

Compliance

Integrated quality management

Allreal has a comprehensive and standardised quality and cost management system that is implemented consistently and updated regularly. The web-based database "Processes at Allreal for Quality" (PAQ) defines standards and processes, and provides all employees with tools such as regulations, templates and examples for their day-to-day work. All employees are trained at regular intervals on how to use PAQ, with the most recent session taking place in December 2019 for all employees and in 2021 for individual employee groups.

Procurement

As a total and general contractor, Allreal is liable for non-compliance with minimum wage laws or the statutory working conditions offered by both contractors and all of their subcontractors in the supply chain. The high cost and time pressures so prevalent in the construction sector give rise to the risk of violations of labour and social security provisions. These not only involve quality risks, but also liability and reputation risks. Allreal strongly condemns illegal labour and wage dumping, and obliges all contractors to adhere strictly to the applicable provisions.

In 2021, Allreal did not record any violations on its construction sites. The company takes a range of actions to minimise further the risk of violations of the Posted Workers Act, including, for example, strict contract terms, an ID requirement for construction workers and access checks on large construction sites. Allreal has developed the Qualiconstruct programme – a collaborative model in which it works in very close partnership with selected companies that are known for their excellent track record in terms of quality, cost-effectiveness, credit standing and innovative capacity. As at the end of 2021, a total of 55 companies in 14 employment categories have joined the programme. Individual company affiliations to Qualiconstruct are reviewed annually.

Allreal has also been working with the information system – Informationssystem Allianz Bau (ISAB) – since March 2020. This data-based electronic platform, supported by the major social partners in the construction and renovation sectors, maximises transparency surrounding contractors' compliance with the minimum working conditions in place. Allreal requires all construction companies to register with ISAB before working with them. It continued to develop and expand use of the platform during the 2021 financial year.

During the period under review, Allreal awarded 99.3 percent of work in terms of project volume to companies and suppliers based in Switzerland.

Allreal site managers, who are deployed on-site and present for the entire construction period, monitor and manage compliance with standards and laws as well as the quality of execution.

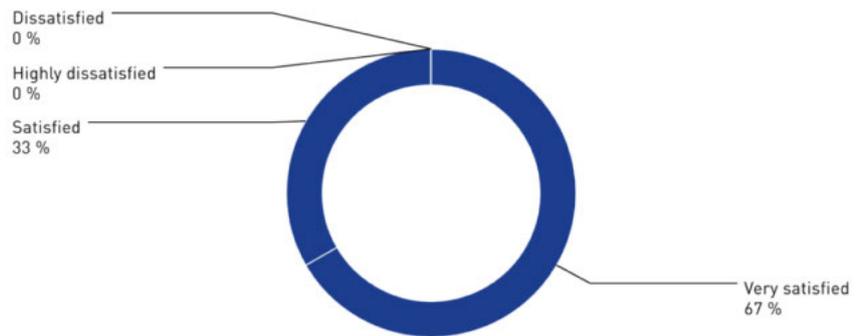
The company's own service organisation ensures that any defects that occur after the building has been handed over to the client or owner are rectified in a fast and straightforward way. A specially developed, efficient online platform is available to those responsible for administering corrective action. Systematically recording

the defects also guarantees that any clusters of defects are discovered and precluded in future as early as the planning stage.

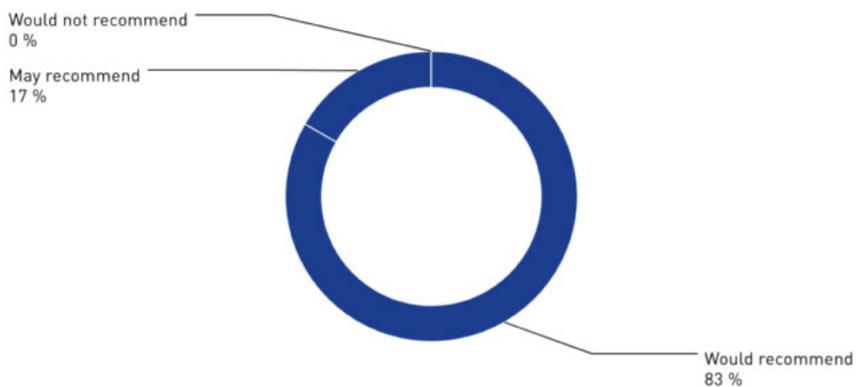
Customer surveys

Once construction work is complete, both customers who have purchased residential property from Allreal and a selection of building owners of third-party projects are given the opportunity to evaluate the company and make specific suggestions for improvement using a standardised questionnaire. During the 2021 financial year, 15 questionnaires were returned. In the overall assessment, 67 percent of developers of third-party projects were “very satisfied” with Allreal and the remaining 33 percent were “satisfied”. Meanwhile, 89 percent of the customers who purchased residential property said they would recommend Allreal.

Customer satisfaction – developers of third-party projects
rating / percentage share



Customer satisfaction – buyers of residential property
rating / percentage share



Allreal Code of Conduct

GRI 205

The Code of Conduct, which is binding for the entire Allreal Group, outlines the business conduct expected of employees and business partners and defines the guidelines that must be respected and followed with no exceptions or limitations. It also stipulates the sanctions in the event of violations. Observance of high ethical standards, characterised by personal responsibility, and strict adherence to all legislation of significance to the company form the basis of all entrepreneurial activity.

In the Code of Conduct that came into force in 2018, the following corruption risks were defined as considerable and taken into account by Allreal: the award of planning and subcontracting services, the award of property management and facility management contracts, the acquisition of development properties, the acquisition of GC/TC contracts and the purchase/sale of yield-producing properties. All new employees are informed of the Code of Conduct. Furthermore, all employees receive annual compulsory training on a specific theme covered in the Code of Conduct.

In the 2021 financial year, one person's employment had to be terminated due to a breach of the Code of Conduct.

Allreal Code of Conduct (PDF):

allreal.ch/fileadmin/user_upload/redakteure/ueber_allreal/allreal-gruppe/Code_of_Conduct.pdf

Independent external notification body

GRI 307, 406, 418, 419

Both employees and third parties who discover or suspect violations of applicable laws or the Code of Conduct are able to report these to an independent external body. The report is submitted via an online form available from the Allreal Intranet and on the company website. The use of a third-party provider guarantees the whistle-blower's anonymity and the confidential handling of information in all circumstances. The independent external notification body ensures that there are no negative consequences for a whistle-blower as a result of making contact.

No relevant incidents were reported in the 2021 financial year.

In addition to the existing independent external notification body, which is also happy to help third parties, Allreal works with the specialist [Swiss centre addressing bullying and harassment](#) in the workplace. The centre is on hand to advise employees as well as members of Group Management who are concerned about signs of bullying, sexual harassment and discrimination in the workplace, with anonymity maintained at all times. A training session on this theme took place in October/November 2021, with 156 employees and 42 employees with line management responsibility taking part. During the period under review, there were no reports of bullying, sexual harassment or discrimination in the workplace.

Sustainability Report 20201

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There were no reports of violations of the protection of customer data or the freedom from discrimination in 2021. Neither was Allreal sanctioned or fined in the period under review for failing to comply with social and economic legislation and regulations or failing to comply with environmental laws.