



# Sustainability policy

## HIAG Group

Basel, 16 December 2022

English translation of the German original

This policy was approved by the Executive Board on 16 December 2022. It describes the sustainability requirements for the various corporate processes. These include both strategic and project-specific requirements that apply in particular to the areas of acquisition and development. This policy is binding for the entire HIAG Group.

### **General requirements for environmental protection**

HIAG is committed to the careful and responsible use of natural resources. Negative effects on nature, the environment and the climate will be continuously reduced.

Therefore, the following regulations must be observed:

- Energy consumption will be continuously optimised. This requires the use of highly efficient plant, equipment and systems. Efficiency improvements have to be considered integrally and be achieved in particular in hot water production, heating and ventilation systems as well as lighting.
- Greenhouse gas emissions will be continuously reduced. To ensure the further development of the portfolio, the strategic reduction path must be taken into account in the property strategy.
- Facilities under HIAG's control are continuously checked for environmental risks and operational safety and are professionally maintained.
- Where possible, products of sustainable origin (e.g. recycled, reused, products labelled as particularly sustainable) should be sourced. Wood products should be at least FSC-certified.
- Resource-efficient components, technical equipment and materials (in terms of energy, water, greenhouse gas emissions, etc.) are assessed and given preference with a view to the entire life cycle.
- The purchase of materials or products is prohibited if:
  - Environmental protection laws were violated during production,
  - The materials or products are associated with potential health hazards,
  - The materials or products are prohibited for health or environmental reasons.This is stated in the corresponding contracts for work.
- The protection and promotion of biodiversity is encouraged by HIAG. This applies in particular to management and construction projects.
- Pollution and noise emissions are reduced through appropriate measures and do not lead to excessive pollution.
- Light pollution is actively addressed. For this purpose, HIAG follows the 7-point plan of the Federal Office for the Environment.
- Proactive waste management is implemented at all levels and prevents pollution and littering. In general, waste has to be avoided, reused, recycled, separated and professionally reprocessed.

### **General requirements for social responsibility**

HIAG is aware of its social responsibility towards its employees, customers, suppliers, investors, neighbours and other stakeholders. Joint dialogue and mutual awareness are of great importance to HIAG.

The following points apply:

- Child labour and forced labour along the entire value chain are not tolerated.
- The right to freedom of association and respect for human rights must be guaranteed at all times for employees of HIAG and employees of our contracting partners working on behalf of HIAG.
- Work performed is remunerated at market rates that set the conditions for an adequate standard of living.
- Customer and employee satisfaction is regularly surveyed, analysed and optimised through targeted measures.
- The health, safety and well-being of employees are analysed and optimised in a targeted manner.
- The health and safety of residents and customers is ensured through appropriate measures during the construction and operational phases. This includes issues such as accessibility, noise and dust pollution, lighting, air quality, room temperature and water quality.
- The needs of local residents and other stakeholder groups are recorded on a project-specific basis (e.g. during consultation meetings) and evaluated.
- Employees are supported individually and according to their needs.
- Diversity and inclusion in terms of origin, sexual orientation, gender, background, etc. are enabled and promoted by HIAG.

## General requirements for responsible corporate governance

Compliance with the legal standards as well as the norms of behaviour pursuant to codes of conduct is mandatory.

The following also applies:

- Comprehensive risk analyses (incl. ESG risks) are carried out regularly and form the basis for the regular process audits.

## Specific requirements for the acquisition of new properties

In the case of new acquisitions, the following points in particular, including their consequences and necessary measures, must be carefully examined and included in the acquisition decision (ESG due diligence):

- Greenhouse gas emissions: The greenhouse gas emissions caused by the property and the effort required to reduce them in accordance with the requirements of HIAG's specific reduction path must be assessed.
- Biodiversity: Protected areas and valuable habitats on or in the immediate vicinity of the properties must be identified and taken into account. It must be examined which uses are feasible and what effects the planned use will have on the protected areas or habitats.
- Contaminated sites and pollution: Sites must be checked for contamination, pollution and other impurities. The cost of potential remediation needs to be assessed.
- Environmental disasters: The risk of environmental disasters (floods, earthquakes, man-made disasters such as spills, etc.) must be assessed. The cost of repair or extending suitable protective measures must be assessed.
- Building safety: The condition and safety of the technical installations must be checked. If harmful substances have been used or other safety deficiencies need to be remedied, the cost of remediation must be assessed.
- Amenity value: The amenity value of the indoor and outdoor areas as well as the expense of potential improvement measures must be assessed.
- Environment and quality of infrastructure: The quality of the infrastructure and the socio-economic context of the site/property must be assessed with regard to the planned use. This includes estimates of the cost of potential optimisation measures.
- Energy and water supply: The condition of the supply and disposal system (water, electricity, etc.) must be assessed. The potential for renewable energy production must be examined. The cost of potential remediation needs to be assessed.
- Possibilities under the right of use: The potential of development possibilities under the right of use must be clarified. This also includes restrictions on use (for example due to protected installations or installations worthy of protection).

## Specific requirements for development and major renovation work

New buildings and major renovation work must be guided by the requirements of the Sustainable Building Manifesto. In particular, the following points must be taken into account:

- Greenhouse gas emissions: to be reduced in accordance with the requirements of HIAG's specific reduction path.
- Sites are resilient to the impacts and physical risks of climate change.
- Site uses are controlled in a targeted manner. This creates attractive and versatile destinations with efficient, resource-saving and user-specific mobility concepts.
- The protection of water ecosystems (e.g. surface waters and groundwater) is ensured on construction sites and in downstream operations.
- Water-saving outdoor design and retention areas for the seepage of meteoric water contribute, where technically feasible, to the avoidance of heat islands and the protection of the local water supply.
- The contract for the planning and implementation of water systems is awarded on the basis of water-saving solutions. This also requires the installation of water-saving systems.
- HIAG and its contracting partners undertake to introduce a functioning waste management system at larger construction sites. Inadequate implementation or failure to pass on the collected data by the contracting partners can be admonished by HIAG. Waste management includes at least the following:
  - Separation of waste as needed with adequate signage,
  - Appropriate recycling (e.g. metals etc.) and reuse (e.g. soil) of valuable resources,
  - Monitoring and reporting to HIAG of the waste quantities generated for the categories "hazardous waste" and "non-hazardous waste" (in m<sup>3</sup>).
- Health and safety must be guaranteed on HIAG's construction sites at all times. Implementation of SUVA's eight essential rules for building construction (these include the topics: securing of fall edges, trenches and floor openings, safe use of cranes, safe scaffolding and access routes, protective equipment, etc.) must be ensured and observed without compromise.

- All accidents on HIAG's construction sites must be reported and notified to HIAG's project manager. This also applies to contracting partners. The following must be reported:
  - All injuries (differentiated according to "with medical treatment" and "without medical treatment"),
  - Accidents on HIAG construction sites and the resulting number of days lost,
  - Deaths.
- For new buildings, the Scope 3 emissions of the construction work (grey energy) are estimated. For example, the tools for Minergie-Eco buildings can be used for this purpose.
- Stakeholders are involved in the planning of large projects. Disruptions and inconveniences during the various construction stages are predicted and communicated to the affected stakeholders in a comprehensible manner. Stakeholders can direct complaints or queries to the responsible HIAG project manager.

### Concluding remarks

The heads of the individual departments are responsible for implementing this policy. If in doubt about the correct procedure, please contact our General Counsel or another member of the Executive Board.

Internal training and awareness-raising measures are carried out to monitor compliance with all relevant requirements (regulations, policies, codes, etc.). The implementation of the policy is discussed at regular meetings with employees and external partners.

Spot checks for compliance with regulations may be ordered by individual members of the Executive Board. This also includes the implementation of unannounced construction site inspections by HIAG's project managers. During these construction site inspections, compliance with SUVA's eight essential rules for building construction, implementation of the code of conduct as well as this policy and further GTCs of the work contracts are checked. The result of such checks must be recorded in writing and communicated to the responsible member of the Executive Board.

### Your contact



Jvo Grundler  
General Counsel

+41 79 509 17 83  
jvo.grundler@hiag.com

HIAG Immobilien Schweiz AG  
Aeschenplatz 7  
4052 Basel