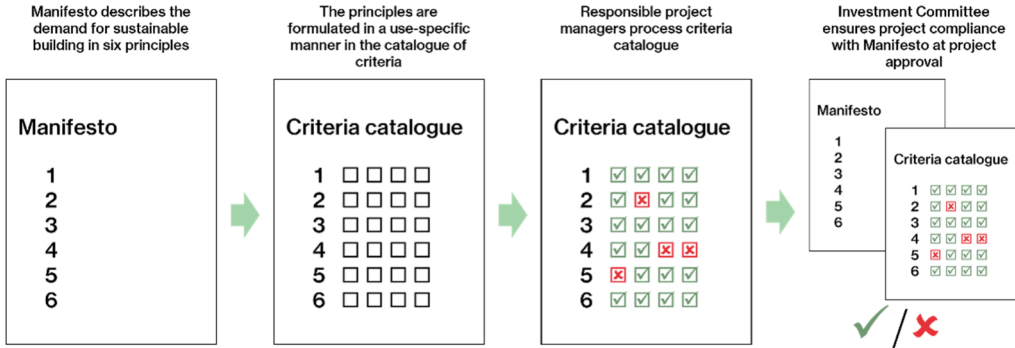
<https://www.hiag.com/en/company/manifesto-sustainable-building/>

The manifesto is based on a comprehensive catalogue of criteria. This translates the six principles into concrete criteria for the different types of use (industry, logistics, retail, office and residential). The criteria are based on the DGNB sustainability standard of the Swiss Sustainable Building Council (SGNI). Unlike other standards, such as the Swiss Sustainable Building Standard (SNBS) or Minergie, this covers all relevant types of use and topics.

Procedurally, the manifesto has been integrated into the existing project approval process. This ensures that all relevant bodies deal intensively with the issue. This ensures that the manifesto is put into practice and contributes to the development of appealing and innovative solutions.

Sustainability Report 2022

Application of the Sustainable Building Manifesto:



The project leaders process the catalogue of criteria together with the project application. Any deviations from the set criteria must be justified. The Investment Committee must confirm the compliance of the construction project with the content of the manifesto at the time of the project approval. If this is not the case, the building project cannot be approved.

Sustainability Report 2022

11.7 Biodiversity

GRI 304-2

HIAG wishes to seize opportunities to reverse the loss of biodiversity. With the redevelopment and redesign of sites that have already been developed, HIAG bolsters the densification of residential areas in Switzerland as intended by the federal government and helps preserve undeveloped, natural habitats. During project development and as part of its regular construction procedures, HIAG checks the feasibility of projects and maintains a close dialogue with the relevant stakeholders.

Some important biodiversity measures undertaken include the creation of roof biotopes at “The Hive” campus in Meyrin in 2020, and the optimisation of the rebuilt fish pass in Biberist in 2021 with a length of more than 300 metres. At the Kleindöttigen site, HIAG has provided “BirdLife” with a land parcel of just under 0.5 ha intended for ecological enhancement and environmental education for a symbolic CHF 1 per year since 2017. In addition, the forests and agricultural land included in the portfolio are naturally sustained and provide valuable habitats for people and animals.

HIAG’s portfolio contains numerous, extensive biodiversity hotspots totalling about 23 ha⁹. Most of them are outside the construction zone and provide attractive recreational areas for tenants with a positive impact on the character of the sites. Due to the sale of the Gempen site (SO), this area has decreased significantly compared to financial year 2021 (32 ha).

This proactive approach to documentation integrates usage restrictions into the development plans from the very beginning. This saves time and contributes to the appropriate management of these areas.

12 ESG risk management

The existing ESG risk management activities were significantly expanded in financial year 2022. The purpose of these activities is to ensure that the relevant risks are known and controlled using appropriate measures. ESG risk management is embedded in the sustainability strategy. This ensures that the strategic direction addresses known ESG risks. The list of risks is reviewed each year by the Sustainability Project Manager.

Risk management is based on various legal, social and scientific analyses. These include, for example, analyses of stakeholder needs, regulatory requirements and the exposure of properties to natural hazards.

⁹ refers to areas in federal inventories, protected areas, connectivity corridors, floodplain areas and parks

Sustainability Report 2022

13 Transparency and fair competition

GRI 2-24; GRI 2-25; GRI 2-26; GRI 2-27; GRI 205-3; GRI 206-1; GRI 417-2; GRI 417-3; GRI 418-1

As a reliable company that works in the interest of its shareholders and other stakeholders, HIAG focuses on responsible management, effective data protection, transparency, reputation, and a business model with a long-term focus.

To ensure this, HIAG complies with legal requirements and has also taken additional, voluntary measures. Through transparent, proactive communication and regular dialogue with stakeholders, HIAG helps to develop a better understanding of its business model and builds trust in the company and its representatives. HIAG's standards of professionalism and honesty, as well as fair competition, are set out in the Codes of Conduct, compliance with which is monitored by HIAG's General Counsel. He is available to answer questions regarding practical application from the responsible persons.

In November 2022, an anonymous whistleblowing form was integrated to the company's website. No reports were received via the form in financial year 2022. The General Counsel periodically informs the Board of Directors about the number of reports received.

In terms of compliance with laws and regulations, it can be stated that in financial year 2022:

- There were no confirmed cases of corruption in connection with HIAG's work,
- No legal proceedings under public law in connection with corruption were initiated against HIAG or HIAG employees during the reporting period,
- No pending legal proceedings were initiated in the reporting period due to anti-competitive behaviour or violations of anti-trust and monopoly law involving HIAG,
- There were no breaches of regulations or voluntary codes of conduct in connection with product and service information or labelling,
- There were no breaches of regulations or voluntary codes of conduct in connection with marketing or communication, including advertising, sales promotion and sponsorship,
- There was no evidence of data loss or theft, and no complaints were received in relation to breaches of client data protection,
- No fines or non-monetary sanctions were imposed on HIAG for non-compliance with laws or regulations in the social or economic sphere.

As the current processes for ensuring responsible management and transparency, data protection, reputation and the long-term business model are proving effective and there are no known complaints, HIAG sees no need to significantly change its methods. However, minor adjustments and optimisations are continuously reviewed and implemented as part of daily business.

Sustainability Report 2022

Due diligence, transparency and reporting on climate issues pursuant to Art. 964 OR
HIAG is not subject to the new legal provisions pursuant to Art. 964 OR (laws on transparency regarding non-financial matters, and due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labour):

- The number of employees is well below 500 full-time equivalents.
- Neither HIAG nor its subsidiary Jaeger et Bosshard SA exceed the stipulated import and processing quantities of the relevant minerals and metals in accordance with the VSoTr.
- HIAG's business territory is limited exclusively to Switzerland. The direct business partners are almost exclusively companies based in Switzerland (see page 37). There is therefore no reasonable suspicion of child labour.

Furthermore:

- HIAG already practises comprehensive sustainability reporting.
- The company has set itself the goal of voluntary convergence with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) by 2024.

Sustainability Report 2022

14 Membership of associations and stakeholder groups

GRI 2-28

During financial year 2022, HIAG was a member of the following associations and special interest groups:

- Chamber of Commerce & Industry, Aargau
- Association des professionnels de la Zone Intercommunale Meyrin, Satigny, Vernier (A.Z.I.)
- Association Praille-Grosselin
- Basel Art Association
- Club de Bâle
- Coworking Switzerland
- Creditreform
- Diesbachkorporation
- Entwicklung Schweiz
- Geschäftsberichte-Symposium AG
- Gewerbe Region Biberist
- Geerbeverein Wetzikon
- Global Real Estate Sustainability Benchmark (GRESB)
- Handel Schweiz
- Chamber of Commerce, Basel-Stadt and Basel-Landschaft
- HEV Hauseigentümerverband Dietikon-Urdorf
- HEV Wetzikon and surrounding area
- IG Kleinwasserkraft Glarnerland
- IG Silber Dietikon
- IR Club Schweiz
- Royal Institution of Chartered Surveyors (RICS)
- Runsenkorporation Betschwanden
- St. Gallen Symposium
- Standortförderung Zürioberland
- Statistisch-Volkswirtschaftliche Gesellschaft Basel
- SVIT Basel-Stadt and Basel-Land
- SVIT KUB
- Swiss Circle AG
- Swiss Lean Construction Institute
- Swiss Small Hydro
- The Branch
- umnutzer.ch
- Verpächtervereinigung Nordwestschweiz
- Verein Geothermische Kraftwerke Aargau
- Verein Wirtschaftsregion ZUGWEST
- Association for the promotion of the business studies centre (WWZ), University of Basel
- VIS (Swiss real estate association)

Sustainability Report 2022

15 Sustainability assessments

HIAG's sustainability work is evaluated by various organisations. The results reflect the extent of the sustainability work done and indicate further potential for improvement. HIAG strives for the continuous improvement of the ratings it achieves. HIAG focuses primarily on the Swiss sustainability rating from Inrate and the ratings of the Global Real Estate Sustainability Benchmark (GRESB). The possibility of expanding the list of ratings that are relevant to HIAG and its stakeholders is reviewed each year.

Inrate Sustainability Assessment 2022

Rating: B (scale: A+ to D-)

Inrate is an independent Swiss sustainability rating agency. With its Sustainability Assessment, Inrate generates an industry-specific benchmark. Based on the above-average result in 2022 (rating: B), HIAG qualifies for the SIX SPI ESG Index for the first time. The results of the Inrate Sustainability Assessment are decisive for inclusion in the index.

GRESB Global Real Estate Sustainability Benchmark 2022

Rating: Grace Period 2022

Public Disclosure Level: 83 points (rating: A, scale: A to E)

GRESB is the leading sustainability rating for the real estate industry. In 2022, HIAG participated in the GRESB Real Estate Assessments (Standing Investments and Development) for the first time.

GRI Content Index



**CONTENT INDEX
ESSENTIALS SERVICE**

2023

HIAG Immobilien Holding AG has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. This service was provided for the German version of the report.

The sustainability report was published on 13 March 2023. Contact person is Marco Feusi, marco.feusi@hiag.com (GRI 2-3).

GRI-Standard	Disclosure	Information
GRI Universal Standards		
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
	<i>The organization and its reporting practices</i>	
	2-1: Organizational details	Page 22
	2-2: Entities included in the organization's sustainability reporting	Page 22
	2-3: Reporting period, frequency and contact point	Page 23, 182
	2-4: Restatements of information	Page 22
	2-5: External assurance	Page 22
	<i>Activities and workers</i>	
	2-6: Activities, value chain and other business relationships	Page 13, 37
	2-7: Employees	Page 32
	2-8: Workers who are not employees	Page 32
	<i>Governance</i>	
	2-9: Governance structure and composition	Page 64, 70
	2-10: Nomination and selection of the highest governance body	Page 70
	2-11: Chair of the highest governance body	Page 70
	2-12: Role of the highest governance body in overseeing the management of impacts	Page 23
	2-13: Delegation of responsibility for managing impacts	Page 23, 81
	2-14: Role of the highest governance body in sustainability reporting	Page 23
	2-15: Conflicts of interest	Page 66, 70, 80
	2-16: Communication of critical concerns	Page 60
	2-17: Collective knowledge of the highest governance body	Page 35, 70
	2-18: Evaluation of the performance of the highest governance body	Page 81
	2-19: Remuneration policies	Page 90
	2-20: Process to determine remuneration	Page 91
	2-21: Annual total compensation ratio	Page 36
	<i>Strategy, policies and practices</i>	
	2-22: Statement on sustainable development strategy	Page 11
	2-23: Policy commitments	Page 36, 37
	2-24: Embedding policy commitments	Page 36, 37, 60
	2-25: Processes to remediate negative impacts	Page 24, 26, 60
	2-26: Mechanisms for seeking advice and raising concerns	Page 60
	2-27: Compliance with laws and regulations	Page 60
	2-28: Membership associations	Page 62
	<i>Stakeholder engagement</i>	
	2-29: Approach to stakeholder engagement	Page 24
	2-30: Collective bargaining agreements	Page 35
GRI 3: Material Topics 2021		
	Disclosures on material topics	
	3-1: Process to determine material topics	Page 24
	3-2: List of material topics	Page 24
GRI Sector Standards		
The Sector Standard "Real Estate" relevant for HIAG is not yet available.		

GRI Content Index

GRI Topic Standards		
Urban planning standards and location development		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 38 References to policy and codes: pages 22, 36, 37
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	Page 38, 39
<i>Own Disclosure</i>	Neu geschaffene Kapazitäten	Page 39
Construction and resource use		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 41, 56 References to policy and codes: pages 22, 36, 37
<i>Own Disclosure</i>	Share of certified buildings	Page 56
GRI 303: Water and Effluents 2018	303-5: Water consumption	Page 56
Biodiversity		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 59 References to policy and codes: pages 22, 36, 37
GRI 304: Biodiversity 2016	304-2: Significant impacts of activities, products, and services on biodiversity	Page 59
Data protection		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 60 References to policy and codes: pages 22, 36, 37
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 60
Energy		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 41 References to policy and codes: pages 22, 36, 37
GRI 302: Energy 2016	302-1: Energy consumption within the organization	Page 43, 47
	302-3: Energy intensity	Page 43, 47
	302-4: Reduction of energy consumption	Page 43, 48
Innovation		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 39 References to policy and codes: pages 22, 36, 37
<i>Own Disclosure</i>	Ongoing innovation projects in the reporting year	Page 39
Climate change		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 41, 51 References to policy and codes: pages 22, 36, 37
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	Page 43, 51
	305-2: Energy indirect (Scope 2) GHG emissions	Page 43, 51
	305-3: Other indirect (Scope 3) GHG emissions	Page 43, 51, 53,
	305-4: GHG emissions intensity	Page 43, 53
	305-5: Reduction of emissions	Page 43, 54
Long-term business model		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 60 References to policy and codes: pages 22, 36, 37
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	Page 115

GRI Content Index

Supply chain		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 37 References to policy and codes: pages 22, 36, 37
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	Page 37
Employees		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 32 References to policy and codes: pages 22, 36, 37
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	Page 33
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 32
	401-3: Parental leave	Page 36
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	Page 35
	404-3: Percentage of employees receiving regular performance and career development reviews	Page 32
Mobility		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 55 References to policy and codes: pages 22, 36, 37
<i>Own Disclosure</i>	Modal split in business travel	Page 55
User satisfaction		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 38 References to policy and codes: pages 22, 36, 37
GRESB	GRESB TC2.1 Has the entity undertaken tenant satisfaction surveys within the last three years?	Page 38
Reputation		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 60 References to policy and codes: pages 22, 36, 37
<i>Own Disclosure</i>	Information regarding transparency and fair competition	Page 60
Transparency		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 60 References to policy and codes: pages 22, 36, 37
GRI 415: Public Policy 2016	415-1: Political contributions	Page 39
GRI 417: Marketing and Labeling 2016	417-2: Incidents of non-compliance concerning product and service information and labeling	Page 60
	417-3: Incidents of non-compliance concerning marketing communications	Page 60
Corporate culture		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 32 References to policy and codes: pages 22, 36, 37
GRI 402: Labor/Management Relations 2016	402-1: Minimum notice periods regarding operational changes	Page 35
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	Page 33
Responsible corporate governance		
GRI 3: Material Topics 2021	3-3: Management of material topics	Page 60 References to policy and codes: pages 22, 36, 37
GRI 205: Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken	Page 60
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 60