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Sustainability report

We have been reporting on our sustainability efforts in our annual report for more than ten years. Our main concerns include saving resources and reducing CO₂ emissions. External benchmarks such as CDP or GRESB show us that we are on the right track.

The sustainability report outlines our activities in the reporting year as well as the priorities for the coming year; it describes the prioritisation and organisation around sustainability topics and provides the corresponding key figures. We have been publishing our performance measures according to the EPRA Sustainability Best Practices Recommendations (sBPR) since 2015.

Our transparency and good performance in the area of sustainability have also been confirmed by external ratings and awards. For instance, we once again received a Score of A- (“Implementing current best practices”) in the CDP Climate Change 2021 Survey, along with “Green Star” status under the Global Real Estate Sustainability Benchmark (GRESB), whilst EPRA presented us with the sBPR Gold Award for the sixth time in a row for our disclosures in the area of sustainability.

The reporting year 2021 was dominated by the Coronavirus crisis. This also affected our planned efforts on the sustainability front, which had to be constantly adapted in line with changing circumstances. As a result, comparisons with performance data from previous years are distorted in many respects – to a greater extent even than in reporting year 2020. This is in particular the case for properties where we, our employees as well as our tenants and business partners have been constrained by restrictions due to the Coronavirus, such as restaurant closures or home office working requirements. The comments and comparisons provided below must be considered against this backdrop.



EPRA sBPR Gold-Award



CDP-Score: A-



GRESB Green Star

Important activities in the reporting year and focuses for 2022

Portfolio

The **CO₂ reduction path** to 2050 set at the end of 2020 and the CO₂ reduction target for 2035 were put on a firm footing inside the organisation within various communications and by being incorporated into tools. This strategy is depicted in our internal **Sustainability Guidelines for New Buildings and Renovations**, which were overhauled and implemented during the reporting year. This included the placing of greater emphasis on aspects such as reusage and recycling. The aim for 2022 is to raise employees' awareness of the **circular economy** even further. There will also be a focus on "embedded" CO₂ emissions for new construction and renovation work, which are currently not incorporated into the CO₂ reduction path ("Scope 3").

Major efforts were made during the reporting year in order to exploit the potential for **connecting to district heating and creating inner-city energy networks that use lake water**. The challenges in this area will be considered in greater detail in the Focus Issue "District heating and lake water energy networks" on page 183. In Zurich we have successfully concluded an agreement with the supplier concerning the connection of the entire Hürlimann site to a lake water network by 2026. We intend to continue with these efforts also throughout 2022.

Due to the various effects of the pandemic, the portfolio's specific CO₂ emissions in 2021 increased compared to the previous year by 2.9%. More detailed explanations on energy consumption and CO₂ emissions can be found on pages 181–182.

During the reporting year three new **photovoltaic installations** with projected annual production of 235 000 kWh were installed and placed into service in Zurich. Almost 100% of the renewable electricity generated can be used for common area electricity, thereby benefiting our tenants. The pipeline is being continuously examined and adjusted.

A pilot project in the area of **environmental design focusing specifically on the improvement of biodiversity** has been planned for our office at Seestrasse 353 in Zurich. It is set to be implemented in 2022. It is envisaged that the results of this project will be used as a template for additional environmental design work within the portfolio. Our goal in 2022 is to put the potential for maximum greening of suitable spaces on a more systematic footing. The long-term goal is to contribute to improving biodiversity and **countering undesired heat islands** at inner-city locations.

Tenants

As a result of the continuation of the pandemic into 2021, financial issues were more of an issue for many tenants than ecological issues, such as for instance the adaptation of rental spaces, compliance with hygiene requirements and personal issues. Nevertheless, the assessment in our tenant questionnaire conducted at the end of 2020 shows that the issue of sustainability is also extremely important for tenants. We have set our priorities in terms of our next steps accordingly. For instance, we plan to issue a booklet in 2022, which will aim to support our tenants in better incorporating **sustainability aspects into tenant fit-out** work.

As a result of measures adopted in relation to the pandemic, like-for-like energy consumption in 2021 increased by 7.9% compared to the previous year. The interplay between the various influences is discussed in the Focus Issue "Optimised operations during the pandemic?" on page 196. Especially following this period marked by the massive under-occupancy of offices and "pandemic operations", it will be essential to move back towards optimised standard operation. As a result, optimising our operations needs to be established more systematically as an ongoing task, amongst other things by providing increased training in this area. The aim is to strike a good balance between energy efficiency goals and satisfying tenants' demands for comfort and hygiene.

A **green lease addendum** was signed with a major tenant in 2021 as a pilot agreement. This is set to be followed by further addenda with this same tenant as well as with other major tenants in 2022. The aim is to promote building-specific, systematic and constant dialogue with tenants concerning the issue of sustainability, and thus to ensure sustainable building operations.

Employees

The **action taken in relation to health issues** was heavily affected by pandemic-related requirements. Also during this reporting year, we have done a lot to support employees, to maintain a positive spirit and to make working from home as comfortable for them as possible. Thanks to initiatives such as Bike to Work and the opportunity to draw up a personalised fitness programme, a focus was also placed on enhancing the physical health of employees. Efforts will be stepped up in 2022 in the area of operational health management, for example with a greater focus on ergonomics and increasing mental health.

In the autumn of 2021 an employee survey was conducted for the second time according to the Great Place to Work® methodology, the results of which were once again very pleasing. We are delighted about having been re-certified as a “Great Place to Work”. We shall analyse the results in 2022 more specifically with reference to any need for improvement and take any appropriate action.

A number of improvements were made during the reporting year in the field of **IT infrastructure and digitalisation**. Thanks to the new structure and the joint Sharepoint platform (“PSP Connect”), information is better pooled between the various departments. Above all Construction and Property Management have been able to liaise more closely. This has also enabled **information relating to sustainability** and project organisation in this area to be better incorporated into and managed within this structure. We shall pursue further work on this integration in 2022.

Some individual measures in the area of **office ecology** were implemented in Zurich during the reporting year, focusing on recycling and energy efficiency. However, a number of measures were scaled back due to the requirement to work from home, which applied for 5 months. Processes at the new business location in Basel were optimised from the outset. Further work on implementing proposed improvements will be carried out in 2022.

Finances and disclosure

Ensuring transparency and the provision of appropriate information to investors and other stakeholders is important for us. However, over the last few years pressure for more stringent rules has increased, in particular in the area of sustainability, in order to avoid greenwashing and to ensure that investors receive standardised, objective information. During 2022 we intend to streamline our existing sustainability guidelines and initiatives with the rules in place in Switzerland as well as throughout the EU, in addition to those set to be introduced over the next few years. We shall analyse where future obligations lie and where any gaps may be apparent – either from a management perspective or simply from a disclosure perspective. This will then provide a basis for the adoption of appropriate initiatives.



Sustainability initiatives are steered by an eight-member panel composed of representatives from property management, construction, asset management, human resources and communications. The coordination of activities is carried out by the communication and sustainability office. Sustainability initiatives and prioritisation are discussed with and defined by the Executive Board. Implementation is in the hands of the most involved department for each initiative. Selected individuals assume this responsibility as part of their job description or as project managers for a specific sustainability initiative. A graphic representation of the sustainability organisation can be found on our website.

www.psp.info/sustainability

The following table provides an overview of the long-term goals and priorities as well as the focus areas for the reporting year and the 2022 financial year.

Further information concerning our targets and measures may be found below in the parts concerning portfolio, tenants, employees, and finances and disclosure.

Material issues	Long term strategy	KPI
Portfolio		
CO₂ reduction/resource conservation	<ul style="list-style-type: none"> - Reduction of CO₂ emissions by 50% until 2035 - 100% of landlord-obtained electricity from renewable sources until 2025 - Increasing own photovoltaic capacity 	<ul style="list-style-type: none"> - kg CO₂/m² - kWh/m² - kWp installed PV capacity - % certified properties
Flexibility of use	<ul style="list-style-type: none"> - Strengthening circular economy - Enhancing the property environment 	EPRA environmental performance measures page 214
Local development		
Tenants		
Operational efficiency	<ul style="list-style-type: none"> - High tenant satisfaction - Increased involvement of tenants in sustainability efforts 	<ul style="list-style-type: none"> - Yearly LfL improvement of energy and water use (kWh/y and m³/y, respectively) - Tenant survey trend (internal KPI) - % Tenant revenue with green lease
Service orientation		EPRA environmental performance measures page 214 and social performance measures page 217
Wellbeing of tenants		
Employees		
Corporate culture	<ul style="list-style-type: none"> - Sustained high level of employee satisfaction - Ensuring employability - Maintaining a diverse workforce 	<ul style="list-style-type: none"> - KPI on diversity - KPI on development, training and turnover - KPI on health & safety - Results from employee survey
Employee development and retention		EPRA social performance measures page 216
Employee health and wellbeing		

Priorities 2021: Status of target achievement	%	Priorities 2022
Adaptation of Sustainability Guidelines for new construction and modernisation: implemented	100%	Awareness raising/training in the area of circular economy Calculation of “embodied carbon” of new buildings: determine fundamentals
District heating and cooling networks and photovoltaic systems: solution for connection to Hürlimann site; 3 new solar installations	75%	District heating and cooling networks and photovoltaic systems: continuation of strategy
Biodiversity: planning of pilot project completed for Seestrasse 353 in Zurich	100%	Implementation of pilot project Seestrasse 353; systematic assessment of potential areas for greening/ improvement of biodiversity
Conclusion of green lease addendum with large tenant	100%	Extension of green lease agreements to further large tenants
Follow-up tenant survey on sustainability: defined measures	100%	Tenant booklet on consideration of sustainability aspects in tenant fit-out Operational optimisation as a permanent task: anchoring a systematic approach
Strengthening of health competence: physical health measures, raising awareness about the importance of nutrition	100%	Continuation of occupational health management with a focus on measures in the area of ergonomics and strengthening mental health
Promotion of internal communication: integration of sustainability within PSP Connect is still ongoing	75%	Evaluation of Great Place to Work survey 2021 and development of measures
Sustainability in our own office: partially implemented (employees working from home)	50%	Completion of measures on sustainability in our own office

Portfolio

We focus on easily accessible, centrally located properties that create both economic and social value and have a low environmental impact. Since the launch of our sustainability programme in 2010, we have been able to reduce the specific greenhouse gas emissions of our properties by 50%.

Preserving resources and minimising CO₂ emissions over the entire life cycle of a building, flexibility of use and the contribution of the building to local development are the three aspects that significantly shape the sustainability of our buildings. A major focus during the reporting year was to incorporate the CO₂ target set in 2020 and the CO₂ reduction path accordingly into our tools and guidelines and to raise employee awareness. Further information concerning the CO₂ goal and the CO₂ reduction path can be found on our website. www.psp.info/co2-target

Reduction in CO₂ emissions and conservation of resources

Our clear long-term focus on CO₂ reduction has had a significant impact on both our new construction and renovation projects, as well as our efforts in operations. The further award of a score of A- in the Climate Change 2021 Survey carried out by the CDP (Climate Disclosure Project) confirms that we are playing a leading role in this area. Since the launch of our sustainability programme in 2010, we have been able to reduce our properties' specific emissions from **21.1 to 10.5 kg CO₂e per square metre**. This amounts to a reduction of 50%.

Climate change and climate risks

We want to keep the negative effects of our business operations on the environment and people as low as possible. Conversely, we are also examining the extent to which climate conditions and climate risks may adversely affect our buildings, either at present or in future. The exposure of our portfolio to natural hazards such as flooding, landslides or avalanches is very limited. We consider the greatest risk in terms of the physical effects of climate change to be rising temperatures in summer.

Adjustment to hotter summers has therefore been incorporated into the Guidelines for New Buildings and Renovations. It is important to strike the right balance between passive heat gain and protection against heat and to assess efficient cooling methods. In the new replacement building "Grosspeter Clime" in Basel, for example, innovative electrochromic windows are used to reduce the required cooling energy. These windows are designed to reflect infrared radiation and thus reduce heating, whilst at the same time letting through visible light where desired. This results not only in a reduced need for cooling energy and lower maintenance costs (replacement of blinds), but also increases tenants' wellbeing. Further information concerning our strategy and the action taken by us in relation to the physical risks associated with climate change to which our portfolio

is exposed may also be found in our responses to the Carbon Disclosure Project's (CDP) climate change questionnaire. These are publicly available. www.cdp.net

Careful usage of resources throughout the lifecycle

We want to keep resource usage and environmental pollution caused by the construction, modernisation and operation of our buildings as low as possible and minimise negative effects on the general public this may have. We endeavour to use carefully both land and building materials as resources. We therefore factor sustainability considerations into all phases of business operations:

Acquisition of buildings

We examine potential purchase properties with regard to their environmental impact or possible exposure to physical risks, and also assess their ecological characteristics. Access to public transport, materialisation and energy efficiency are essential criteria. This does not mean that we only consider ecologically high-quality and energy-efficient properties. Most older buildings do not meet today's ecological standards. However, if our assessment comes to the conclusion that a building can be renovated at reasonable cost, such a property also offers an opportunity to contribute to improving sustainability and generate added value in the long term.

New buildings and renovations

Our development areas are previously developed former brewery sites. New acquisitions within the portfolio are generally speaking centrally-located commercial properties in major economic centres. In this way we ensure that we do not contribute to urban sprawl or impair biodiversity.

In new construction and renovation projects, we try to balance the possibilities for optimising energy efficiency, flexibility of use, optimal access to public transport, and the impact on the neighbourhood-specific social environment.

New buildings: sustainability and energy efficiency are key criteria for new buildings. As a general rule, we aim to comply with the Minergie standard and often exceed it. Since we generally own and manage the newly constructed buildings ourselves, we optimise them for operation and invest in good long-term energy management systems. Considerations on adapting to the effects of climate change, so-called physical risks, are also reflected in our specifications for new buildings. However, new buildings only represent a small part of our business.

Modernisations: considerations on energy efficiency and reduction in CO₂ emissions are important factors that also shape our long-term investment plan. We carry out renovations in accordance with regional regulations as well as the Minergie standard. We employ four full-time specialists in the field of HVAC (heating, ventilation, air conditioning) in order to implement the optimisation process in terms of operation and construction. Our employees strive to continuously acquire new know-how in energy and sustainability issues. Examples of successful renovations may be found on our website.

Tenancy changeovers: we are seeking to reduce resource consumption between tenancies. By increasingly incorporating a certain basic infrastructure and using generally appealing, flexible usage concepts, we aim to avoid rental properties having to be thoroughly refurbished following each change of tenant. Further information concerning this aspect may be found in the section "Flexibility of use" on page 184.

During the reporting year we overhauled our guidelines applicable to new construction, tenant fit-out work and modernisation. They are based on the Swiss Sustainable Building Standard (SNBS) and SIA 112/1 and set out principles along with a checklist containing questions and aspects to be considered during the various project phases. These relate for instance to the prioritisation of various sustainability goals, criteria such as grey energy or reusability in the choice of materials, energy efficiency or indoor climate.

Priority 2022 Our CO₂ reduction path relates to Scope 1 and Scope 2 operational emissions. Scope 3 data, such as for example CO₂ emissions arising during the production of the building materials that are used in construction, as well as during the construction process itself, are not taken into account. However, these also contribute to climate change and are not insignificant. During 2022 we plan to create a framework for better assessing the ratio of “embedded” CO₂ emissions to operational CO₂ emissions.

Certified buildings: a total of 8.2% of our rental space is certified according to a label for sustainable construction (Minergie and LEED). However, the percentage of certifications is not the only way to measure the sustainability of a property portfolio. When we construct new buildings or carry out major renovations, we aim for the level of a sustainable building label, but not necessarily for the certification itself. The Minergie standards have been incorporated into many cantonal energy laws. Therefore, such certification is of secondary importance to PSP Swiss Property. The key issue is not the number of certified buildings, but rather the effect of the measures across the overall portfolio.

In addition, it is not always possible to implement all desired measures for achieving improved energy efficiency for buildings that are subject to historic preservation. In some cases, the costs of administrative requirements necessary for the “last mile” of certification are not reasonable. The money saved is better invested in actual consumption-reducing measures in order to avoid the so-called “performance gap” arising in relation to new and renovated buildings.

[Environmental performance measures page 214: certified buildings](#)

Operation of properties

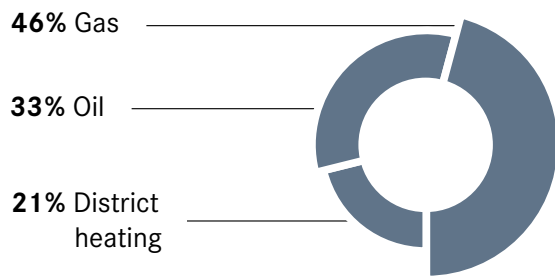
Automated measurement: we place particular value on well-maintained buildings. By optimising operations over the long term, we aim to keep energy consumption low whilst maintaining a high level of equipment efficiency. An important prerequisite for this is suitable measurement. For this reason, we are constantly expanding our smart metering and monitoring functions. Further information on our consumption-reducing measures can

be found in the section “Operational efficiency” on page 192.

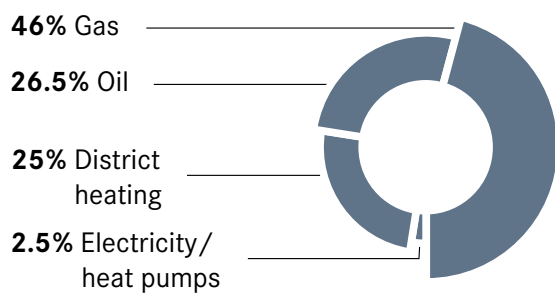
Acquisition of thermal energy and electricity from renewable sources: With our clear focus on reducing CO₂, we are continuously optimising our contracts with energy suppliers (electricity, gas, district heating) in terms of the proportion of renewable energies. We precisely monitor the development of existing (and the planning of new) district heating and cooling networks in the catchment area of our properties in order to coordinate our long-term plans for replacing heating and cooling systems with these developments. Further information on the challenges in this area can be found in our Focus Issue “District heating and lake water energy networks” on page 183.

Development of energy sources for heating

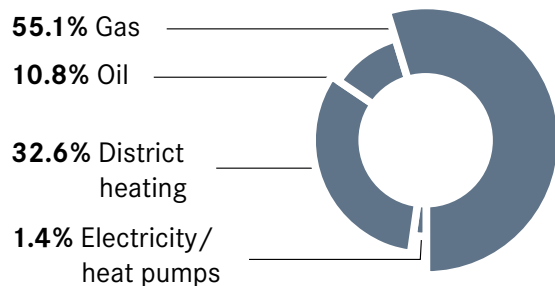
2010



2015



2021



Own production of solar electricity: We also produce energy from renewable sources such as solar electricity in order to make our own contribution to expanding capacity and also to give our tenants the opportunity to benefit from clean electricity at favourable costs. Where possible, we apply the model of a property producing and consuming its own energy. Under this model, the solar power produced is sold directly to the tenants or consumed in situ in the building's technical systems (heat pumps, cooling systems, etc.). Such models make sense if the majority of the electricity produced can be used within the property, so that only a small part of it has to be fed in to the grid. Implementation is carried out in accordance with the refurbishment cycle and economic considerations.

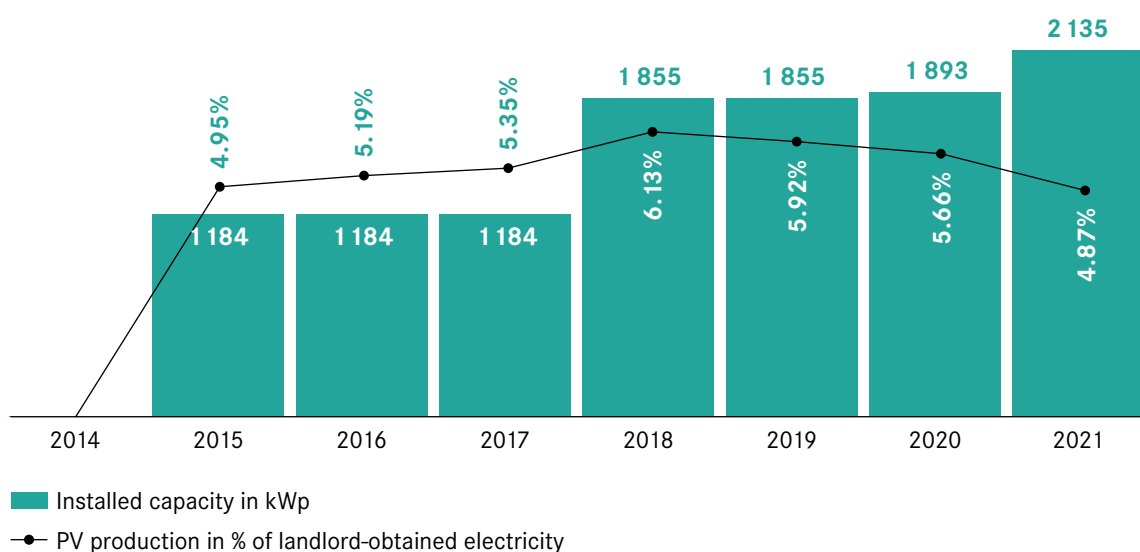
In the event of demolition it is important to ensure reuse or at least recycling as far as possible. Reprocessing is only possible if construction materials can be segregated properly during demolition. However, considerations concerning the circular economy should already be incorporated into the planning stage. This is the case for example for the reduction of built-in grey energy, the utilisation of reusable or recyclable materials, avoiding composite materials that are difficult to separate or using easily-detachable fastenings.

Priority 2022 In the 2022 business year, we want to raise our employees' awareness about the topic of circular economy with various events and training courses.

End-of-life of a property and recycling of building materials

Large quantities of building waste are generated during the demolition and replacement of a property. A large part of it is still disposed of and thus destroyed as a resource. The idea of the circular economy is to keep products and materials in circulation in order to avoid waste. As a result, the consumption of primary raw materials is reduced.

Installed PV capacity and PV production in % of landlord-obtained electricity



Key measures to reduce the CO₂ emissions of our portfolio

Area	Measures/targets
Reduce CO₂ intensity of energy consumption	
Replace fossil heating by heating with a lower CO ₂ footprint: dependent (in part) on lifecycle	<ul style="list-style-type: none"> - No fossil fuel heating systems in new buildings. - When renewing heating/cooling systems, switch to heat pumps or district heating/cooling with a high renewable element wherever possible.
Sourcing of electricity	<ul style="list-style-type: none"> - By 2025, sourcing 100% of electricity from renewable energy sources.
Improve energy efficiency	
Energy renovation (insulation, replacing windows): dependent on lifecycle	<ul style="list-style-type: none"> - Optimisation of energy efficiency, in a general orientation towards the Minergie standard.
Measures not dependent on lifecycle (e.g. lighting)	<ul style="list-style-type: none"> - Replacement of lighting systems with LED systems, awareness-raising among tenants.
Optimisation of operations	<ul style="list-style-type: none"> - Optimisation of operations as a permanent task.
Own production of renewable energy	
Increasing own photovoltaic capacity	<ul style="list-style-type: none"> - Increase own photovoltaic production within the ambit of the existing potential analysed.

Initiatives carried out during the reporting year

We discuss below a few of the major initiatives concluded during the reporting year that have had effects on CO₂ emissions. The quantities are estimates of the expected savings. These savings have not yet been fully factored into the figures for this reporting year.

- **Complete renovations:** Following several years of building work, it was possible to complete the renovation of the properties at **Bahnhofplatz 1, Bahnhofquai 7, 9, 11, 15 and Waisenhausstrasse 2/4** in Zurich, which are subject to heritage protection (see also the pictures on pages 188–191). The renovation will entail significant thermal improvements, although the re-purposing of the cinema and office area at Waisenhausstrasse 2/4 has resulted in more intensive usage. We shall provide more specific information concerning the improvement of efficiency with reference to actual consumption figures. In Geneva, the renovation of the property at **Rue du Mont-Blanc 12** was largely completed by the end of the year. By removing the canopy, the façade has been returned to its historic appearance and has undergone elaborate restoration, focusing in particular on stone encasements. Thanks to improvements in the building envelope (replacement of windows, insulation) and the installation of new equipment (reversible heat pump, supplemented by a small gas heating system for very cold periods), it has been possible to increase the GEAK (cantonal building energy certificate) classification from F to C (Qh value). Energy consumption has thus been significantly reduced and CO₂ emissions will fall from 21 kg/m² to below 4 kg/m² per year, enabling an annual saving of 28 tonnes of CO₂.
- **Building envelope and building technology:** The flat roof at **Laupenstrasse 10 in Bern** has been replaced and better insulated, the façade at **Gartenstrasse 32 in Zurich** has been renovated and at **Zeughausgasse 26/28 in Bern** the windows and roof have been replaced. Scope for energy improvements on the properties at Bärenplatz will be more limited due to the stringent heritage preservation requirements. We are carrying out energy efficiency measures of this type throughout the building cycle.
- **Heating systems:** Also the oil heating system at **Haslerstrasse 30 / Effingerstrasse 47** in Bern was set to be replaced within the ambit of various renovation works. Since the autumn of 2021 the property has been heated via heat exchanger by exploiting waste heat from the cooling process of Swisscom server rooms, which are rented in the building. Thanks to this synergy, CO₂ emissions in future are set to be reduced by almost 90 tonnes.

- **Supply with district heating and cooling:** major efforts are currently underway in the cities of Geneva and Zurich to create inner-city energy networks using lake water. The challenges in this area will be considered in greater detail in the Focus Issue “District heating and lake water energy networks” on page 183. During the reporting year negotiations with the supplier concerning the connection of the Hürlimann site to a lake water network were successfully concluded. The replacement of the existing gas heating system by lake water heating and cooling will achieve a massive annual CO₂ saving of more than 500 tonnes of CO₂. However, this will only become relevant from 2026 onwards.
- **Construction of photovoltaic installations:** During the reporting year three new systems were completed in Zurich (Hardturmstrasse 131–135, Förrlibuckstrasse 60/62 and Gartenstrasse 32) with a total capacity of 242 kWp. In future these will provide 235 000 kWh of renewable electricity, almost all of which will be used in the corresponding properties, and which our tenants will also be able to benefit from.

Impact of the measures on consumption and CO₂ emissions at portfolio level

Due to numerous interdependencies as well as internal and external influences, it is difficult to precisely calculate the effects of our renovation projects and operational optimisations on consumption and CO₂ emissions. Consumption figures for 2021 and the previous year should be treated with particular caution due to the pandemic. Data relating to energy and water are recorded after a lag

of half a year, based on the statements of account for heating and ancillary costs. The current reporting period for these figures runs from 1 July 2020 until 30 June 2021.

Analysis of absolute consumption and emissions

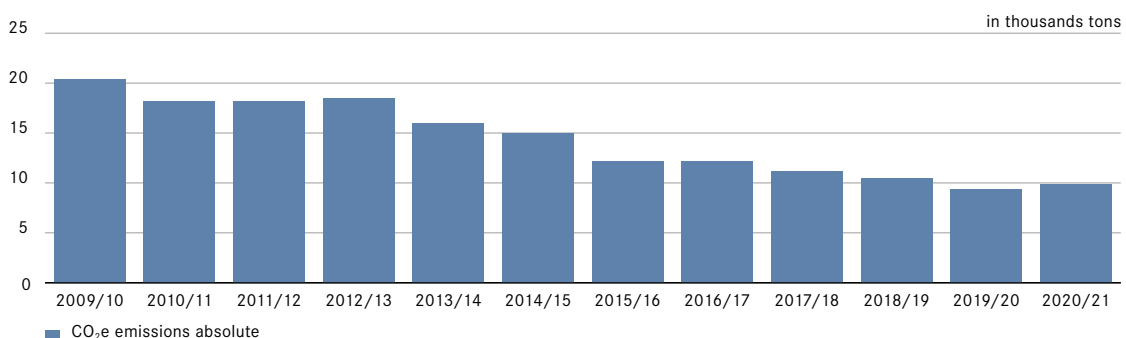
In absolute terms, our total energy consumption in the investment portfolio has increased in 2021, from 82.4 million kWh to 93.5 million kWh in 2021, which corresponds to a rise of 13.5%. CO₂e emissions went up by 5.6%, that is by 524.3 tonnes. These absolute values give an idea of the environmental footprint of our portfolio. However, their suitability for analysing the effects of taken measures is limited, considering that the investment portfolio changes from year to year due to purchases, sales and reclassifications (see delimitations and explanations on pages 219–221).

Analysis of specific consumption and emissions

The specific values (the consumption and emissions per square metre of rental space) provide the best indication of effective improvements in the portfolio. Our specific energy consumption increased by **10.6%** from **90.2 kWh/m² to 99.8 kWh/m²** in 2021. **Adjusted for heating degree days**, the increase was somewhat lower, namely 9.2%. As a result of the measures taken during the pandemic, the figures are difficult to interpret. This is discussed in more detail in our Focus Issue “Optimised operations during the pandemic?” on page 196.

An increase in vacancy usually reduces energy and water consumption, both in absolute terms and per square metre of rental space. In the reporting year¹, vacancies increased slightly from 3.4%

CO₂e emissions absolute



¹ The reporting year i.e. measurement period for the environmental key figures is 01.07.2020–30.06.2021. The vacancy rate on 31.12.2021 stood at 3.8%

to 3.9%. This corresponds to a reduction of the heated floor area of approximately 0.5%. However, given the irregularities in use due to the pandemic-related restrictions, this effect seems negligible.

Specific CO₂e emissions have risen from 10.21 kg CO₂e/m² to 10.5 kg CO₂e/m² due to the higher energy consumption. However, thanks to a slightly lower CO₂ intensity of the fuels (more biogas, slightly higher renewable share in district heating, conversion from oil or gas to district heating), at **2.9%** the increase was lower than the increase in specific energy consumption.

Analysis of the “like-for-like” data

The “like-for-like” portfolio includes only those properties that were under our operational control and classified as investment properties, both in the reporting year and in the previous year. The changes therefore relate to exactly the same number of properties. This allows conclusions to be drawn about the improvement in operational efficiency and the effects of measures taken during operation. However, the impact of major renovations is not apparent here, as properties under renovation are not included in the like-for-like portfolio.

In the like-for-like portfolio, heat consumption increased by 11.2% compared to the previous year. Electricity consumption decreased slightly by 0.2%. The resulting 7.9% increase in total energy consumption from 80 126 MWh to 86 465 MWh led to **5.4% higher CO₂e emissions compared to the previous year. This corresponds to 491.5 tonnes of CO₂e.** The cold winter weather had an impact on energy consumption. Adjusted for heating degree days, energy consumption in

the like-for-like portfolio was slightly lower, namely 81 137 MWh (heating degree day-adjusted consumption of the previous year: 76 403 MWh). The corresponding increase of 6.2% is therefore somewhat lower than without adjustment. Nevertheless, the increase is considerable. This is not pleasing, but in our estimation it is of a temporary nature. Explanations can be found in the Focus Issue “Optimised operations during the pandemic?” on page 196.

Share of renewable energy and own production of solar power

The share of energy purchased from renewable sources was 47.7% in the reporting year. The increase is due to a higher share of biogas and a slightly higher share of renewable energy sources in electricity and district heating. We already cover **99% of the electricity demand for our entire portfolio with renewable energy.** For district heating and cooling, the share is 48.4% and for fuels, 15.9% are renewable (biogas).

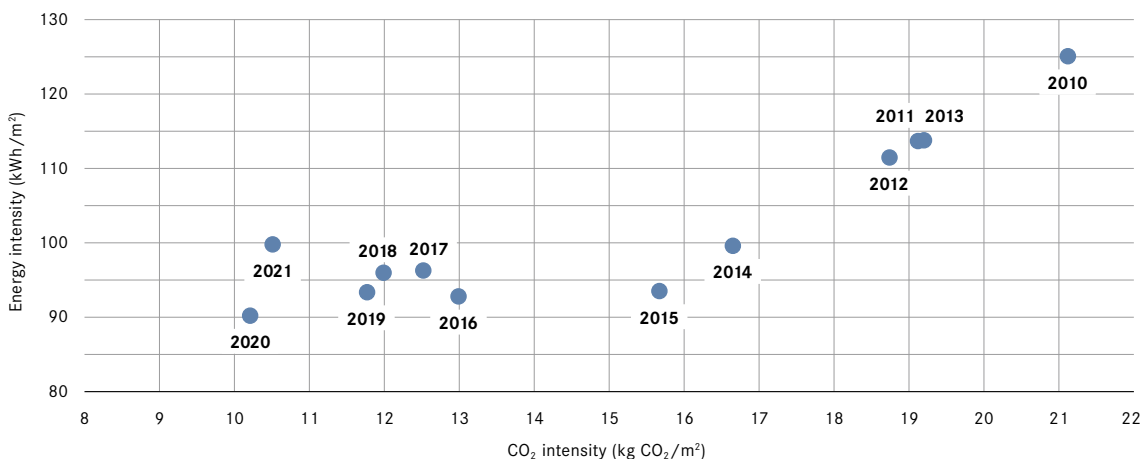
In 2021, we produced around **1 320 MWh of environmentally friendly solar electricity with our own photovoltaic systems.** This corresponds to 4.9% of common electricity consumption (see graph on page 179).

[Environmental performance measures page 214: Electricity, District heating and cooling, Fuels \(oil/gas\), Proportion of total landlord-obtained energy from renewable sources](#)

[Environmental performance measures page 214: Greenhouse gas emissions Scope 1, 2 and 3](#)

[Environmental performance measures page 214: Energy intensity, Greenhouse gas intensity](#)

CO₂ intensity vs. energy intensity



Focus Issue: District heating and lake water energy networks

Priority 2022 A core element of our CO₂ reduction path is the replacement of oil and gas heating systems with heating (and cooling) with a lower CO₂ footprint, such as heat pumps or district heating. This will also be a priority in 2022.

Inner-city energy networks that use lake water are becoming increasingly important. The constant temperature of deep water in the lake is used for heating and cooling purposes. Depending upon the particular network, heat pumps are incorporated into systems either centrally or locally in order to achieve the desired temperature level.

The most significant challenge in this respect is timing. From our side, we determine a renovation cycle for our properties and installations. The planning and expansion of the energy networks does not always overlap with this cycle. As a result, we attempt to find joint transition solutions and finalise them at an early stage. The example of the Hürlimann site illustrates the importance of this long-term planning: the need to replace the site's gas-powered heating system had already been apparent for a number of years. Various options for the site's future energy supply were examined over the last two and a half years within a variant study. The option of independent energy supply would have been possible through a complex interplay of various energy sources such as deep water and groundwater, as well as more efficient exploitation of the site's waste heat. However, since the energy consumption of the Hürlimann spa is consistently high throughout the year, establishing a connection with a lake water network was an attractive option. Towards the end of 2021, a solution for the supply of heating and cooling was identified jointly with the energy supplier. By connecting the 12 properties in total (three of which are in condominium ownership) it will be possible to reduce the site's CO₂ emissions in future by at least 500 tonnes. Implementation of the project is set to last until the end of 2026. This long-term planning will ensure that implementation can be incorporated into the regular renovation process.

In Geneva too, we have a major interest in connecting our properties to the GeniLac environmental heating and cooling network. However, for many properties synchronising the timing of the energy network's implementation plans represents a major challenge for us. Although we are obliged to comply with increasingly stringent energy regulations, no binding specifications can be provided in relation to the timeline for the expansion of the energy network. One potential consequence of this may be that we are only able to complete the connection of certain properties to GeniLac after the next generation of heat generators has been removed. Nonetheless, action will be taken to ensure that connection will be possible at that time without any considerable extra cost. Mindful of this fact, we shall step up engagement with local energy suppliers with the aim of increasing planning certainty.

Long-term and forward-looking planning by all stakeholders is also important in the area of district heating in inner-city zones. The different planning cycles and interests of the stakeholders often stand in the way of ecologically and economically sensible solutions and result in various projects for conversion to more ecological heating being delayed.

Example

- Owner A would like to connect his property to the district heating network starting next year.
- The costs of the connection over 120 m amount to CHF 240 000.
- Owners B, C and D in the same city block have no interest in participating (B: new gas heating system just installed, C: financial bottleneck, D: no answer).

Economic viability of the investment is called into question for A if other owners in the block do not participate.

Flexibility of use

We want to offer our tenants high-quality properties that will also meet their requirements in the long term. With the increasing degree of digitalisation, new forms of cooperation and decentralised, mobile work patterns are emerging in the office world. Following the outbreak of the Coronavirus crisis, many people started to work from home for particular periods of time or indefinitely. It remains to be seen whether this will actually lead to a fall in the demand for office space.

In the light of these developments, the product and quality of spaces offered will become even more important: sufficient space and flexibility, security, calm, daylight, energy efficiency as well as further sustainability considerations will increasingly become priorities for our tenants. The UN Sustainable Development Goals which have been stipulated as being relevant for us in this context present us with some challenges: on the one hand, we need to save resources and make buildings as resilient as possible – also in terms of climate change. On the other hand, buildings will have to be adaptable in line with the changing demands of users. Even if a building is of high ecological quality, it is not sustainable if nobody wants to work in it any longer because needs have changed. The challenge is therefore to build economically and ecologically sustainable buildings, which can at the same time be repurposed without any major expenditure of resources. We achieve greater flexibility through the following measures and thus also consume resources more responsibly.

Basic infrastructure and flexibility

Even today, larger companies in particular want to rent premises for the longer term and fit them out according to their very specific requirements. However, in order to avoid everything having to be removed upon departure in order to cater to the needs of the next tenant, we are becoming increasingly convinced that providing some level of **basic infrastructure** makes sense. Apart from heating, this includes ventilation, toilets, showers and, increasingly, also air-conditioning. Since building technology is becoming ever more complex, planning cannot stop at the basic fit-out stage, but must incorporate tenant fit-out considerations. For instance, even if there is optimal generation of cool air there is still a need for an optimal delivery

device within the tenant fit-out. This will also be beneficial for future tenants thanks to the operating cost savings thereby enabled. In addition, a uniform electrical distribution system in the basic fit-out, such as for example a raised-access floor, will support tenants in simplifying upgrades and conversions. Pre-calculated **fit-out options** make it easier for tenants to plan costs. It is important to find generally appealing, flexible designs and materials, so that a tenant fit-out with a lifespan of 20 years can be used for more than one rental client.

A good arrangement of the spatial and technical infrastructure allows a **high degree of flexibility** in the subdivision of rental space. This applies to, for example, the precise positioning of the bathrooms and entrances, as well as the option of moving walls. Depending on the need, large spaces should be available on one level, which can be divided into smaller units in case of changes in tenancy. While in existing buildings the potential for increased flexibility is predetermined and often limited by the construction method (e.g. solid or framed), in new buildings the façade and column grid is already planned with this in mind. The new ATMOS building or the Grosspeter Clime are based on this concept. Such considerations have also been centrally incorporated into recent renovations, for example at Gerbergasse 5.

More space for exchange and cooperation

We are making more room for flexible **cooperation and exchange**. It is possible that demand for space within offices for workstations may fall, including as a consequence of the pandemic. At the same time however, demand is rising for larger interaction spaces and common, multi-functional and open meeting areas, including spaces for informal exchanges. An office is no longer just a workplace with a desk, but rather a productive, creative and social meeting place where people work together in constantly changing structures. Infrastructure for mobility (e.g. bicycle parking spaces, charging stations for electric vehicles etc.) and fitness as well as additional service offers (e.g. lobby, catering or bookable conference rooms) are also becoming increasingly important.

The significance of **co-working** will increase further. We consider the co-working providers to be an ideal complement to our long-term rental business. This allows our tenants to react to short-term

space needs in an uncomplicated manner and, for example, to rent areas tailored to the needs of a specific project. On the other hand, co-working tenants can rent a larger space directly from us when they grow. We already have several co-working providers as tenants. We are convinced that co-working spaces will continue to expand, including as a consequence of the Coronavirus crisis. These may supplement traditional working spaces, potentially also as a half-way-house between an office and working at home, whether at regional or central level.

Local development

Most of our properties are positioned in central locations and are well connected to public transport. From a sustainability point of view, they are therefore generally well positioned, as they are accessible by environmentally-friendly mobility and do not contribute to urban sprawl. Due to their central location, these properties also have a special importance in the cityscape and in revitalising the surrounding area. With their spatial presence, our properties influence not only the immediate surroundings and the everyday life of tenants and neighbours, but also the perception of passers-by. For this reason, we attach great importance to architectural quality for new buildings and conversions, but also for major renovations, which ultimately leads to an enhancement of the public space.

Preservation of historical properties

The urban location of our properties in large cities means that a considerable number of them are under historic preservation. A monument reminds us of historical events, cultural events, social or technical achievements. Such protected buildings have an identity-forming character, and with their preservation we can conserve an intangible value for society. As owners, we therefore bear a great responsibility, which we fulfil with the help of selected artisans and other partners. These properties offer a high quality work environment and are popular with tenants because of their uniqueness.

Renovation work on the demanding project at **Bahnhofplatz/Bahnhofquai/Waisenhausstrasse in Zurich** has been completed for phases 1 and 2 apart from some tenant fit-out work and has been implemented liaising closely with

heritage authorities (see also the photographs on pages 188–191). The heritage agencies were also involved in the renovation of the property at **Rue du Mont-Blanc 12 in Geneva**. In addition, the renovations at **Bärenplatz 9, 11, 27 and Zeughausgasse 26/28 in Bern** involve a strong heritage preservation element. Further information concerning renovation and heritage preservation in Bern can be found at:

www.psp.info/heritage-preservation

Participatory development and local commitment

Local commitment also means that, when developing large areas or during major construction projects, we think about neighbourhood development with the goal of finding solutions with all parties involved, leading to a sustainable use of the site from an ecological, social and economic point of view. We want to create animated areas where people can meet, where they like to linger, and where local jobs are created.

We engage closely with authorities, partners and local residents in relation to major construction projects. We seek to develop solutions in as cooperative a manner as possible that generate economic and social value over the long term and cause minimal damage to the environment. We take account of urban development targets in terms of the usage mix, infrastructure and sustainability for the relevant areas and try to support them in the best possible way. We also give due consideration to aspects of city identity. These processes are long-winded. For example, the legally binding development plan for the **Grosspeter site** dates back to 2004. The site is now being transformed in stages. A new focus in terms of urban development was created with the Grosspeter Tower in 2017. The Grosspeter Clime wooden construction will further increase the value of the site with its sustainable, ecologically responsible architecture. The previous cafeteria will be replaced by a publicly accessible restaurant, providing residents and visitors with the opportunity to enjoy the cosy internal courtyard or the terraces offering views over the railway tracks. Find out more about the “support setting event” for Grosspeter Clime at:

www.psp.info/clime

Communication and interaction with local stakeholders and neighbours is an essential element of our social commitment, within both construction projects as well as when operating properties. That is why we conduct regular dialogue and information events, especially in relation to new-build projects. However, we are unable to organise everything in formalised “programmes”. Some interesting projects also emerge from the situation, for example in the case of interim use. For example, in November 2021 a “pop up art gallery” was opened for a month and a half at the Salmenpark in Rheinfelden, displaying paintings, sculptures and photographs by local artists. The empty commercial property spaces were provided free of charge by PSP Swiss Property.

[Social performance measures page 217:](#)
[Local commitment](#)

Ecological enhancement of the surroundings

We endeavour to better exploit the potential for **promoting biodiversity** by ecologically enhancing the surroundings to our properties – and where possible also terraces and roofs. Although this involves individual measures in some cases, it often occurs in relation to replacement new buildings, renovations or other value-enhancing measures that offer added value to tenants. For example, during the reporting year a versatile roof terrace was designated in the new ATMOS building, which can also be used as an outdoor workspace. The completed greening work on the plaza in front of the ATMOS building should start to make its full impact felt in the spring of 2022, and help to reduce potential heat islands.

A pilot project was planned during the reporting year in the area of environmental design, focusing specifically on the improvement of biodiversity for the property at Seestrasse 353 in Zurich. Alongside the current environmental value of the building’s surroundings – which is quite low – environmental parameters have been analysed in the surrounding area, such as for example nest locations for swifts, the incidence of animal and plant types that are relevant within environmental design, or the presence of dispersal axes. The value enhancement concept premised on this involves the planting of indigenous plants and the provision of ruderal areas for pioneer vegetation. This means that also reptiles, wild bees or butterflies should feel increasingly at home there in future, contributing to biodiversity.

Priority 2022 The pilot project at Seestrasse 353 is set to be implemented in 2022 and should serve as a template for subsequent environmental design work within the portfolio. Our plan in 2022 is to put the potential for maximum greening of suitable spaces on a systematic footing. The long-term goal is to contribute to improving biodiversity and countering undesired heat islands in cities.

Demand for sustainable mobility

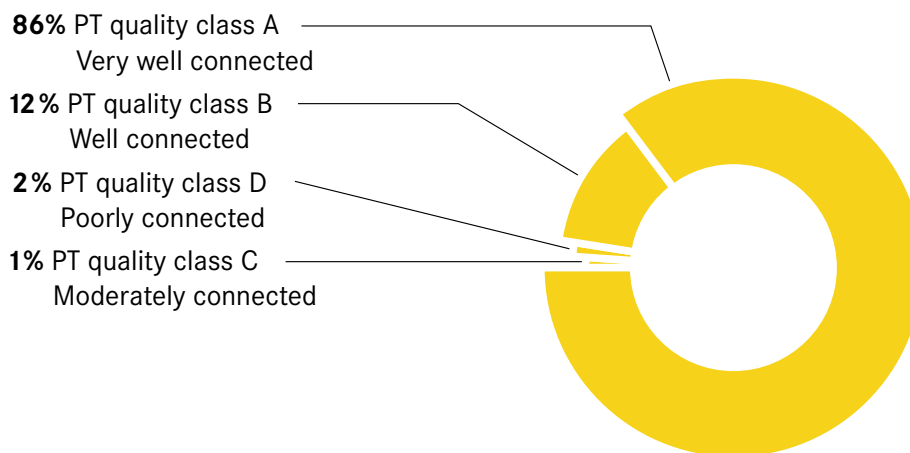
It is important to predict the mobility needs of users of offices and commercial premises, to take appropriate account of them within planning and strive for mobility that is as sustainable as possible. Good accessibility is therefore an important criterion within our purchasing decisions.

Almost 86% of the buildings in our portfolio are situated in areas falling within PT [Public Transport] Quality Class A, 12% in PT Quality Class B. Thus, 97% of the buildings in the portfolio is very well or well connected.

Generally speaking, requirements for bicycle parking, charging stations for electrical vehicles as well as cloakroom and shower facilities are incorporated into the planning of new buildings. For example, a large bicycle parking unit has been included within plans for the new ATMOS building. In addition, there is a basic system with power rails for any further expansion of electric charging stations. These criteria are also taken into account within renovation projects.

Public transport quality classes

The public transport (PT) quality classes provide information on the accessibility of an area with public transport. Important criteria that are included in this indicator are the distance to the stop, the type of transport, and its frequency.



Source: INFOPLAN-ARE, opentransportdata.swiss

The “Bahnhofplatz” in Zurich – Complex renovation project

These listed commercial buildings opposite Zurich’s main railway station are being modernised in three stages, some of which will be converted to other uses. The renovation work, with an investment volume of approximately 120 million Swiss francs, will take place over a period of six years.

Construction work for this major project began in 2017 with the complete renovation of the properties at Bahnhofplatz 1 and Bahnhofquai 9, 11 and 15. A major fire in August 2018 destroyed large parts of the interior of these buildings. Fortunately, the façade remained structurally intact and the exterior historic building substance was largely undamaged. In close cooperation with the heritage protection authority, it was possible to completely reconstruct the façade. Inside, modern office space has been created, which was gradually handed over to the tenants in the year under review. On the ground floor there are three attractive shop spaces with large window fronts.

The second stage of the renovation relates to the property at Waisenhausstrasse 2/4 and Bahnhofquai 7. Taking into account various monument preservation requirements, the entire cinema and office area was transformed into a hotel during the three-year renovation period. The “Ruby Mimi” city hotel with its 208 rooms has started welcoming guests in October 2021. The restaurant use on the ground floor is retained and now operates under the name “Du Pont Brasserie & Bar”.

Renovation work on the third stage of Bahnhofplatz 2 began in the reporting year and is expected to last until mid-2023. Representative office space and generous retail and restaurant space will be created here on the ground floor.





Meeting place with Belle Époque charm

The inviting bar in the Hotel Ruby Mimi is also open to the public and has already established itself as a new meeting place near the station. The Art Nouveau décor, the velvet and the vintage cameras exude the charm of early film sets and pay tribute to the history of the house.



Stately commercial building with high architectural quality

The façade of the building, which was erected in 1913 by the architects Haller & Schindler as the “Du Pont” commercial building, is made of black, reddish and yellowish-light artificial stone – a building material increasingly used in the Jugendstil period. In addition to colour pigments, crushed glass fragments were also mixed in to create light reflections. The building at that time already had a 450-seat restaurant and a cinema. The Orient Cinema (later ABC) was the first lavishly equipped movie palace in the city of Zurich.

Cosmopolitan Brasserie

The restaurant “Du Pont Brasserie & Bar” is operated by Candrian Catering AG and offers 250 indoor and 140 outdoor seats. The restaurant with its imposing room height is also accessible from the foyer of the Hotel Ruby.

Craftsmanship on the roof

The imposing roof of the “Du Pont” house with its domes, bat dormers, roof valleys and ornate tinsmith work is a masterpiece of craftsmanship. The laying of the plain tiles on such complicated roof shapes had to be meticulously planned and prepared with the help of old instructions. Thus, even the most difficult details are perfectly formed.

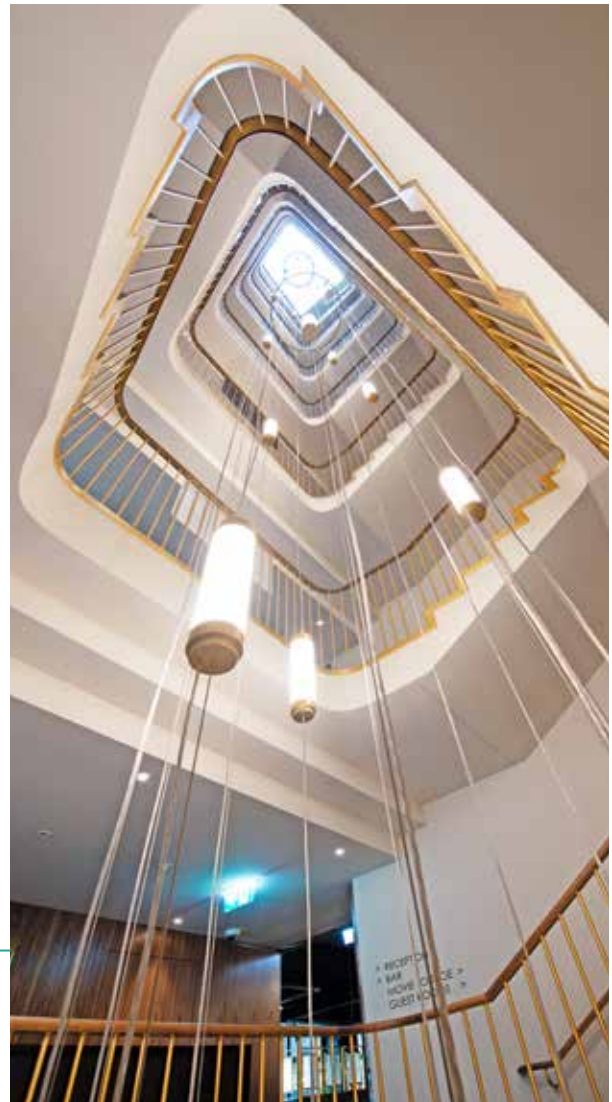


“Lean Luxury” and Hollywood Flair

Each Ruby hotel has its own individual style, matching the character of the city and the property. The “Lean Luxury” concept with comfortable beds, rain shower and soft towels is cleverly combined here with the luxurious flair of Hollywood in the 1920s.

The staircase – a visual attraction

The staircase cannot be overlooked on the way from the foyer to the reception. The wonderful lighting gives it the attention it deserves and lends it elegance.





Unique roof terrace

In order to preserve the external appearance, the roof with the skylights was completely rebuilt and reconstructed. Original materials were used and the roof was covered with natural slate again. The roof terrace opens up a wonderful view of the Limmat and the city.



Old and new stylishly combined

The standard floors, some with stuccowork and wall paintings worthy of protection, were so devastated by fire, extinguishing water and rain that they unfortunately could not be recovered. On the positive side, this created space for a more flexible interior design. Fortunately, the staircase ends in the staircase worthy of protection had already been removed for restoration before the fire and could be reinstalled.



Like a phoenix from the ashes

The building complex at Bahnhofplatz 1 and Bahnhofquai 9, 11, 15 was one of the most beautiful building ensembles from the Belle Époque in Zurich. On the night of Saturday, 25 August 2018, the buildings became victims to the flames. At first, it was not even clear whether the structure of these historic houses could be preserved. Today, the magnificent building shines again in its former glory.

Tenants

Satisfied tenants are the number one priority for the success of a real estate company. We like to have tenants who value our service and our buildings and can work productively in them. This means that having personal contact and working in partnership are absolute priorities for us.

With our own **property management and caretakers**, we aim to offer our tenants an optimal framework for successful business activities – by having a customer focus and providing functional, flexible and attractive business premises. When doing so we work as efficiently as possible so as to enable our tenants to benefit from low costs. Thanks to our efforts in relation to energy efficiency and reducing CO₂ we have already been able for instance to save at least CHF 35 million in energy costs and CO₂ taxes for our tenants since 2010.

Operational efficiency

Operational efficiency in the management and maintenance of our properties reduces our costs and improves our internal communication as well as our engagement with tenants and business partners. A number of improvements were made during the reporting year in the field of **IT infrastructure and digitalisation**. Thanks to the new structure and the joint Sharepoint platform (“PSP Connect”), data and information are used across departments in a manner that optimises processes. This will enable all operational departments to work more closely with one another. This has also enabled **information relating to sustainability** and project organisation in this area to be better incorporated into and made centrally accessible within this structure. We shall pursue further work on this integration in 2022.

As part of operational efficiency, we also want to keep the environmental impact as low as possible, especially in the areas of energy and water consumption as well as CO₂ emissions. An important basis for this is the adequate measurement of consumption. More than two-thirds of our properties are now connected to our energy control and alarm management system. This enables us to centrally monitor the relevant consumption values of our properties and see at a glance whether or not the current figures are within the tolerance range. In the event of irregularities such as a conspicuous increase in water consumption, we can react immediately. Permanent monitoring therefore also pays off economically for tenants.

Optimisation of operations

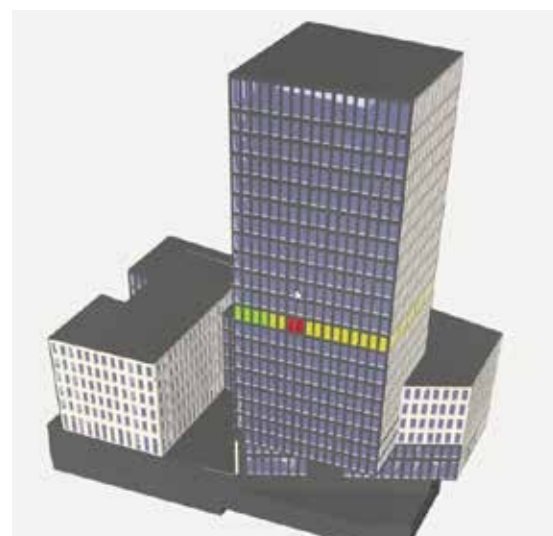
It is possible to reduce energy consumption significantly through structural measures. However, there is also scope for improvement on the operations side. For us the optimisation of operations is directly related to the type of building and the applicable warranty conditions.

Operational optimisation immediately after handover of new buildings and renovations

Often, once in operation, significantly more energy is consumed than predicted (“performance gap”). During the first phase however, the emphasis is on ensuring operation and comfort to the satisfaction of the tenants. The actual energy optimisation takes place afterwards. This first phase will be started in 2022 in the ATMOS building. For the Grosspeter Tower, a building model – known as an “as built digital twin” – has been created in order to determine future energy consumption. Initially, one works with standard weather datasets to simulate energy demand. Once the building has been commissioned, however, real-time

weather data is used. With this, the actual condition can be compared. This means that any potential performance gap can be analysed at a high level. Thanks to the visualisation, this can be done in a highly intuitive and flexible manner. After this initial 2-year operational optimisation phase was completed, the system was placed into “regular” operation in 2021 and handed over to the facility management provider. An even greater focus will now be placed on energy optimisation, whilst at the same time ensuring a transition from “pandemic operation” to “standard operation”. Find out more about the performance gap analysis using a digital twin for the Grosspeter Tower:

www.psp.info/performance-gap-analysis



Source: Siemens Schweiz

Energetic operational optimisation in existing buildings

During operation, problems with comfort or sudden increases in energy consumption cannot be completely excluded. As owners, we strive to recognise these at an early stage and to take appropriate countermeasures immediately. Operational optimisation is currently being carried out on the Richtipark Wallisellen in conjunction with an external partner following the identification of significant further potential for reducing energy consumption.

Energetic operational optimisation as a permanent task

The focus is on efficient plant operation, which we ensure for the entire expected duration. Depending on the use, the task of optimisation can also consist in preventing energy consumption from rising. However, the requirements arising during the pandemic have convincingly shown that energy consumption is not necessarily the sole focus, also during the standard operational phase. In particular enhanced hygiene measures along with the corresponding recommendations concerning the operation of ventilation systems have demanded a high priority during this period (see the Focus Issue “Optimised operations during the pandemic?” on page 196)

Priority 2022 We regard the optimisation of operations as an ongoing task. It will be essential, following the phase involving extended operating times and increased volumes of air during “pandemic operation”, to return once again to optimised standard operation. However, there is not the same level of awareness about this and clarity regarding responsibilities throughout the organisation. We aim to establish this more firmly in 2022 by adopting more systematic approaches and through targeted training.

[Environmental performance measures page 214: Electricity, district heating and cooling, fuels \(oil/gas\), Energy intensity](#)

[Environmental performance measures page 214: Greenhouse gas emissions Scope 1, 2 and 3, Greenhouse gas intensity](#)

Water consumption and waste prevention

The focus of our ecological efforts in relation to operational aspects clearly lies on reducing energy consumption and CO₂ emissions. However, other resources are consumed in addition to energy, such as for instance water, office materials or cleaning materials. Furthermore, waste is produced. We seek to make efforts as far as possible in order to minimise the negative effects of operations. User behaviour is a significant factor here, although we are only able to influence it to a limited extent. We are increasingly seeking to raise awareness concerning environmental protection amongst building users. This applies in particular to water saving but also waste.

- **Water consumption:** as a general rule, office buildings are not major consumers of water. Water-saving valves and devices are installed in new and renovated buildings. Compared to the previous year, specific water consumption fell by 27% to 0.35 m³/m² in the reporting year (2020: 0.47 m³/m²). This sharp reduction is mainly due to the fact that many offices were heavily underutilised throughout the reporting year. Conclusions about success in saving water are therefore hardly possible for the year 2021.
- **Waste prevention:** since waste disposal and the payment of volume-based waste charges, based on the polluter-pays principle, are the responsibility of the tenants in Switzerland, we do not collect any data relating to waste. However, we endeavour to support our tenants in this area and to provide suitable infrastructure and access to services that enable and facilitate the avoidance of waste as well as reuse and recycling.

[Environmental performance measures page 214:](#)

[Water consumption](#)

[Environmental performance measures page 214:](#)

[Wasser intensity](#)

Service orientation and wellbeing of tenants

For us, appreciation, reliability, quality and transparency are the basis of a professional business relationship that is successful in the long term. We want to be a solution-oriented, trustworthy and flexible partner for our customers and business partners.

A long-term customer relationship begins with the rental of offices or shops. However, its basis is laid even earlier, during the first customer discussions, the evaluation of the ideal property, and the professional handling of the rental process. An important basis is the need for rental spaces to be perfectly suited to the tenant. This makes sense for both parties but also for the environment as it helps to avoid expensive and energy-intensive relocations. This step is followed by comprehensive support for fit-out and occupation. After that, it is the task of our property managers and local caretakers to identify new customer needs at an early stage, provide proactive support, and take the appropriate measures. **Setting us apart from other companies, we offer all these services in-house.**

Our tenants should feel at ease in our buildings so that they can carry out their business activities productively and successfully. This includes a pleasant indoor climate and suitable infrastructure enabling efficient work and engagement in social contact, as well as supporting a good work-life balance. It is also important to guarantee safety and security.

Good communication is essential in order to identify the needs of tenants and also to raise their awareness concerning issues such as climate change. The following issues will be addressed as a matter of priority in future:

- **Increased digitalisation in property management and marketing:** thanks to our own property management we are uniquely close to our tenants. Through improvements in digitalisation, we can react even faster and in a more targeted manner. Also in marketing, we are achieving greater transparency, efficiency and improved support for customers in finding the ideal property. Efforts are

underway, for example, in the areas of electronic rental dossiers, 3D visualisation and electronic rental contracts.

- **Tenant fit-out:** here we have enhanced our capacities in the previous year with the creation of the Business Development Team so that we can provide closer support to our tenants. As a result, it should be possible to better reconcile the increased requirements in terms of technical infrastructure and flexibility on the one hand with the specific needs of tenants on the other hand.

Priority 2022 We would like to produce a booklet in 2022, which will support our tenants in taking appropriate account of sustainability considerations such as energy efficiency, reusability, indoor climate or security, when planning their tenant fit-out work.

- **Raising tenants' awareness and "green leases":** we would like to raise our tenants' awareness in relation to sustainability and make them more involved in our efforts, for example in relation to energy optimisation and water saving. We concluded a so-called "green lease addendum" with one of our largest tenants during the reporting year.

Priority 2022 We plan to expand this approach in 2022 by concluding further agreements with the same tenant. This should be followed by discussions with other tenants. The results from last year's tenant survey suggest that tenants are willing to take action in this area. The aim is to promote building-specific, systematic and constant dialogue with tenants concerning the issue of sustainability, and thus to ensure sustainable building operations.

[Social performance measures page 217:](#)
[H&S impact assessments and number of incidents](#)

Focus Issue: Optimised operations during the pandemic?

Recording energy and water consumption and calculating CO₂ emissions are an important element of sustainability management. They provide the basis for reviewing outcomes and defining strategies and goals. They also provide external stakeholders such as ratings agencies or investors with information concerning ambitions and the successful implementation of measures in this area. However, due to the Coronavirus pandemic, as was previously the case in reporting year 2020, we have still not returned to “standard operation” in 2021.

Demand for thermal energy: it is possible to show how difficult direct comparisons are by comparing between reporting periods. The heating period during the winter months (Q4 and Q1) was not yet significantly affected by the pandemic during the previous year. There was a slight fall in office occupancy in the run-up to the lockdown, and after the lockdown was imposed some offices were even closed. Demand for heating was also low due to the warm weather. The impact was noticeably stronger during the reporting year: although no lockdown was imposed, working from home was recommended, which was turned into a requirement from the middle of January 2021. Many offices were effectively empty throughout the winter, but had to be heated nonetheless as proper comfort had to be guaranteed at all times also for the small number of people who came in to work. Due to the reduced level of heat lost from those present and from devices, demand for heating

was in general significantly higher during this period. In addition, ventilation systems were operated at a higher rate and for longer periods on the advice of specialists and in line with requests from tenants. The necessary heating of the air further increased demand for energy. Increased ventilation by opening windows was recommended for buildings that do not have mechanical ventilation systems, which in turn resulted in increased demand for heating.

During the business year, the primary flow temperature of the ERZ Zürich West district heating system was reduced from 120 °C to 104 °C. This measure required an intervention in regulation and should lead to a reduction in energy consumption. However, as this changeover took place during “pandemic operations”, the necessary adjustment of the quantities in the systems was a challenge, which possibly also led to a (temporary) increase in consumption.

For the reasons mentioned above, like-for-like thermal energy consumption increased compared to the previous year by 11.7%. This is an unwelcome development; however, it should fall again significantly in future as a result of efforts to switch to “standard operation”.

Electricity consumption: the effects are less clearly apparent for landlord-obtained electricity consumption. On the one hand, low occupancy may have led to reduced consumption for lighting. On the other hand, some tenants required permanent ventilation (24 h/7 d), which in turn increased

	1 July 2019–30 June 2020	1 July 2020–30 June 2021
Q3	No impact/no restrictions in Q3 2019	Working from home requirement revoked; partial return to full occupancy, although many companies are still continuing with working from home
Q4	Marginal impact/no restrictions in Q4 2019	Rising case numbers, many companies continue with working from home; working from home recommended from 19 October 2020
Q1	Recommendations for working from home from January 2020, lockdown from 16 March 2020	Rising case numbers, requirement of working from home from 18 January 2021
Q2	Lockdown until 11 May 2020, working from home recommended until 22 June 2020	Working from home compulsory until 23 June 2021, thereafter recommended

consumption. A lower electricity consumption that most probably resulted from the low level of usage of devices such as computers and printers is not apparent within the figures, as these are relevant for tenant electricity consumption, which is not recorded here. Like-for-like electricity consumption thus remained stable (-0.2% compared to the previous year).

Water consumption: The correlation between occupancy and consumption is fairly clear for water: if fewer employees are in the office or if a restaurant is closed, then less water is used. This is clearly apparent from the fall in like-for-like water consumption by just under 23%.

Since tenants do not normally furnish precise details concerning property occupancy at different points in time, it is very difficult to carry out a more detailed analysis and to impute any partly countervailing effects. Also energy optimisation projects had to deal with changing and partly unknown occupancy levels, for example at the Grosspeter Tower or the Richti site. A number of suboptimal processes were identified in the property at Richtistrasse 7 in Wallisellen, which had a negative impact on energy consumption. As a result, an energy optimisation initiative has been pursued with an external partner over the last two years. It has in actual fact been possible to implement a variety of measures (e.g. adjustments to room set points or the switching off of unnecessary cooling equipment), which has led to a reduction in the consumption of heat by 20% compared to the previous year. Nevertheless, energy consumption during the winter was significantly higher than the optimisation target figure set. This shows how challenging optimisation is outside periods of normal operation, even if targeted measures are adopted.

Flexible working models call for operational optimisation

An optimised business should be based on optimised occupancy. Half-empty offices are not optimal – neither in economic terms nor from the viewpoint of resource use. Aside from current “pandemic operations”, it must however be assumed that more flexible usage will be required in future, and also to some extent the reduced occupancy of office spaces. In addition, hygiene requirements for designing “safe” workplaces have also increased. In order to meet with all of these demands, the more active involvement of all parties will be indispensable. We expect to be able to engage with this issue in a more targeted fashion in 2022 and subsequent years by implementing more extensive concepts and providing training in optimising operations.



Renewable electricity directly from the roof

In Zurich, three new photovoltaic systems with a total capacity of 242 kWp were installed in the year under review. In the future, these will supply around 235 000 kWh of electricity, which we will use directly in the properties. In this way, our tenants can also benefit from environmentally friendly solar power.

In the picture: Installation at Hardturmstrasse 131-135



Innovation and protected substance

The challenge facing our business development team and the construction department at Uraniastrasse 9: how to reconcile the needs of modern, dynamic companies with the character of a building under cantonal monument protection. Together with the planning team, this was achieved very successfully – within an ambitious time schedule.

Picture above: rental space in basic construction, picture on the right: built-out meeting room at Advestra AG





Support setting event instead of laying the foundation stone

The needs of our tenants change over the years. The building on the Grosspeter site was constructed at the time for the very specific requirements of Telecom PTT (later Swisscom). The enormous leaps in technology over the last few decades have meant that a shell that was tailor-made for that time no longer fits today's uses, which is why the building was demolished and a new one is being constructed. The parking garage was deliberately retained, which will save a lot of grey energy. For this reason, there was no laying of the foundation stone for the Grosspeter Clime, but as a thank-you for all those involved, a support setting ceremony took place in September 2021.



More green on the terraces

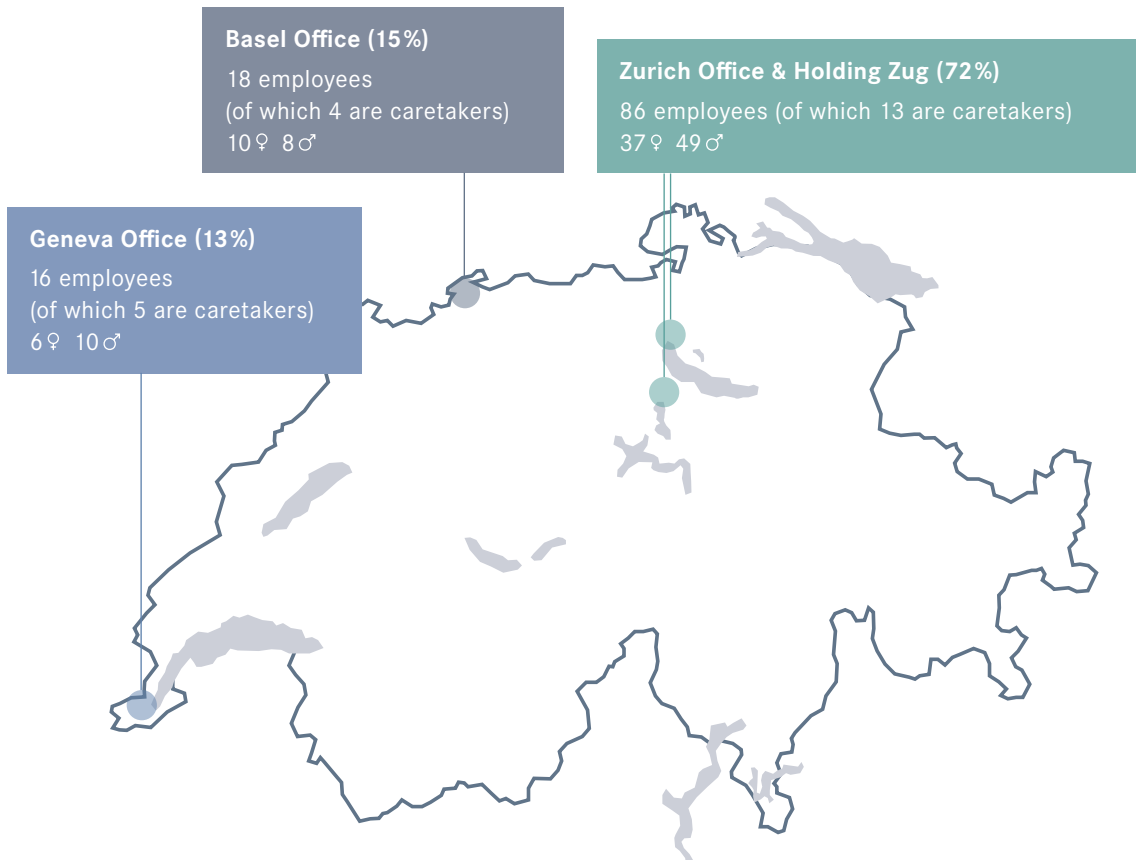
In early summer 2021, we had beautiful planter boxes with native plants (including herbs for the kitchen) installed on the terrace of the Lunch 5 restaurant at Förrlibuckstrasse 62. The greenery on the roof terrace of the ATMOS and the plaza in front of it was also initiated in 2021 and will fully develop in spring 2022. This will please users but also contribute to biodiversity in the neighbourhood.

Employees

Well-trained, competent and motivated employees are the key factor in the success of our business. Every day, they are committed to the concerns of our tenants and business partners and ensure that we will be able to fulfil our ambitious targets for the future.

We offer an attractive, safe and varied working environment that increases the motivation of our employees and enables them to perform to a high standard. We also promote the professional and personal development of our employees and encourage them to contribute creatively and independently to their daily work. At the end of 2021, 120 employees were working at PSP Swiss

Property, 22 of whom were caretakers (end of 2020: 118 employees, 22 of them caretakers). The caretakers work on a property-related basis and are managed by the property management unit of PSP Management AG. Details on our operational organisation can be found on our website. www.psp.info/management-structure



In the autumn of 2021, an anonymous employee survey was carried out according to the “Great Place to Work” (GPTW) methodology for the second time since 2019. The survey identifies workplace culture and employer attractiveness based on five dimensions: credibility, respect, fairness, pride and team spirit. These values are important for us, and we seek to embody them through our actions.

www.psp.info/values

At 80%, the response rate in 2021 was slightly lower than the last survey (87%). However, the results remained very good overall. The Trust Index – the aggregated score for the five criteria – increased from 85% to 86%, whereas “General Satisfaction” fell slightly from 96% to 93%. Based on the very positive results, we were once again certified as a “Great Place to Work”. Details concerning the survey results can be found on the Great Place to Work® website.

www.greatplacetowork.ch

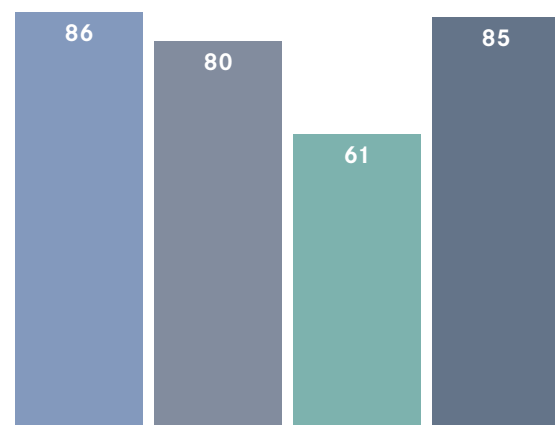
Priority 2022 The results of the employee survey were presented to the Executive Board in November 2021. They were announced to the Company in February 2022. In due course we will identify potential areas with scope for improvement where action is required and also take appropriate steps to address them.

GPTW Survey 2021
General Satisfaction:

Taking everything into account, I would say this is a great place to work.

Agree: 93%

GPTW Survey 2021 Trust Index (average of all questions)



- PSP Swiss Property 2021
- CH Best Medium 2019-2021
- CH Representative Benchmark 2021
- Last Survey (2019)

Corporate culture

With our open corporate culture, we lay the foundation for creating trust, conveying security and convincing all our stakeholders with optimal solutions. Our principles on employment rights and obligations are also set out in the **code of conduct**.

Workplace culture and communication

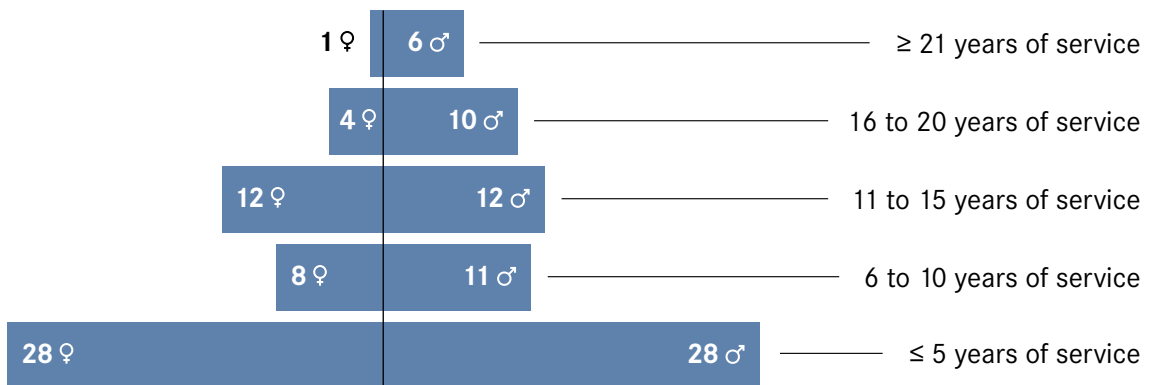
An **open discussion culture, flat hierarchies, and our manageable size** allow us to efficiently exchange and discuss ideas, information and concerns. In the context of collaborative corporate management, as much responsibility and competence as possible is transferred to the employees.

We welcome the uncomplicated and interdisciplinary exchange of information and ideas among our employees. For this purpose, we want to create thinking and work spaces that can also bring employees and business partners together in an uncomplicated way. Our so-called “Collaboration Lab” at the Zurich site is actively used for exchanges. The photographs on our website provide an insight into our cooperation and meeting areas. With the move to the new, modern office premises on Kirschgartenstrasse, the staff of the Basel office will also benefit from an inviting environment for formal and informal exchange (see also photographs on pages 210–211). The opening of new offices in Geneva and Bern is planned for the 2022 business year.

GPTW survey 2021
I'm proud to tell others I work here.
 Agree: 96%

The employee survey conducted in autumn 2021 confirmed again that our managers are approachable, open to dialogue, and that they keep their promises. We inform all employees in a timely manner about important business transactions and internal matters (such as personnel information and organisational changes) in German and French. In the interest of good internal networking and communication, we regularly inform employees in the quarterly report about current topics, the developments and goals of the Company, as well as about the current course of business. During the long period of compulsory working from home in the year under review, the Executive Board and managers were very keen to communicate regularly through various channels to provide reassurance, to encourage staff and to show understanding for the challenging family and work situations. The improvements in interdepartmental information and communication thanks to adjustments in the IT infrastructure are reported on page 192 under “Operational efficiency”.

Years of service of employees



GPTW survey 2021

I want to work here for a long time.

Agree: 95%

Cooperation between us is built on reciprocal appreciation as well as respect, loyalty and responsibility. More than half of employees have been working for us for longer than 5 years.

[Social performance measures page 216: Fluctuation](#)

Fair market salaries

We pay competitive market-based salaries, which we determine individually according to criteria such as education, function and level, professional experience and performance. All employees receive a bonus based on the business results, as well as benefiting from other advantages. These include free continuing education and the financing of accident insurance as well as the provision of daily sickness benefits insurance by the employer. By providing financial support to employees for the use of public transport, we also make an additional contribution to ecological sustainability.

GPTW survey 2021

People here are paid fairly for the work they do.

Agree: 94%

It goes without saying that we guarantee equal opportunity for all employees. In order to ensure equal pay between men and women, we regularly compare the salaries of our employees. We also always compare salaries when hiring. The equal pay analysis conducted by an external company in the previous year confirmed that PSP Swiss Property distinguishes itself as a fair employer. Following an examination by the auditing company SGS², we were therefore awarded the “Fair-ON-Pay+” certificate in June 2020.

[Social performance measures page 216: Gender pay gap](#)



² SGS (Société Générale de Surveillance SA) in Switzerland is one of the leading providers of services in the areas of auditing, testing, verification and certification and employs around 200 staff at six locations throughout Switzerland.

Focus Issue: Equal opportunity and diversity

All employees enjoy equal opportunity. We do not tolerate discrimination in any form. It is only by ensuring equal opportunities for all along with a diverse employee team that we can draw in an optimal manner on the experiences and perspectives of all employees alike as a source of innovation, problem solving and dedication.

GPTW survey 2021
Employees are treated fairly irrespective of their nationality or ethnic origin.
Agree: 99%

There are a number of dimensions to diversity: Frequently mentioned criteria include age, gender or sexual identity, sexual orientation, ethnic origin and nationality, social origin, physical and mental capabilities, religion and philosophical belief – or the “core dimensions” so to speak. In addition, “external” factors such as education, marital status, parental status or recreational behaviour can also influence cooperation within teams and affect performance.

GPTW survey 2021
Employees are treated fairly irrespective of their sexual orientation.
Agree: 100%

It is important for us to incorporate all dimensions to this diversity into the working environment. However, as a company with 120 employees, not all of these dimensions can be encapsulated in statistics and managed through goals and programmes. For instance, we deliberately do not keep precise statistics concerning the ethnic origin or migratory background of employees or their parents. Switzerland is a country of immigration, and a voluntary employee poll has confirmed that this cultural diversity is well represented within the workforce. It established that at least one third of employees has a migrant background. Linguistic diversity is also impressive, with 18 different native languages being spoken. The results of the employee survey indicate that everybody considers themselves to be fairly treated, irrespective of their nationality and ethnic origin.



Our modern offices offer the optimal framework for experiencing this diversity and engaging with one another through our similarities, but also showing interest in and tolerance for the differences between us. The statements made in the GPTW-employee survey indicate whether we are on the right track and where there is any need for further action.

GPTW survey 2021

Employees are treated fairly irrespective of their gender.

Agree: 93%

GPTW survey 2021

I can “be myself” here and don’t need to put on an act.

Agree: 94%

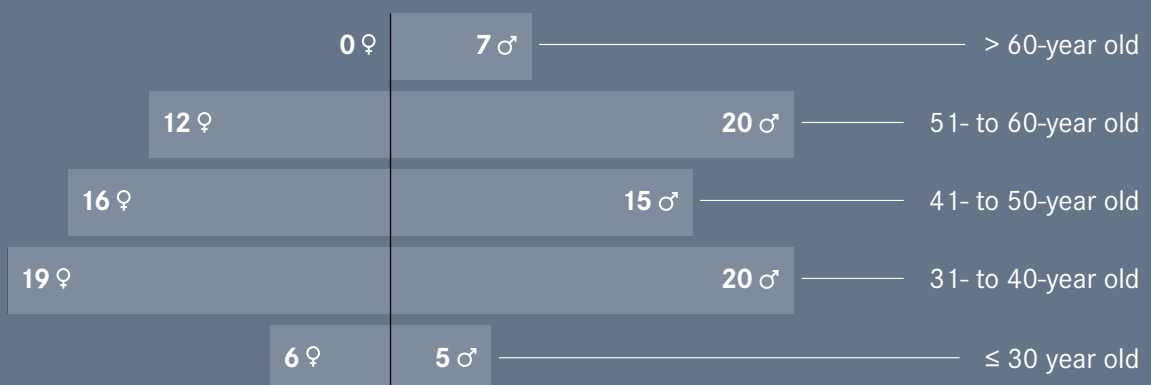
Three areas deserve special attention from the perspective of diversity and inclusion:

Gender equality

The property and construction industry is traditionally male-dominated. With 53 **women** working for the Company, their share in 2021 was 44%. As a result, the gender ratio is almost balanced overall, with a different distribution in the different departments. Whereas roughly the same numbers of men and women work in Property Management, women are still greatly under-represented in the Construction and Caretaker departments. It is quite unlikely that the proportion of female caretakers will increase significantly over the coming years. In Construction on the other hand a trend is apparent, and we are making considerable efforts to attract women to this department. Nevertheless, out of the 16 current employees in Construction only two are women. The structural problem in this sector is also apparent as regards the representation of women within senior management. Although the externally audited equal pay analysis has confirmed that we are exemplary in achieving equal pay between men and women, it is clearly apparent from the figures on page 216 that there are not enough women at the two highest hierarchical levels. This is recognised. Since the number of people in the Executive Board and senior management is relatively small and turnover is low, it will take some time until the picture changes.

[Social performance measures page 216:](#)
[Gender diversity](#)

Age of employees



Inter-generational cooperation

We take the challenges associated with demographic change in Switzerland very seriously: a growing group of older employees will be working alongside a comparatively smaller number of younger professionals. When appointing staff we always seek to create mixed-age teams and to enable the right framework conditions to be created for the differing demands of the various generations. In future, both younger and older employees will have to be increasingly ready to benefit from one another's experience and knowledge. It is also important that employees of every age can ensure their continuing employability through constant core and advanced training. For instance, during the reporting year we recruited a trainee buildings and infrastructure technician, whilst at the same time enabling a prospective caretaker over 50 to complete a traineeship with us as part of the process of qualifying as a specialist caretaker. During the reporting year 30% of newly appointed employees were over 45 (previous year: 44%). Deserving employees may continue to work also after retirement age, for example on a part-time basis or by the hour.



Cooperation and dialogue across linguistic boundaries

PSP Swiss Property only operates in Switzerland. However, Switzerland is by no means homogeneous in terms of culture and language. We also experience this in our everyday operations, with our two business locations in German-speaking Switzerland and one business location in French-speaking Switzerland. Although multilingualism is a matter of course in Switzerland, understanding one another across linguistic boundaries is always a challenge. In order to break down language barriers, employees are encouraged to take language courses, which can also be followed in the office during working hours. In addition, understanding is further promoted by joint events involving employees from both language regions as well as reciprocal visits. Wherever possible, meetings are always held at alternating locations.

Employee development and retention

Training and continuing education is not a matter exclusively for the state or private individuals. Companies must also take on responsibility for training up people and support them in realising their potential. We are mindful of this responsibility and take it very seriously. Ultimately, we also benefit from well-trained and motivated employees.

Recruitment

We are looking for people who fit into our corporate culture and identify with our values. This requires expertise and willingness to perform, but also a high level of service and customer orientation as well as social skills. We attach great importance to the careful introduction of all new employees into our organisation. In the reporting year 2021, 10 employees took up new positions. Carrying out induction during the lockdown was a particular challenge. Again, in the second year marked by the pandemic, we successfully integrated all new employees despite all the restrictions, thanks to intensive communication.

[Social performance measures page 216:](#)
[New hire rate and turnover](#)

Assessment and development

There are regular personnel reviews between managers and employees involving discussions of individual situations or development discussions, which are held at least once a year. They provide our employees with important feedback on their work and define their contribution to the achievement of goals within the Company. Despite being

aware that opportunities for development at a Company with 120 employees are limited, it is important for us to develop and support employees within our Company, for example by enabling them to move between departments or to take up new positions. For instance, the reporting year saw staff moving from Finance to Treasury, from Property Accounting to Financial Accounting or from Property Management to Asset Management. [Social performance measures page 216:](#)
[Performance appraisals](#)

Training and continuing education

We promote the professional and social skills of employees and support them in their professional development with personal training and continuing education. Our internal theme lunches (“PSP Academy Lunches”), which we hold on a regular basis, are also popular. At these events, current business cases are analysed or themes and trends are presented and discussed.

External training and continuing education include courses in the areas of real estate, IT, management, communications, accounting, and sustainability. As language skills are becoming increasingly important, also in the local property business, we have been offering our employees free courses in German, French and English for several years. These can be attended during working hours at the office locations. In the reporting year, some of these courses took place in an online format.

Selection of various training programmes attended by our employees in 2021:

MAS in Energy and Resource Efficiency	Dipl. Leiter Facility Management & Maintenance	
Course for vocational trainers	Fire Protection in Building Management HVAC	
CAS Energy and Economy	Language courses in French, German and English	
CFA Program	CAS Inhouse Counsel	Compact course: Urban Psychology CUREM
CAS in Change Management	CAS in Real Estate: International & Digital Management	

In 2021 each employee completed an average of 3.3 days of internal or external training or continuing education. This figure is below the long-term average, as some training had to be either cancelled or deferred due to the pandemic.

[Social performance measures page 216:](#)
[Training and development](#)

Employee health and wellbeing

It is important for us to offer an attractive and safe work environment. However, it is also important for physical and mental health for employees to strike a good balance between work, family, free time and other duties. We received very good marks in our employee survey for our good working environment, enabling a good work-life balance and our understanding of different life situations.

Health and safety

We want to help our employees to feel at ease in our buildings and to be able to work productively there. We naturally ensure that our buildings do not give rise to any risks for employees (e.g. from VOC emissions from carpets or risks of falling). Aside from the extraordinary measures required as a result of the pandemic, we also supported the health of our employees this year through various measures.

GPTW survey 2021

This is a physically safe place to work.

Agree: 96%

Workplaces: for us, generous, modern work areas and a high-quality infrastructure are a matter of course and create ideal conditions for working. In line with the strict Suva (Swiss Accident Insurance Fund) standards, we also provide all employees with ergonomic chairs and desks equipped with electric height adjustment.

Meals: all locations have a bright cafeteria area. When purchasing products we support Swiss family businesses or our tenants where possible. In the autumn of 2021, as part of a PSP Academy, an event was held together with an external expert with the aim of raising employees' awareness in relation to healthy eating.

GPTW survey 2021

Our facilities contribute to a good working environment.

Agree: 91%

Fitness: the in-house fitness facilities set up in Zurich are actively used by our employees. Our employees in Basel and Geneva benefit from contributions to fitness subscriptions. During the reporting year, PSP Swiss Property participated for the second time in the Swiss-wide health promotion initiative "bike-to-work", which was once again well received, despite the rainy weather in May. Combined with the additional opportunities for our employees to create their own personalised fitness programmes, this encouraged a number of employees to pay more attention to their physical health and to seek to improve it.

Occupational safety: in the area of occupational health and safety, we have the appropriate emergency protocols, organise the required courses (first aid courses, defibrillator, fire) and regularly carry out drills involving all staff.

[Social performance measures page 216:](#)

[Injury rate, lost day rate](#)

Work-life balance and mental health

We are responsible first and foremost for the wellbeing of our employees at work, but we are aware of the challenge of balancing work and private life. Balance is important for personal development. It also strengthens physical and mental health and general wellbeing. The younger generations in particular take flexible working hours, state-of-the-art workplaces, the latest technologies, and having a say for granted. As an employer, we try to take this "New Work" trend into account as far as possible, the focus of which is on the development of an individual's potential.

GPTW survey 2021

This is a psychologically and emotionally healthy place to work.

Agree: 88%

Flexible working time models: In 2018, we introduced the so-called “annual working time” for all employees and caretakers. This is intended to allow flexible working hours. In this way, we can manage fluctuations in workload and the varying needs of employees. On the one hand, this enables us to increase operational efficiency, but on the other hand it also increases the time autonomy of employees, thus ensuring a better balance between family, leisure, and career. Since 2020, the holiday entitlement for all employees has been at least five weeks, corresponding to 25 days per year. The legal minimum in Switzerland is four weeks, or 20 days per year.

Part-time work: in order to be able to exploit our full potential, we also offer part-time work, part-time work after retirement, continuing employment by the hour or early retirement. In 2021, 30 were employed part-time, which corresponds to a share of exactly 25%. Sixteen female employees and three male employees without rank as well as nine female and two male middle-management staff had a part-time contract.

Working from home: all employees are equipped so that they can work from home. Thanks to our strong corporate culture, employees have to date weathered the pandemic well, with months of mandatory working from home. The working methods introduced during this period as well as the competences developed in the area of digitalisation will also be beneficial after the pandemic has passed. There will also be scope for working from home in future, in consultation with line managers. Nevertheless, we continue to consider the office as an important place at which our company culture and our values can be best conveyed and experienced.

Mental health: We also offer our employees the opportunity to obtain free, anonymous advice on personal or professional matters from external specialists. In order to deal with any potentially stressful crisis situations, we have had a contract with a care organisation since the beginning of 2020 that could support in dealing with them.

[Social performance measures page 216:](#)

[Absentee rate](#)

Priority 2022 In 2022 we intend to step up our efforts in relation to health management within the Company and incorporate it into existing management systems. As part of this process, we intend to focus more on ergonomics and to make further improvements. In addition, we are aware that the pandemic has increased the danger of psychological and social risks, since measures such as extended periods of working from home or weeks of quarantine with one’s entire family can represent a major challenge for employees. Particular attention should therefore be paid also to the mental health and resilience of our employees. This also incorporates the active management of absences.

From Olten to Basel

In the middle of May 2021 we relocated our Olten office to Basel. The property at Kirschgartenstrasse 12 in Basel offers modern workspaces, various options for formal and informal discussions as well as well-appointed meeting rooms in which we are also happy to receive our guests. The relocation entailed significant upheaval for employees, although all of them took it in their stride.

“I too had to adjust my daily routine following the move, but I found it worked out well. Here in Basel, with the open space, we are all closer together. This means we find out what’s happening in other teams and properties. This creates greater mutual understanding.”

Edina Tutnic, Administrator, Property Management



“The modern office in Basel offers a lot of opportunities and has an ideal configuration. This really makes up for the significantly longer commute. I’m also looking forward to the new office in Bern.”

Micha Wittwer, Administrator, Property Management



“Since we have been working at the new offices in Basel, I have been able to optimally follow my portfolio in the city of Basel. I am close at hand for tenants and can visit our projects if any challenges arise, including at short notice. This means I can respond quickly and discuss any concerns in person on site.”

Terri-Liza Bachmann, Property Manager



“The move to Basel only occurred in stages due to the restrictions imposed in relation to the pandemic. Despite these circumstances, the new offices simplify the way we work together. The proximity to our clients also means that more meetings take place on our premises.”

Fabian Laube, Head of the Basel Office

Finances and disclosure

We create added value through portfolio optimisation and external growth. Financial strength and flexibility are key aspects for us. Imposing the most exacting requirements in relation to disclosure means that our investors and other stakeholders can also see this for themselves.

Financial strength

We take care that our financial capacity is strong at all times. This involves, amongst other things, keeping our debt low, with an equity ratio of 54.7%. Furthermore, we focus on refinancing that takes account of our conservative investment policy. Identifying, measuring and managing risks is allocated a high priority. A detailed report concerning our assessment of real estate market risks and financial risks such as credit risk, liquidity risk, market risk and equity risk, is provided on pages 56–60. Investors are also increasingly focusing on risks associated with climate change and other risks resulting from interaction with the environment and society. These are addressed in the chapter “Portfolio” on pages 176–187. Our Financial Statements on pages 37–127 provide ample evidence of our financial strength and our successful management.

Transparency and reputation

Ensuring transparency and the provision of appropriate information to investors and other stakeholders is important for us. We are a member of EPRA (European Public Real Estate Association) and have been providing financial reports and sustainability reports according to the EPRA Best Practices Recommendations (BPR and sBPR) since 2010 and 2015 respectively. PSP Swiss Property has been awarded the EPRA Gold Award several times in a row for its reporting in both areas.

However, over the last few years pressure for more stringent rules has increased, in particular in the area of sustainability, in order to avoid greenwashing and to ensure that investors receive standardised, objective information. Transparency requirements are also increasing as regards the engagement with human rights, such as for instance combatting child labour and slavery or guaranteeing rights in employment – both in the EU and in Switzerland. Although our materiality analysis has established that we do not have any significant risks in terms of human rights, it is still important for us to live up to our responsibilities also in this area and to report for instance how we ensure that human rights are guaranteed within the supply chain and how environmental requirements are complied with.

Priority 2022 During 2022 we intend to streamline our existing sustainability guidelines and initiatives with the rules in place in Switzerland as well as throughout the EU, in addition to those set to be introduced over the next few years (for example, counter-proposal to the “Corporate responsibility initiative” – in German “Konzernverantwortungsinitiative – TCFD, SFDR, CSRD, EU Taxonomy). We shall analyse where future obligations lie and where any gaps may be apparent – either from a management perspective or simply from a disclosure perspective. This will then provide a basis for the adoption of appropriate initiatives.

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Performance measures

EPRA Sustainability performance measures – Environment

The following table contains the environment-related performance measures for 2020 and 2021. Performance measures which are reported according to the EPRA sBPR standard and are marked with the respective EPRA code. Ernst & Young Ltd provided limited assurance on the information marked with for 2021. Explanations on the performance of the key figures can be found on pages 181 to 182 and 196 to 197

EPRA code	Unit	Indicator	Scope
Energy			
Elec-Abs, Elec-LfL		Electricity	For landlord shared services, air-conditioning, ventilation (Sub)metered exclusively to tenants
			Total landlord-obtained electricity Proportion of landlord obtained electricity from renewable sources¹
DH&C-Abs, DH&C-LfL	kWh	District heating and cooling	Heating passed on to tenants (Sub)metered exclusively to tenants
			Total landlord-obtained district heating and cooling Proportion of landlord obtained district heating and cooling from renewable sources
Fuels-Abs, Fuels-LfL		Fuels (oil/gas)	Heating passed on to tenants (Sub)metered exclusively to tenants
			Total landlord-obtained fuels Proportion of landlord obtained fuels from renewable sources
		Total Energy	Total landlord-obtained energy² Proportion of total landlord obtained energy from renewable sources
Greenhouse gas (GHG) emissions			
GHG-Dir-Abs		Direct	Scope 1
GHG-Indir-Abs	Tonnes CO ₂ e	Indirect	Scope 2
			Scope 3
		Total	Scope 1, Scope 2, Scope 3
Water			
Water-Abs, Water-LfL	m ³	Water	Water passed on to tenants (Sub)metered exclusively to tenants
			Total landlord-obtained water
Specific			
Energy-Int	kWh/m ²	Energy Intensity	Landlord-obtained energy ³
Water-Int	m ³ /m ²	Water Intensity	Landlord-obtained water
GHG-Int	kg/m ²	GHG Intensity	Scope 1, Scope 2
Certified buildings			
Cert-Tot	7 buildings or 8.2% of lettable space as a percentage of the reported portfolio are certified (LEED and Swiss “Minergie” standard)		

1 Emissions are calculated using market-based emissions-factors.

2 These figures are not adjusted for heating degree days. Adjusted for heating degree days, absolute energy use for 2020 and 2021 is 78 523 113 kWh and 87 968 648 kWh respectively. Adjusted for heating degree days, like-for-like energy use for 2020 and 2021 is 76 403 360 kWh and 81 136 58 kWh respectively.

3 These figures are not adjusted for heating degree days. Adjusted for heating degree days, energy intensity for 2020 and 2021 is 85.998 kWh/m² and 93.886 kWh/m² respectively.

EPRA Sustainability performance measures – Social

Employees

The following table contains the key performance measures for 2020 and 2021 that relate to social aspects. The performance measures are marked with the respective EPRA code. The caretakers work on a property-related basis and are managed by the management unit of PSP Management Ltd. Ernst & Young Ltd provided limited assurance on the information marked with for 2021.

EPRA code	Unit	Indicator	Scope	Performance measure	
				2020	2021
Diversity					
Diversity-Emp	% of employees	Gender diversity	Board of Directors	88% ♂ / 12% ♀	86% ♂ / 14% ♀
			Executive Board	100% ♂ / 0% ♀	100% ♂ / 0% ♀
			Senior Management ¹	100% ♂ / 0% ♀	100% ♂ / 0% ♀
			Middle Management ²	54% ♂ / 46% ♀	53% ♂ / 47% ♀
			Employees without rank ³	19% ♂ / 81% ♀	20% ♂ / 80% ♀
			Caretakers	91% ♂ / 9% ♀	95% ♂ / 5% ♀
Diversity-Pay	Female to male ratio	Gender pay gap ⁴	Board of Directors ⁵	1	1
			Middle Management	0.93	0.94
			Employees without rank	1.06	1.05
Development, Training and Turnover					
Emp-Training	Average hours per year and employee	Training and development ⁶		28.4h	26.9h
Emp-Dev	% of total workforce	Performance appraisals		97%	90%
Emp-Turnover	Total number	New hires	Direct employees	9	10
		Leavers		10	8
		Number of employees at year end		118	120
		Rate in %		7.6%	8.3%
		Turnover		8.5%	6.7%
Health & safety					
H&S-Emp	Number of injuries per 200 000 hours worked	Injury rate	Direct employees	0.99	0
	Number of lost days per 200 000 hours worked	Lost day rate		101.8 ⁷	0
	% of average hours worked	Absentee rate ⁸		2.4%	1.8%
	Total number	Fatalities		0	0

1 We classify employees with the rank "Direktion" as Senior Management.

2 We classify employees with the rank "Kader" as Middle Management.

3 Direct employees excluding caretakers.

4 We do not report pay gap for the Executive Board as there are no female members of the Executive Board and we do not consider the corresponding performance measure to be meaningful. Compensation of our Executive Board is disclosed in the compensation report. We do not report pay gap for Senior Management as there are currently no women in Senior Management. We do not report pay gap for caretakers because the cumulated FTE of female caretakers is too small to generate a meaningful performance measure.

5 Excl. Chairman of the Board, excluding expenses for travel and time compensation for international members of the board.

6 Incl. internal and external education and development.

7 Lost days are due to a single occupational accident.

8 Absentee rate excludes long-term absences of more than 12 weeks. Absentee rate including long-term absences was 2.8% for 2020 and 2.1% for 2021.

Assets

EPRA code	Unit	Indicator	Scope	Performance measure	
				2020	2021
Health & Safety					
H&S-Asset	% of assets	H&S impact assessments ⁹	Assets under operational control	100%	100%
H&S-Comp	Total number	Number of incidents	Incidents of non-compliance scope: assets and assessments identified under H&S-Assets	0	0
Community					
Comty-Eng	% of assets	% of assets with community engagement initiatives ¹⁰		N/A	N/A

⁹ Quality management is implemented on our processes and in all our properties and sites. Health and safety checks are carried out in particular at our development projects. We strictly follow the standard requirements by the federal government, SUVA (Swiss National Accident Insurance Fund), SIA (Swiss Society of Engineers and Architects) and our internal regulations.

¹⁰ This Performance measure is not reported because we have not yet identified a good basis of measurement by which this can be expressed as a clear percentage. The topic is commented on page 185–186.

EPRA sustainability performance measures – Governance

The following table contains the governance related key performance measures for 2020 and 2021. The key performance measures are marked with the respective EPRA code.

EPRA code	Unit	Indicator	Scope	Performance measure	
				2020	2021
Board composition					
Gov-Board	Total number	Executive members	Board of Directors	0	0
		Non-executive members		8	7
		Independent members		7	7
		Independent and non-executive members with competencies relating to environmental and social topics ¹		5	5
	Years	Average tenure of Board members		9.5	9.9
Nomination and selection					
Gov-Select	Narrative	Description of the nomination and selection process	Board of Directors	See below ²	See below ²
Conflicts of interest					
Gov-Col	Narrative	Processes for managing conflicts of interest	Board of Directors	See below ³	See below ³

1 Please refer to the Corporate Governance section in the annual report 2021 (page 145 ff.), where specific competencies are listed and skills and experiences become apparent from the biographies of Ms. Corinne Denzler, Mr. Peter Forstmoser, Mr. Aviram Wertheim, Mr. Adrian Dudle and Mr. Henrik Saxborn. Mr. Wertheim and Mr. Saxborn for example developed specific competencies and experiences in environmental and social topics pertaining to their functions and proven track records as members of the board and CEOs of renowned and listed real estate companies in their home country market. The same holds true for Ms. Denzler, who looks back on a career in the field of Swiss tourism and CEO of a renowned Swiss hotel group, and who, as managing director of the non-profit foundation Synapsis – Alzheimer Research Switzerland AFS, is concerned with the major health and socio-political challenges of the growing dementia problem. Mr. Adrian Dudle is Co-President of Smiling Gecko, a non-profit NGO that provides sustainable support to vulnerable children and families in rural areas of Cambodia through various initiatives. Mr. Forstmoser has developed and demonstrated relevant competencies over many years, including as former Chairman of Swiss Re, a leading Swiss reinsurance company familiar with sustainability issues, as former Chairman of “The Sustainability Forum” Zurich and as a former member of the Board of the “Center for Corporate Responsibility and Sustainability”, an organisation affiliated with the University of Zurich.

2 In 2018, a Nomination Committee was formed, which assists the Board of Directors in nomination/selection processes as set out in the Corporate Governance section of the annual report 2021 (page 156 f.).

3 PSP Swiss Property is required to publish information on management and control at the highest corporate level of the company in its annual report under a separate Corporate Governance section pursuant to the disclosure obligations stipulated in the Directive Corporate Governance (DCG) of SIX Swiss Exchange (see annual report 2020, page 151 ff. and annual report 2021, page 145 ff. respectively). It includes the relationship between individual bodies of the company (checks and balances) and the disclosure of specific information. Information on potential conflicts of interest is thus set out throughout the entire Corporate Governance reports, namely in respect to cross-board memberships and cross-shareholdings (none, see Section 1.3 and Section 3.1), major shareholders (Section 1.2) and substantial business relationships with the company (none, see Section 3.1), as well as inter alia in the note 32 to the consolidated financial statements in respect to related parties.

Delimitations and explanations on the performance measures

EPRA Reporting

The EPRA sBPR require information on the areas of environmental performance, social performance and governance. We strive to report our performance according to all these performance measures. This is an ongoing process. For figures that were not available at the time of reporting, “N/A” (not available) applies.

We take the liberty of expanding the table of performance measures to include additional data that does not comply with the EPRA standard. All key figures reported according to sBPR are marked with the corresponding EPRA code.

Delimitations

Organisational boundaries

The organisational boundary for property reporting is defined by the full operational control over individual properties. Consequently, properties under joint ownership and properties where a single tenant exercises sole operational control are therefore not taken into account. New buildings and renovations are only taken into account if they were operational for the entire reporting year. Properties sold during the reporting period are not included. Properties purchased during the reporting period are only included in the following year.

Time boundaries

Compared to the financial reports, the reporting of the energy and water-related data (EPRA table of environment-related performance measures) is shifted by half a year (in line with the heating and ancillary cost accounts). The current reporting period for these performance measures thus runs from July 1, 2020 to June 30, 2021. The social indicators (EPRA table performance measures) and the governance-related performance measures refer to the same period as the financial reports (January 1, 2021 to December 31, 2021).

Boundaries tenant/landlord

We always procure the heating energy ourselves and charge it to the tenants via the heating bill. Consequently, heating energy is factored into our calculations. The same applies to electricity for common areas (access) as well as ventilation and air-conditioning, where ventilated or air-conditioned spaces are leased. Electricity consumed by tenants on their premises is settled directly between the tenants and the utilities via a separate meter and is not included in our calculations.

Own-used properties

We are tenants in our own properties in Zurich, Geneva, Olten and Zug. Heating energy and general electricity as well as the water consumption of the properties concerned are recorded as well.

Degree of coverage

Within the defined organisational boundaries, we cover all properties in operation.

Reporting segments

Our real estate portfolio consists mainly of office space. Several properties have mixed use, i.e. in addition to offices, there is also retail space (mostly on the ground floor) and, in some cases, apartments. We also own hotels and thermal baths/spas. However, independent non-office uses make up an insignificant part of the total lease area (< 2%). Therefore, we do not define or disclose specific segments for these areas.

Investment properties taken into account for different performance measures

Absolute values (Abs)

In 2021, we analysed 151 investment properties with 936 977 m² of lettable space (2020: 155 investment properties with 913 078 m² of lettable space). On 30 June 2021, the portfolio comprised 159 investment properties.

The difference to the 151 investment properties included in the Sustainability Report is explained as follows: PSP Swiss Property does not exercise operational control over properties rented by a single tenant or in a joint ownership. This applies to the following properties: Via Respini 7/9, Locarno; Port Noir Hammam & Bain Genève Plage, Coligny; Bahnhofstrasse 66, Brandschenkestrasse 70 and 72 as well as Mühlebachstrasse 6 (all in Zurich); Seilerstrasse 8a, Bern. The property Rue de Sébeillon 2 in Lausanne consists of parking spaces only, and thus has no energy consumption. The investment property at Rue de la Confédération 2 in Geneva was not purchased until the end of September 2020 and is only taken into account when complete data for an entire reporting period is available. The property at Hardturmstrasse 181, 183, 185 in Zurich (ATMOS) has been in the investment portfolio since the beginning of 2021, but is still in the process of tenant fit-out. The property at Konradstrasse 1 was split off from Zollstrasse 6 (in the development portfolio). However, as it is also affected by refurbishment work, it will not be included again until the next reporting year.

These 10 mentioned properties were therefore not included in the Sustainability Report. On the other hand, the following 2 properties intended for sale or reclassified as development properties were taken into account: Sihlramtstrasse 5 in Zurich and Rue du Grand-Pré 54–58 in Geneva.

The properties sold in the reporting period, See-strasse 40/42 in Kilchberg, Gurzelngasse 6 in Solothurn and Zurlindenstrasse 134 in Zurich, were not taken into account for the key figures in the reporting year 2021.

New buildings and renovations completed during the reporting period will be included in the analysis in the following year. However, properties where renovation work was carried out during operation were taken into account.

“Like-for-like” values (Lfl)

The “like-for-like” portfolio comprises only those properties which were under operational control and classified as investment properties both in the reporting year and in the previous year. The “like-for-like” portfolio for this reporting year comprises 147 properties.

Specific figures (intensities)

The reference value for the specific consumption figures (kWh energy/m², m³ water/m² and kg CO₂e/m²) is the lettable floor space in line with the values published in the Annual Report for the mentioned 151 properties.

Explanations on the data basis

Estimates

Of the energy we procure, 7.8% of total was estimated in 2021 (8.4% in 2020). For properties for which the final settlements are not yet available at the closing date, we use the previous year's figures. For example, prior-year values were used for the so-called Rothschild portfolio (9 properties). Some larger properties are rented by major tenants who receive their invoices directly from the providers. Since we offer air-conditioned offices at these premises (which is part of the basic configuration) and because multi-tenant leases would be possible, we estimate consumption at these properties (for which we do not receive a statement from the tenant) on the basis of figures for comparable properties.

Oil and gas

The conversion from volume or mass units to energy is carried out in line with the conversion factors according to SIA 380/1:2016 and refer to the upper heating value HO.

Waste

In Switzerland, disposal of waste as well as the payment of the waste charges, based on the polluter-pays principle, are the responsibility of the tenants. We have no data on tenants' waste production and therefore do not disclose these performance measures.

CO₂e emissions Scope 1 and 2

We calculate our energy and CO₂ data with the help of Myclimate's Smart3 data management system and CO₂ factors provided by Myclimate and an external partner. Market-based emission factors are applied for both electricity and district heating, based on the electricity and district heating mix that exists for the respective property according to the contract and information provided by the suppliers. Waste incineration is only classified as 50% "renewable" and is not considered climate neutral in the calculations.

CO₂e emissions Scope 3

Business travel: We also calculate the CO₂e emissions from our business travel (air, car, train). Emissions from business travel in 2021 amounted to 19.0 tonnes CO₂e (2019: 69.5 tonnes). The significant reduction is due to the fact that no business flights were made in the reporting period (1 July 2020–30 June 2021) because of the pandemic.

Correction/reporting of environmental indicators

In the year under review, we took various measures that required the previous year's figures to be corrected or restated to ensure comparability:

Corrections of previous year's figures: Due to a closer analysis, errors in the measurement, in the transmission or in the delimitation of the data were discovered for some previous year's values. This affects 26 values. These were corrected. The corrections led to the following deviations between the previous year's values in the last annual report and the newly presented previous year's values: oil & gas: 0.7% higher; electricity: 6.9% higher; district heating: 1.8% higher; water: 1.9% lower; CO₂e emissions Scope 1: 0.8% higher; CO₂e emissions Scope 2: 1.9% higher; CO₂e emissions Total (Scope 1, Scope 2, Scope 3): 1% higher.



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To the management of
PSP Swiss Property AG, Zug

Zurich, 21 February 2022

Independent assurance report

We have been engaged to perform a limited assurance engagement on the information marked with a "☑" in the PSP Swiss Property AG Annual Report in the chapter "Sustainability Report" for the reporting period from 1 January 2021 to 31 December 2021:

- ▶ Table on energy and emissions performance measures on pages 214-215 of the Sustainability Report
- ▶ Social performance measures related to employees on page 216 of the Sustainability Report

Our assurance engagement was limited to the KPIs listed above. We have not assessed the following KPIs or information disclosed in the report:

- ▶ Information other than the sustainability KPIs indicated above
- ▶ KPIs of prior reporting periods
- ▶ Qualitative statements



Responsibility of PSP Swiss Property AG's management

The management of PSP Swiss Property AG is responsible for the preparation of the disclosed KPIs marked with a "☑" in the chapter "Sustainability Report" in the Annual Report in accordance with the applicable criteria.

This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of KPIs that are free from material misstatement, whether due to fraud or error.



Applicable criteria

PSP Swiss Property AG defined as applicable criteria (hereafter "applicable criteria"):

- ▶ EPRA Sustainability Best Practices Recommendations Guidelines for the environmental performance measures and for the social performance measures

Summaries of these guidelines are presented on the EPRA website (online at <https://www.epra.com/sustainability/sustainabilityreporting/guidelines>). We believe that these criteria are a suitable basis for our limited assurance engagement.

The quantification of greenhouse gases (GHG) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.



Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

(Translation of the original report in German language)



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Our responsibility

Our responsibility is to express an opinion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised)*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs marked with a „☒“ in the report are free from material misstatement, whether due to fraud or error.

Based on risk and materiality consideration we have undertaken procedures to obtain sufficient appropriate evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of risks of material misstatements in above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.



Summary of work performed

Our limited assurance procedures included, amongst others, the following work:

- ▶ Assessment of the suitability of the underlying criteria and their consistent application
- ▶ Inquiries of company's representatives at selected locations responsible for collecting, consolidating and calculating the KPIs marked with a "☒" in the report in order to assess the process of preparing the data, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement
- ▶ Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating sustainability data and testing such documentation on a sample basis
- ▶ Testing, inquiries and inspection of documents on a sample basis with respect to the compilation and reporting of quantitative data
- ▶ Analytical review of the report regarding plausibility and consistency with the information marked with a "☒" in the report

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the KPIs marked with a "☒" in the report are not prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Tobias Meyer
Partner

Mark Veser
Director

(Translation of the original report in German language)