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Highlights 2022

CO₂ emissions

Per square metre of lettable area we were able to reduce the CO₂ emissions associated with our portfolio by 4.6% compared to the previous year. Additional functionalities for calculating anticipated CO₂ reductions have been incorporated into our tools.

- 4.6%

Benchmarks and awards

Our transparency and good performance in the area of sustainability have also been confirmed by external ratings.



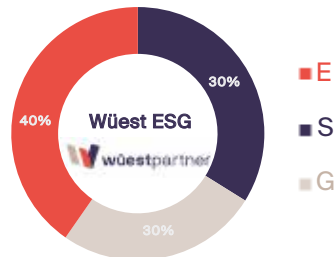
Scope 3 emissions

We have calculated the “embodied” CO₂ emissions for our three new buildings in order to provide a basis for a more systematic consideration of grey energy.



Portfolio sustainability rating

We have arranged for all of the assets in our portfolio to be assessed with reference to a variety of sustainability criteria (“Wüest ESG”).



Green bonds

At our Sustainability Capital Markets Day on 8 November 2022 we published our own “**Green Bond Framework**”.



Sustainability in property management

As part of **Project “Optima”** measures have been taken to systematically incorporate sustainability issues and corresponding targets into property management. This also enhances active dialogue with tenants.



Equal pay

Data relating to **equal pay** were reviewed again and it was confirmed that the principle of equal pay continues to be adhered to within the company.



Health and Safety

As was the case last year, there were no operational accidents also during the reporting year. Further investments were made in the area of health and safety, including for instance a webinar on ergonomics and ergonomics checks in situ.

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Best Medium Workplace

In May 2022 we were ranked in 15th position and commended as one of the best employers (in the category of the medium-sized companies) in Switzerland.



Short film with PSP employees

The shooting of a short film provided motivation to employees to return to the office after the pandemic. **“The Assignment”** pays homage to the office as a place where people and ideas come together.



Optimisation of operations

We were able to reduce the “like-for-like” thermal energy consumption associated with our portfolio by 2.8% compared to the previous year. Following the pandemic, energy demand still has to be brought back to an optimised level. In order to support this process, caretakers have received training in relation to the **optimisation of operations**.

– 2.8%

Circular economy

At an information event on the **circular economy**, we raised the awareness of all employees concerning aspects relating to reusage and recycling.



Sustainability in our business strategy

Our core business is the letting of commercial properties in Switzerland. This business model with a long-term focus requires that we assume our responsibility towards people and the environment. Sustainability is therefore an integral part of our business strategy.

We have been reporting on our sustainability efforts in our annual report for more than ten years. External benchmarks such as CDP or GRESB show us that we are on the right track.

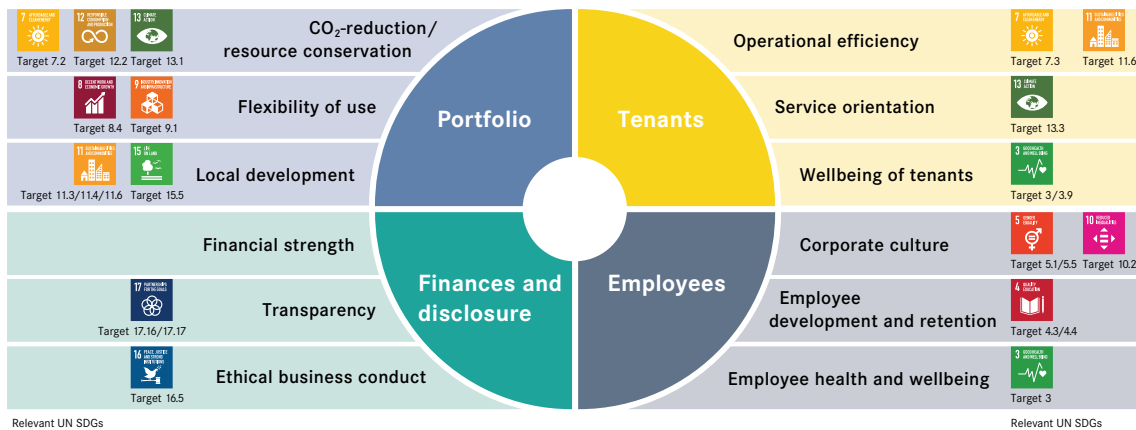
Commercial properties can only be sustainable if they are rented out and provide good rental income in the long term. This also presupposes that the tenants are satisfied and that the rental properties meet changing requirements in terms of property and location quality, price and service. Sustainability is therefore an integral part of our business strategy and is based on our values. Our

employees, tenants, business partners, investors as well as the public are crucial stakeholder groups for us. Through openness, transparency and regular dialogue, we strive to receive, reflect on and where appropriate implement their concerns for the success of our Company. More about our values and our dialogue with different stakeholders can be found on our website.

www.psp.info/values

Our 12 material issues

These form the basis for defining and setting priorities for our sustainability initiatives.



Relevant UN SDGs

Relevant UN SDGs

In 2019, we carried out a materiality analysis, assessing whether the demands of our stakeholders and the effects of our work on the environment and society are reflected appropriately in our business approach. We also considered in which areas we can and must be able to make a meaningful contribution to achieving the UN Sustainable Development Goals (UN SDGs). The analysis resulted in the identification of 12 thematic areas, which we have been able to match up with the most important requirements. We have allocated the 12 thematic areas to the four levels of our business activity. The materiality analysis was revised in 2021, but this has in no way changed the material issues. These still form the basis for defining and setting priorities for our sustainability initiatives. Further information concerning our materiality analysis can be found on our website. www.psp.info/sustainability

Sustainability initiatives are steered by a nine-member panel composed of representatives from property management, construction, asset management, business development, transactions, human resources and communications, as well as the Chief Investment Officer. 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 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. The consequences of the Coronavirus pandemic were also apparent during the reporting year 2022. Although some degree of “normalisation” occurred, no further lockdowns were ordered, cities came back to life and public and social events could take place almost without any restrictions, everyday life in the office is (still) not the same as it was before the pandemic, especially at larger firms. In some cases, the proportion of employees working from home is fairly high, and occupancy of office space is accordingly low. This continues to represent a challenge for us in terms of optimisation of operations, as “normal operations” have not yet been re-established everywhere. The comments and comparisons provided below must be considered against this backdrop.

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 2023 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 compared to 2019 levels - 100% of owner-obtained electricity from renewable sources until 2025 - Increasing own photovoltaic capacity - Strengthening of circular economy - Enhancement of property surroundings 	<ul style="list-style-type: none"> - kg CO₂/m² - kWh/m² - kWp installed PV capacity - % certified properties <p>EPRA environmental performance measures page 238</p>
Flexibility of use		
Local development		
Tenants		
Operational efficiency	<ul style="list-style-type: none"> - High tenant satisfaction - Greater involvement of tenants in sustainability efforts 	<ul style="list-style-type: none"> - Annual LfL improvement in energy and water consumption (kWh/y and m³/y, respectively) - Tenant survey trend (internal KPI) - % tenant turnover with green lease <p>EPRA environmental performance measures page 238 and social performance measures page 240</p>
Service orientation		
Wellbeing of tenants		
Employees		
Corporate culture	<ul style="list-style-type: none"> - Sustained high level of employee satisfaction - Ensuring employability - Maintenance of 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 <p>EPRA social performance measures page 240</p>
Employee development and retention		
Employee health and wellbeing		
Finances and disclosure		
Financial strength	<ul style="list-style-type: none"> - Conservative financing policy with adequate debt ratio 	<ul style="list-style-type: none"> - Credit rating - Equity ratio - EBITDA - Dividend distributed <p>Key figures page 9-11</p> <p>EPRA governance performance measures page 242</p>
Transparency and ethical business conduct	<ul style="list-style-type: none"> - Sustainable financing consistent with the portfolio - EBITDA margin of around 80% - Dividend covered by EPRA earnings - Reporting according to IFRS and EPRA 	

Priorities for 2022: progress on targets	%	Priorities for 2023
Circular economy: PSP Academy, expanding contacts, initial implementations for tenant fit-out	75%	Further raising of awareness and training concerning the circular economy and greater integration into processes
Determination of principles for capturing “embodied carbon” in new buildings: three new-build projects calculated	100%	“Embodied carbon” in new buildings and renovations: workshops, development of options for action Check of PSP CO ₂ reduction path against 1.5 degree decarbonisation path Further integration of CO ₂ reduction path into tools Systematic assessment of physical climate change risks
Continuation of strategy for district heating and cooling networks and photovoltaic systems: re-engineered pipeline for PV systems	100%	Continuation of strategy for district heating and cooling networks and photovoltaic systems
Pilot project at Seestrasse 353 implemented in part, greening project in Basel; identification of potential for greening delayed	75%	Finalisation of biodiversity project at Seestrasse 353; Greening for the multi-storey car parks P-West and at Förrli-buckstrasse 110; Finalisation of identification of potential for greening/biodiversity
Assessment of portfolio according to sustainability criteria: Wüest ESG rating	100%	Detailed analysis of results of the Wüest ESG rating, identification of possible areas for optimisation
Expansion of green lease addenda with single tenant, incorporation of clause into new leases	75%	Expansion of green lease addenda to additional large tenants
Tenant booklet on consideration of sustainability aspects in tenant fit-out in progress	50%	Completion of tenant booklet on consideration of sustainability aspects in tenant fit-out
Systematic approach to the optimisation of operations as an ongoing task: introduction of “Optima”; caretaker training in optimisation of operations	100%	“Optima”: establishment of dashboard in relation to introduction of a cloud solution Continuation of training in the optimisation of operations, ventilation technology and automation Tenant survey Pilot trials for efficient recording of tenant electricity
Occupational health management: information events and webinars on nutrition and ergonomics, ergonomics checks in situ, bike to work	100%	Continuation of occupational health management with a focus on measures to strengthen mental health such as for example resilience or absence management
Evaluation of Great Place to Work survey 2021: identified and implemented measures	100%	Analysis of feedback from the health survey and identification of measures
Implementation of office ecology processes at new offices in Basel and Geneva, disposal concept in Zurich devised	100%	Awareness raising of employees in relation to electricity consumption and waste
Launch of Green Bond Framework	100%	Publication of Green Bond Report Q1 2023
Gap analysis of disclosure regulation in the field of sustainability in Switzerland and EU: completed in July 2022; code of conduct for suppliers developed	100%	Implementation of Supplier Code of Conduct at all levels Final clarifications concerning the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and child Labour (VSoTR) Better alignment of reporting with TCFD and requirements for reporting non-financial issues
Cyber-risks: information event, online cyber-crime and phishing awareness training	100%	Review of risk analysis concerning cyber-risks by independent partner

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 51%.

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.

When setting our CO₂ reduction path, we have based our actions on international and national targets and framework conditions, although also on the actual circumstances of individual buildings. We have taken account of the potential for reductions, the proportionality of investment costs and potential operating cost savings as well as the optimal time for the relevant measures. During the reporting year, we reviewed the CO₂ reduction path in line with changed circumstances resulting from the expansion of the district heating networks as well as changes in renovation plans over the last two years. The CO₂ target set for 2035 remains unchanged. Further information concerning the CO₂ goal and the CO₂ reduction path can be found on our website.

www.psp.info/co2-target

Priority 2023 In 2023, we aim to cross-check our CO₂ reduction path against de-carbonisation paths that follow the goal of limiting global warming to 1.5 degrees. Over the last two years, tools have been developed for the real estate sector in this area, which we intend to use for this purpose.

Priority 2023 We continued work on the integration of data relating to CO₂ into our systems in 2022. In 2023, we aim to supplement these systems with further functionalities for calculating anticipated CO₂ reductions so that the CO₂ reduction path can be calculated and presented more dynamically.

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. Since the launch of our sustainability programme in 2010, we have been able to reduce our properties' specific emissions from **21.1 to 10.3 kg CO₂e per square metre**. This amounts to a reduction of 51%.

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 “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

Priority 2023 In 2023, we aim to refine statements concerning the physical risks associated with climate change, which until now have been based largely on qualitative analyses, drawing on further quantitative analyses. We also regard this as an important step towards improving transparency in relation to climate reporting.

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.

Construction related measures

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. Our **guidelines** applicable to new construction, tenant fit-out work and modernisation 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.

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 204.

Certified buildings: a total of 8.7% of our rental spaces are certified according to a label for sustainable construction. 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. 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. Ultimately, the key issue is not the number of certified buildings, but rather the effect of the measures across the overall portfolio.

In relation to the implementation of the Green Bond Framework (see also page 235), in 2022 we arranged for all properties within our portfolio to be assessed according to a variety of sustainability criteria. Further information concerning this matter can be found on page 202 in our Focus Issue “Comprehensive sustainability assessment of properties in the PSP portfolio”.

[Environmental performance measures page 238: certified buildings](#)

“Embodied” CO₂ emissions (Scope 3): 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. In 2022, we developed foundations for better assessing the ratio of “embodied” CO₂ emissions compared to operational CO₂ emissions. We have had the “embodied” CO₂ emissions of our three current replacement new buildings (ATMOS and B2Binz in Zurich as well as “Clime” in Basel) calculated.

Priority 2023 Building on analyses of “embodied” CO₂ emissions for our new buildings, in 2023, we plan to hold workshops with employees from the Asset Management and Construction departments in order to better identify the various levers for reducing “embodied” CO₂ emissions. Subsequently, these results should be incorporated more systematically into requirements and planning, not only for new buildings but also for renovations.

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 212.

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. 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. The most significant challenge in this respect is timing, as the planning and expansion of the energy networks does not always correspond with the renovation cycle for our facilities and properties. Considerable efforts are currently being made in the cities of Geneva and Zurich to realise inner-city energy networks using lake water. We closely monitor developments in the catchment area of our properties in order to coordinate our long-term planning for the replacement of heating and cooling systems accordingly and, where necessary, to find and define joint transitional solutions at an early stage.

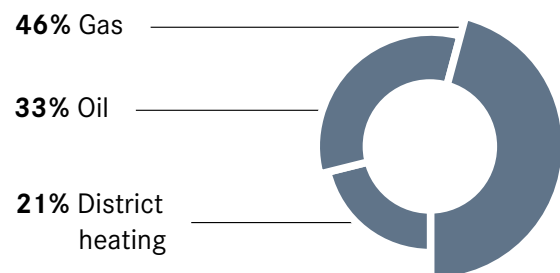
Own production of solar electricity: we also produce energy from renewable sources such as solar electricity in order to make our own contribution to expanding capacity and also to give our tenants the opportunity to benefit from clean electricity at favourable costs. Where possible, we apply the model 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.). In 2022, we reviewed our photovoltaic pipeline and defined the potential additional capacity by 2024, 2027, 2030 and later, depending upon suitability, returns, roof age, planned renovations and heritage preservation considerations. Over the next five years our PV capacity should be increased by

3 MWp, which is anticipated to raise the volume of self-generated solar electricity as a proportion of owner-consumed electricity to more than 10%.

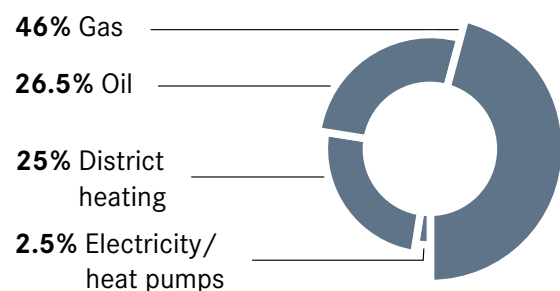
Priority 2023 We aim to pursue our strategy of exploiting prospects for connection to district heating and cooling networks wherever possible also in 2023. As regards photovoltaics, we plan to implement the projects scheduled for 2023, despite supply difficulties and labour shortages in the solar sector.

Development of energy sources for heating

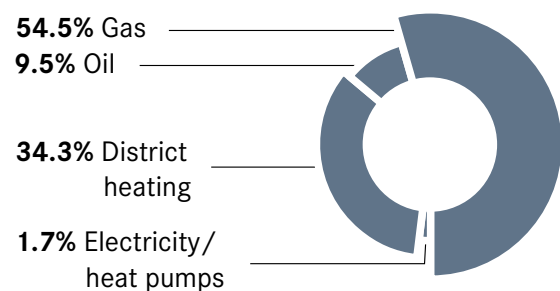
2010



2015



2022



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	<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)	<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.

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. 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. Therefore, 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. During 2022 we raised the awareness of all employees concerning the issue of the circular economy at a "PSP Academy" event. In addition, various contacts have been established in this area specifically in the Construction and Business Development teams, and initial steps have been taken in relation to tenant fit-out.

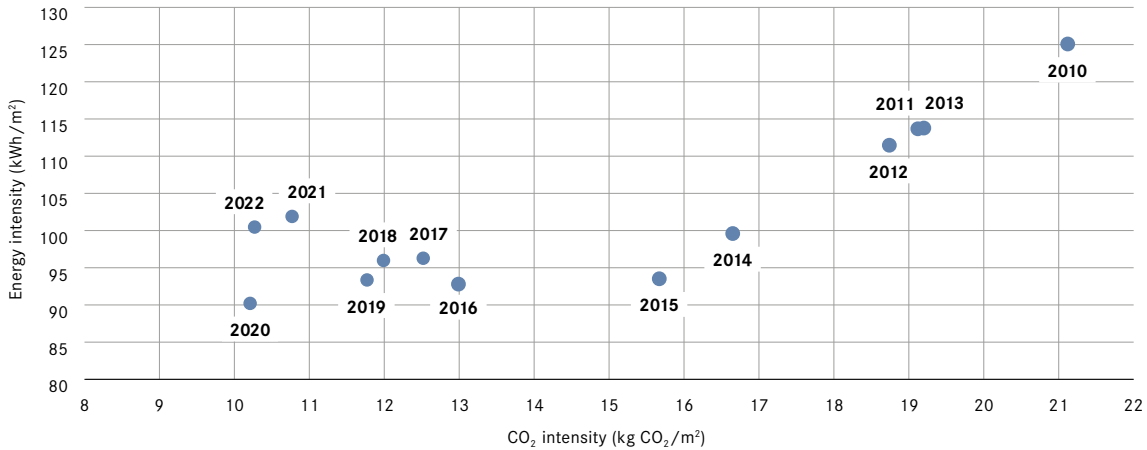
Priority 2023 In 2023, we aim to continue raising awareness and providing training in relation to the circular economy and incorporating approaches to durability, better reuse and recycling more heavily into our processes.

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.

CO₂ reduction measures during the reporting year

Area	Measures in 2022
Reduce CO₂ intensity of energy consumption	
Replace fossil heating by heating with a lower CO ₂ footprint	<ul style="list-style-type: none"> - In 2022, the gas heating system in the property at Kolinplatz 2 in Zug, the location of our holding company, was replaced by a connection to the lake water heating and cooling network. The anticipated CO₂ savings amount to around 15 tonnes of CO₂ per year. - Following voters' approval in a referendum concerning the expansion of the district heating network in Zurich in November 2022, there do not appear to be any further obstacles to the replacement of the existing gas heating system at the Hürlimann site in Zurich with a lake water heating and cooling system. This will entail a massive annual saving of more than 500 tonnes of CO₂, although will only come onstream from 2026.
Improve energy efficiency	
Replacement new buildings	<ul style="list-style-type: none"> - In the ATMOS building in Zurich, all tenant fit-out work has ended (see also photograph pages pp. 216–219). Alongside all of the other benefits, as the ATMOS building which has been built according to the Minergie P-Eco standard will have significantly lower energy consumption than the previous poorly insulated Orion building. - The "Clime" new building in Basel has been completed and is currently in the tenant fit-out phase (for further information see photograph pages pp. 208–211). The new building is more than twice as energy efficient. However, since the usable surface area of the new building has also been doubled, in absolute terms only slightly less CO₂ is emitted compared to the building removed.
Complete renovations	<ul style="list-style-type: none"> - The properties at Bärenplatz 9, 11, 27 in Bern have been fully renovated over the last two years. Due to the strict requirements relating to heritage preservation, scope for a massive energy improvement was limited. The roof was re-insulated and double glazing was installed, overall building technology was replaced and an evaporative cooling system (adiabatic cooling) was installed. - Renovation work at Zeughausgasse 26/28 in Bern has been completed, and in December 2022 the Stay KooooK Hotel was opened. This renovation involved amongst other things the installation of new windows and insulated roofs, along with improvements to some parts of the façade. The building's energy performance is significantly better. However, it is being used much more intensively now. - The renovation of the property at Gartenstrasse 32 in Zurich involved an overhaul of the building envelope. In addition, windows were replaced, the entire building technology and lighting systems were replaced and the roof was insulated. This should halve heat consumption and reduce CO₂ emissions by 17 tonnes per year.
Building envelope and building technology	<ul style="list-style-type: none"> - Following the departure of the main tenant, various work was carried out at Freie Strasse 38 in Basel, including amongst other things internal insulation, replacement of windows and various changes to building technology, which will result in considerable efficiency gains. It is anticipated that heat consumption will be halved as a result and CO₂ emissions should be reduced by approx. 4 tonnes per year. - The gas heating system for the entire site was replaced at the Carba site in Liebfeld. This should achieve an efficiency gain of at least 10%, corresponding to a reduction in CO₂ emissions on the site of more than 30 tonnes CO₂ per year. It is currently not possible to implement a non-fossil solution for the overall site due to the absence of a district heating network and the application of ground-water protection rules.
Optimisation of operations	<ul style="list-style-type: none"> - A discussion of the optimisation of operations is contained on page 213.
Own production of renewable energy	
Increasing own photovoltaic capacity	<ul style="list-style-type: none"> - During the reporting year a PV system was installed on the roof of our Zurich business location at Seestrasse 353 in Zurich. The system has a capacity of 53 kWp and will provide 52 350 kWh of renewable electricity in future, which we will use directly in-house. In addition, the PV system on the new "Clime" building in Basel with a capacity of 33.4 kWp was completed at the end of 2022.

CO₂ intensity vs. energy intensity



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 the reporting year 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, in line with the statements of account for heating and ancillary costs. The current reporting period for these figures runs from 1 July 2021 until 30 June 2022.

Absolute consumption and emissions

In absolute terms, our **total energy consumption** in the investment portfolio **decreased by 3.4% in 2022**, from 95.5 million kWh to 92.2 million kWh. The CO₂e emissions of the portfolio (Scope 1 and 2) were reduced by 6.6%, i.e. by 663 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 243–245).

Specific consumption and emissions

The specific values (consumption and emissions per square metre of rental space) give the best indication of effective improvements in the portfolio. Our specific energy consumption **decreased**

slightly by 1.4% from 101.9 kWh/m² to 100.5 kWh/m² in the reporting year. **Adjusted for heating degree days**, however, consumption increased by 4.5%. The interpretation of the values is difficult, as several opposing effects come together. On the one hand, due to the pandemic, many offices were still heavily under-occupied in the winter of 2021/2022, especially in larger companies. Heating and ventilating almost empty offices requires more energy. At the same time, some hotels and restaurants were open longer than in the previous year, which resulted in higher consumption. This effect is strongly noticeable, for example, at the Hürlimann site with the bath and hotel. On the other hand, many smaller offices returned to normal operation, which tended to reduce energy consumption. Heating energy consumption was reduced at 60% of the properties. At 30% of the properties, the reduction was larger than 10%.

An **increase in vacancy** usually decreases energy consumption and water consumption, both in absolute terms and per square metre of rental space. In the reporting year¹, the vacancy rate increased from 3.1% to 3.7%. This corresponds to a reduction of heated space of approximately 0.6%. However, in view of the irregularities in use due to the pandemic-related constraints, this effect seems negligible.

Specific CO₂ emissions decreased from 10.77 kg CO₂e/m² to 10.27 kg CO₂e/m², i.e. by 4.6%. Here, too, there were opposing effects: the heat consumption from oil and gas has been reduced by 8.6% and the share of biogas has been increased,

¹ The reporting year i.e. measurement period for the environmental key figures is 01.07.2021–30.06.2022. Accordingly, the vacancy rates refer to 30.06.2021 and 30.06.2022. The vacancy rate on 31.12.2022 stood at 3.0%.

which has had a positive effect. On the other hand, the renewable share of district heating was reduced (from 49% to 45%), which had a negative effect.

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, total energy consumption fell very slightly (from 91.8 to 91.0 million kWh). **Heat consumption decreased by 2.8%**, while electricity consumption increased by 3.8%. This resulted in a **reduction of CO₂e emissions by 3.9%**. This corresponds to 378 tonnes of CO₂e. However, adjusted for heating degree days, the total energy consumption in the “like-for-like” portfolio increased, namely from 86.3 million kWh to 90.7 million kWh, i.e. by 5.1%. We are convinced that we are now slowly moving back towards “regular operation” after more than two pandemic years. The measures introduced in 2022 in management (see also Focus Issue “Optima –

systematic integration of sustainability issues into property management” on page 220) and in the training of caretakers in the area of energy efficiency should continue to have a positive effect in the 2023 reporting year.

Share of renewable energy and own production of solar power

The share of energy purchased from renewable sources was 49.2% in the reporting year (previous year: 47.4%). The increase is mainly due to a higher share of biogas. We already cover **99% of the electricity demand for our entire portfolio with renewable energy**. In district heating and cooling, however, the renewable share decreased in the reporting year.

In 2022, we produced around **1 547 MWh of environmentally friendly solar electricity with our own photovoltaic systems**. This corresponds to 5.6% of common electricity consumption (see graph below).

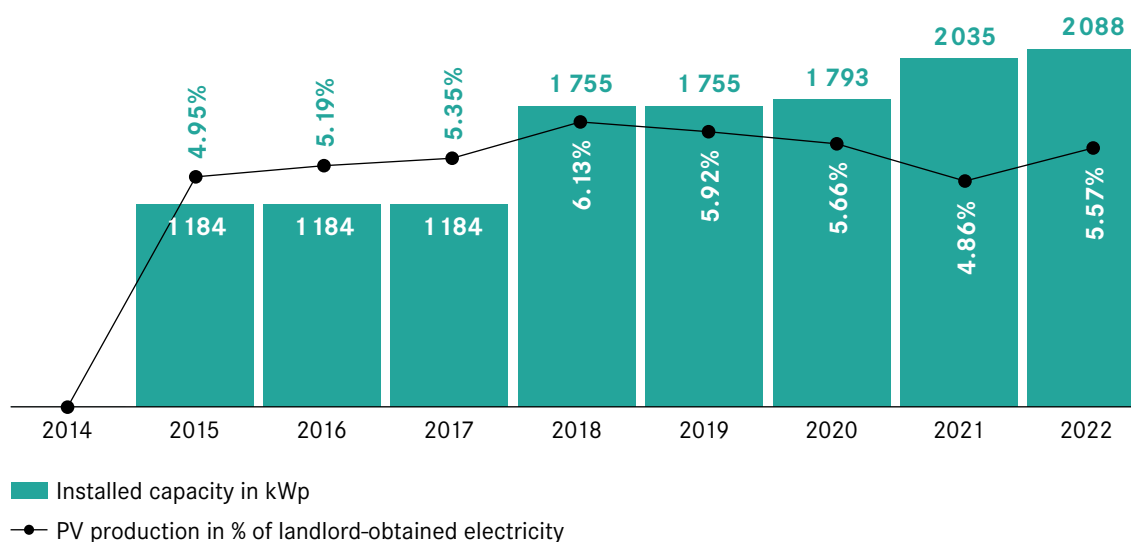
[Environmental performance measures page 238:](#)

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

[Greenhouse gas emissions Scope 1, 2 and 3](#)
[Energy intensity, Greenhouse gas intensity](#)

[Photovoltaic installations and self-generated electricity](#)

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



Focus Issue: Comprehensive sustainability assessment of properties in the PSP portfolio

As mentioned on page 196, we focus on the most effective climate protection measures and other sustainability aspects across the portfolio as a whole and do not necessarily endeavour to achieve the highest possible number of certified buildings. Nevertheless, we are aware that different stakeholders require transparency regarding the sustainability performance of our properties, over and above the CO₂ footprint.

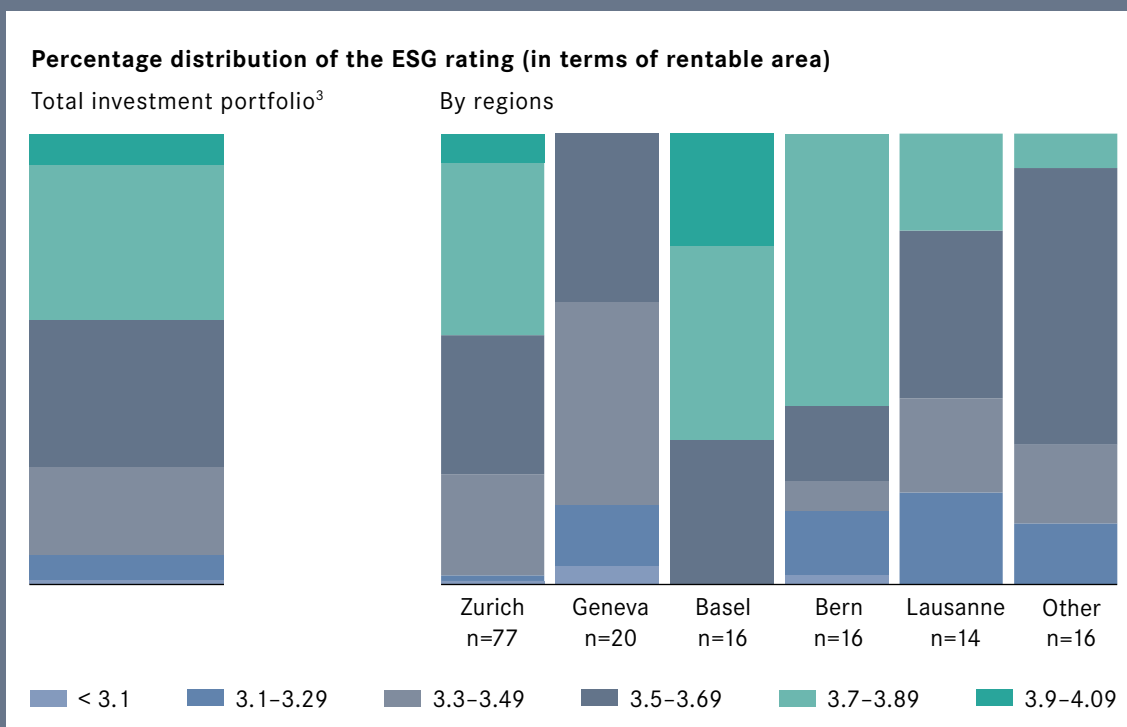
The development of our Green Bond Framework has provided an impetus for finding an approach to assess all properties within our portfolio as efficiently as possible according to a broad number of sustainability criteria. We have decided to use the Wüest Partner ESG rating (“Wüest ESG”). Alongside existing property-specific information, Wüest Partner also uses a wide range of geo-based data calculated in-house, which can be drawn up in order to assess opportunities and risks in terms of sustainability.

Holistic approach

The development of the Wüest ESG criteria is based on the long-standing experience of Wüest Partner as well as a thorough analysis of all common certification and benchmarking systems for properties and property portfolios. The rating is characterised by the fact that it incorporates both a portfolio perspective as well as a property perspective into the assessment of ESG parameters. Properties are assessed individually on the basis of the current 76 parameters by assigning a score of between 1 (poor) and 5 (excellent) for them according to a standardised assessment matrix. This scale is also used by Wüest Partner for other applications, facilitating comparability for users. These parameters have been amalgamated into indicators, which are in turn subject to the main criteria for the ESG rating – allocated to the fields of Environment (E), Social (S) and Governance (G). Thanks to this quantified form of assessment, the corresponding scores can be allocated at each aggregation level, meaning that both properties and portfolios can be objectively compared with one another.



2 ESG stands for “Environment, Social, Governance”.



Data sources

The data required for the rating are collected at various levels. Three quarters of the data are quantitative, some of which are collected according to automated procedures:

- **Location level:** data such as population density, hot days, natural hazards, location nuisance such as road noise, railway noise or radon, as well as energy certificates can already be retrieved from databases and geographic information systems and can be collected according to automated procedures.
- **Assessment level:** a more detailed individual evaluation is possible on this level than on location level, for example for measured parameters such as storey height, divisibility of rental spaces, tenants that may cause reputational damage, operating costs or structural vacancy. Synergies with information collected during the course of the assessment and site visit are exploited here.

- **Property level:** data collected from information provided by owners or analysis of plans and calculations, such as e.g., CO₂ emissions as a result of operations, water consumption, e-mobility infrastructure, accessibility, variety of offers or internal security.

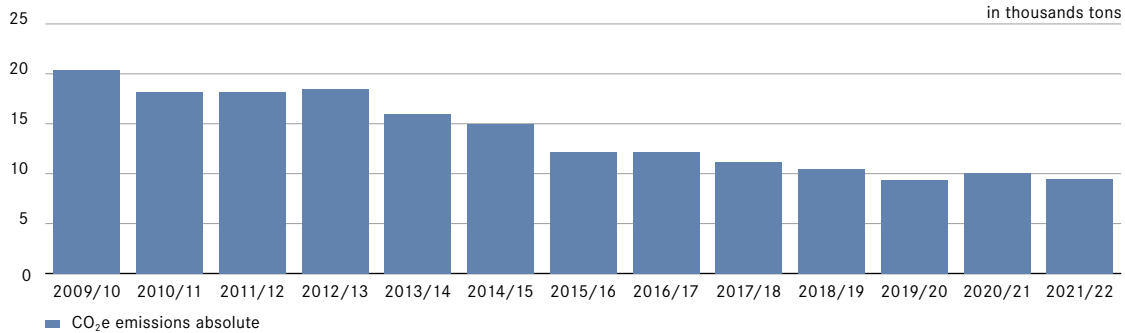
Facilitated analysis and comparability within the portfolio

Depending upon the purpose, the results of the analysis may be considered at different aggregation levels. This means that for instance the overall rating, individual measured parameters or indicators relating to the overall portfolio or part of the portfolio can be compared. This analysis is thus suitable both as an external communications instrument as well as a tool for ongoing property and portfolio optimisation.

Priority 2023 In 2023, we shall engage intensively with the results of the ESG analysis and identify potential scope for action at individual property level.

³ Investment portfolio without properties Rue de Sébeillon 2, Lausanne, Port Noir Hammam & Bain Genève Plage, Cologny and Bärenplatz 9, 11, 27 / Käfiggässchen 10, 22, 26, Bern.

CO₂e emissions absolute



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. To this day, particularly larger, often international companies are applying hybrid models under which employees work very flexibly or work for a particular number of days in the office or at home. Although working from home appears to have established itself in the world of office work, we take the view that aggregate demand for office space in central locations will not necessarily fall.

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. 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** and **B2Binz** buildings in Zurich or the “**Clime**” in Basel are based on this concept. Such considerations have also been centrally incorporated into recent renovations, for example at **Limmatquai 4** and at **Theaterstrasse 12** in Zurich.

More space for exchange

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.

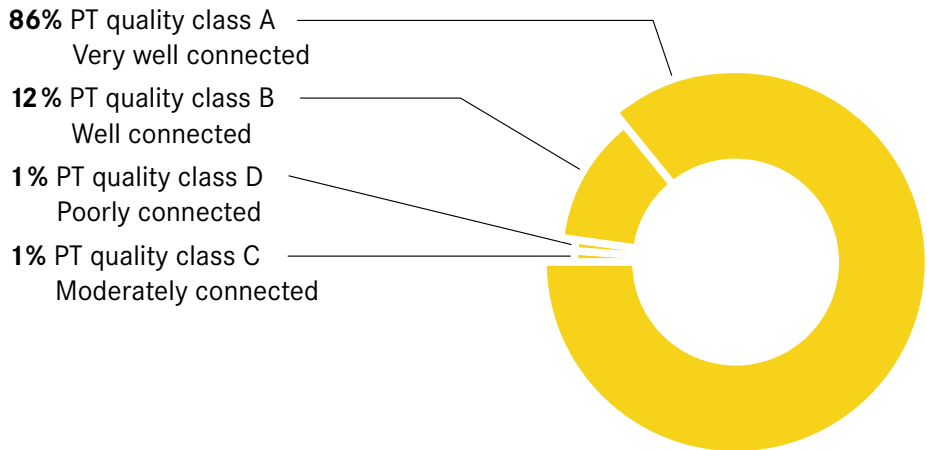
Renovation work on the demanding project at **Bahnhofplatz / Bahnhofquai / Waisenhausstrasse in Zurich** has been completed for phases 1 and 2 and has been implemented liaising closely with historical monument preservation authorities. Phase three (Bahnhofplatz 2) is in progress and is expected to last until mid-2023. Also in planning the renovation of the property at **Limmatquai 4 in Zurich**, efforts have been made to identify historically valuable elements that contribute to the character of the building and that are worth retaining. This concerns both the façade as well as the basic internal structure, which should reflect the original structural concept. In addition, the renovations at **Bärenplatz 9, 11, 27 and Zeughausgasse 26/28 in Bern** involve a strong heritage preservation element.

More about the Bahnhofplatz / Bahnhofquai / Waisenhausstrasse renovation project:
www.psp.info/en/bahnhofplatz

More about the renovation projects in Bern:
www.psp.info/heritage-preservation
www.psp.info/en/zeughausgasse

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. The PT quality class parameter is also included in the Wüest ESG assesment.



Source: INFOPLAN-ARE, opentransportdata.swiss

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 in Basel** 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 “Clime” wooden construction will further increase the value of the site with its sustainable, ecologically responsible architecture. Further information about the “Clime” can be found on the photograph pages 208–211.

The early involvement of various stakeholder groups was decisive also for the planned renovation of the property at **Theaterstrasse 12 in Zurich**. As the property is situated in a very prominent location on one of Zurich’s most important squares, it was necessary for instance to engage in intense dialogue with various urban development offices.

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, not everything is organised in formalised “programmes”. Some interesting projects also emerge from the situation, for example in the case of interim use.

[Social performance measures page 240:](#)
[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. The photo pages pp. 216–219 impressively show how the greening of the roof terrace of the **new ATMOS building in Zurich** and the associated plaza could already fully unfold in 2022.

The planned landscape design at **Seestrasse 353 in Zurich**, which focuses specifically on improving biodiversity, was implemented in part during the reporting year. Since the work was dependent upon the roof renovation, until now it has only been carried out on areas around the newly installed photovoltaic system on the roof. The new landscape design will be implemented in the spring of 2023. The value enhancement concept 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 contribute to biodiversity in future. In October 2022, an **ecological enhancement** of a roof area was implemented with reference to similar criteria on the property at **Steinentorberg 8–12 in Basel**. Further possibilities in Basel will be assessed during the course of 2023. In 2023, it is also planned to carry out **façade greening on the “P-West” multi-storey car park** at Förrli-buckstrasse 151 in Zurich.

Priority 2023 In the spring of 2023 the pilot project at Seestrasse 353 in Zurich is due to be finalised, which should serve as a template for further landscaping work in the portfolio. The systematic survey of the potential for maximum greening of suitable spaces is also set to be completed in 2023. 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, 98% 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 installed for the new **ATMOS building in Zurich**. In addition, there is a basic system with power rails for any further expansion of electric charging stations. “Power-to-garage” has also been put in place for the new buildings **B2Binz in Zurich** and **“Clime” in Basel**. The need to promote sustainable mobility has also been incorporated into renovations, such as for instance on the **re-purposing project at Hochstrasse 16 in Basel**, where bicycle parking and e-mobility connections are being created.

At Avenue de Sévelin in **Lausanne**, not far from our properties at **Rue de Sébeillon 1, 3, 5**, we are now station partners of PubliBike, a bikesharing service, which ideally complements public and private transport options.







“Clime”: a wooden office building in the middle of Basel

On 30 June 2022, the “roofing ceremony” was held for the “Clime” office building in Basel. In spring of 2023, the first tenants will move in. Thanks to its prominent wooden structure and clear architectural language, the “Clime” building commands an effective presence. With a surface area of 5 631 m², it offers flexible basic fit-out spaces that can be sub-divided and upgraded whilst also complying with the most demanding requirements thanks to state-of-the-art infrastructure.

PSP Swiss Property purchased the property at Grosspeterstrasse in 2001 from Swisscom as part of a portfolio. As a result of the major technological advances made in recent years, the bespoke building was no longer suitable for current users’ needs. A contemporary replacement building has now enabled new needs to be met at the old site. Swisscom will remain as anchor tenant and will move in to the new building in the spring of 2023.

The Basel firm “Diener & Diener” was the winner of the architectural competition. It designed an aesthetically appealing wooden hybrid structure. Wood was attractive as a construction material for the new “Clime” building for several reasons: in general wood has a good carbon footprint. Wood locks in CO₂, thus keeping it out of the atmosphere, at least throughout the lifetime of the building. Wood also has a positive effect on people’s wellbeing. Within the “Clime” building, wood is perceived both externally and internally, creating a homely working atmosphere. However, “Clime” is also an extremely modern, air-conditioned office building, offering flexibility for the most disparate working models, from individual offices through to large open-plan spaces. Protection against excess sunlight is provided not by awnings susceptible to malfunction, but rather by electrochromic glazing, which automatically adjusts in line with sunlight. Thanks to the wooden structure, it was possible to retain the existing underground garage, as the reduced weight of the wood meant that large-scale reinforcement work on underground foundations could be dispensed with.

Construction at Grosspeterstrasse has taken place within a compact urban framework. A building site was in operation during the same period on the neighbouring plot to the west, whereas Swisscom’s existing technical building housing its telecommunications equipment is situated to the east. Building with wood is quick, quiet and clean, does not entail major vibrations and requires a smaller building site: these characteristics were invaluable within this context.

Thanks to this bespoke solution, the new “Clime” building has taken on a prominent position within the portfolio of PSP Swiss Property, which is being gradually aligned with environmental efficiency and emissions reduction requirements.

External spaces promoting wanderlust and catering for the empty stomach

The “Clime” building has a stunning usable roof terrace, from which one can cast one’s glance over the tracks to the distant mountains. The “Wood” restaurant is open to both residents and visitors and will turn into a culinary reference point for the entire Grosspeter site – on hot days also in the attractive internal courtyard.

**As fresh as ever: the underground garage**

The underground garage – a not insignificant part of the building – has been intentionally retained. This has enabled a large amount of grey energy to be saved during construction of the new building.





High-tech elements within the wooden construction

The electrochromic windows allow visible light to pass through if so desired, although keep out heat-generating infrared radiation. This reduces the need for cooling energy and also results in lower maintenance costs as there is no need for awnings liable to break down.

An office like a home

The wood is internally prominent, and lends the office a particular warmth. The picture shows office space at basic fit-out stage.



A precious jewel in the inner city

The façade of pressure-impregnated spruce/fir is made up of 44 000 individual pieces of wood, which have been fixed in place using precision work. The outward appearance of the “Clime” building is at the same time refined and monumental.

Tenants

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 39 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. Technology transformations over the last few years have significantly affected and changed how we handle information and how we communicate. We have access to new tools for working and cooperation, which have changed the way in which we work, at the same time offering exciting opportunities for innovative forms of cooperation as well as flexible working models. The **new IT infrastructure and digitalisation structures** introduced last year with the cross-department and process-oriented platform (“PSP Connect”) were consolidated during the reporting year. With the release of Microsoft 365 and the switch to the Cloud in 2023, employees will have even more opportunities to cooperate in a more flexible and agile manner. This has also enabled **information**

relating to sustainability and project organisation in this area to be better incorporated into and made accessible within this structure.

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. With our **Project “Optima”** (see Focus Issue “Optima – systematic integration of sustainability issues into property management” page 220), we are making further progress on identifying measures more systemically as well as performance monitoring.

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. In the **ATMOS building in Zurich**, this first phase started in the reporting year. Following the completion of comprehensive renovation work, operations will now be also optimised on the properties at **Bahnhofplatz/Bahnhofquai in Zurich**. More information about the performance gap analysis using a digital twin for the **Grosspeter Tower in Basel** can be found on our website.

www.psp.info/performance-gap-analysis

Energetic operational optimisation in existing buildings

During operation, problems with comfort or sudden increases in energy consumption cannot be completely excluded. For instance, an analysis is currently being carried out on the property at **Steinentorberg 8–12 in Basel**, as energy consumption rose unusually steeply during the reporting year.

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. Although the “like-for-like” heating energy consumption fell slightly in the reporting year, there were no improvements when adjusted for heating degree days. In order to enhance awareness of this issue, energy efficiency and optimisation of operations have been identified as core issues within **Project “Optima”** (see the Focus Issue on page 220). In addition, in the autumn of 2022 a **course on optimisation of operations** was held for caretakers in conjunction with an external energy consultancy firm. The course equipped caretakers first of all with core theoretical knowledge, although also provided a large number of practical examples and guidelines, showing them the considerable room for manoeuvre available to them in relation to optimised operations, including in particular energy efficiency.

Priority 2023 In 2023, training for caretakers relating to the optimisation of operations is set to continue, with a focus on automation and ventilation technology. In addition, the exchange of experience among caretakers is to be promoted.

Priority 2023 We aim to carry out various pilot trials in order to measure more efficiently the electricity that is acquired by tenants directly from utilities for usage on their areas (e.g., for the purpose of lighting or for operating equipment). This measurement should require minimal effort from tenants, whilst also complying with data protection requirements.

Environmental performance measures page 238:

Electricity, district heating and cooling, fuels (oil/gas) – “Like-for-like”

Greenhouse gas emissions

Scope 1 and 2 – “Like-for-like”

Energy intensity, 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 endeavour to do everything we can within our means to minimise the negative impact of operations. User behaviour is a significant factor here, which we are only able to influence 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 (see also Focus Issue on page 220).

- **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. Specific water consumption figures rose during the reporting year compared to the previous year, specifically by 4.8% to 0.39 m³/m². The increase is understandable since the previous year’s unusually low water consumption (0.37 m³/m²) was mainly attributable to the fact that many offices were significantly under-occupied throughout the entire reporting year, and some restaurants were closed during some periods. Water use during the reporting year was still lower than it was in 2020 (0.47 m³/m²). It has not been possible to establish definitively whether this occurred thanks to water saving measures or still as a result of ongoing under-occupancy of certain offices.

- **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 238:

Water consumption – “Like-for-like”

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 retail spaces. 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:

- **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 2020 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.
- **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. This more intensive dialogue is also an important element within our **project "Optima"** (see Focus Issue page 220). We concluded further "green lease addenda" with our largest tenant during the reporting year. In addition, all new leases now contain a sustainability clause.

Priority 2023 In 2022, we started work on the production of a booklet, 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. It is set to be completed in 2023.

Priority 2023 In 2023, we plan to conclude green lease addenda with other major tenants.

Priority 2023 We are planning another tenant survey in 2023. In contrast to previous surveys, it should not only include the largest tenants, but be more broadly based.

[Social performance measures page 241:](#)
[H&S impact assessments and number of incidents](#)

ATMOS – enhancing the Zurich West area

In finishing the ATMOS Business Park we have created a property with high-quality, contemporary office and commercial space. Around 24 000 m² of flexible rental space is divided over the three parts of the building, known as the “head”, the “bridge” and the “tower”. ATMOS complies with strict sustainability requirements and impresses in terms of the high quality of its external spaces.

The spatial and material configuration was inspired by the previous, industrial vocation of “Zurich West”. The building, which was designed by the renowned Zurich architectural firm EM2N, is comprised of three parts: the 17-storey “tower” reaching a total height of 68 metres constitutes a landmark on Förrlibuckstrasse, allowing for optimum spatial permeability between Hardturmstrasse and Förrlibuckstrasse as well as open space on its public forecourt. The around 25-metre high “head” structure is situated on Hardturmstrasse. The space between the tower and the head is occupied by a flat intermediate building around 21 metres high (the “bridge”). The new ATMOS building replaces the two previous Orion buildings from the 1980s, which were highly limited in terms of ceiling height, layout, building technology and energy efficiency, with the result that they could not effectively be rented out or meaningfully refurbished. Alongside spatial quality, in the ATMOS building we have focused on sustainable construction and intelligent building technology. The new building is aligned with the Minergie P-Eco Standard and connected to the district heating network. Comprehensive energy monitoring infrastructure has been put in place in order to ensure energy efficient operation. The first phase of optimisation of operations was launched after tenant fit out work was completed.

Building spaces are focused on contemporary office usage. Thanks to carefully considered spatial configuration, all workstations benefit from pleasant daylight. Attractive meeting zones within ATMOS help to promote lingering and networking. For instance, many offices have recessed balconies. In addition, meeting points are available in the conference area’s external terrace on the first floor and naturally also the lushly planted roof garden. However, ATMOS provides added value not only for tenants. The project has created new external spaces also for neighbouring properties. The new public forecourt will become a welcoming quiet area, and the pavilion on the square is envisaged as a meeting point for the entire district.

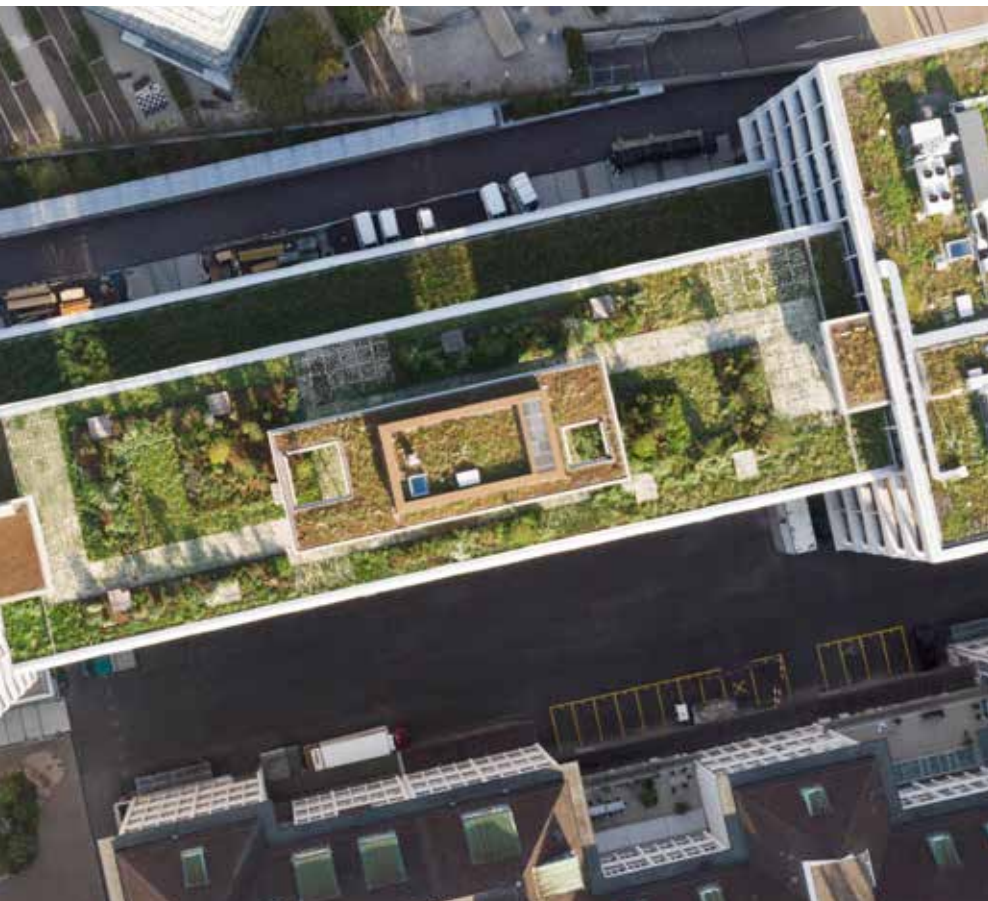
ATMOS was already fully leased a year before it was completed. There is a lively mix of tenants at the site, with the Swiss running shoe brand On as the anchor tenant, chocolate producer Barry Callebaut, ETH spin-offs Scandit and Beekeeper as well as the design and planning firm Monoplan. The in-house restaurant Roots provides healthy, high-quality meals. The Collective Bakery in the pavilion offers high-quality coffee and extremely tasty bakery products.





Ideally connected with public transport

The property is extremely easy to reach by public transport, being only a short distance on foot from two tram stops at Hardturmstrasse and Pflingstweidstrasse, and is also close to the Hardbrücke railway station. A large bicycle parking facility and charging stations for electric cars offer further opportunities for environmentally friendly transportation.



A business park that creates connections

The ATMOS Business Park occupies the space between Förllibuckstrasse and Hardturmstrasse with the “tower” visible on the left, the “bridge” with the roof garden in the middle and the “head” on the right-hand side.



High flexibility

The façade and support structure as well as the configuration of spatial and technical development have been planned in such a way as to offer as much flexibility as possible in sub-dividing tenant spaces. The picture shows one of the numerous recessed balconies in the “head” prior to occupancy by tenants.



Enhancement of the district

Users of the surrounding properties can also benefit from the new public space. The new open space will enhance the entire district.



Relaxing and working in the roof garden

The 1 500 m² roof garden with its “wild”, natural greenery is a particular highlight. It is open to anybody working in the building and can be used as a meeting point or simply to unwind and relax. It can also be used as an external workplace thanks to the power supply provided to seats and benches, as well as the meeting tables. The kitchen and the stone buffets with water points on the roof pavilion can be used by all tenants for parties.



Reduction of heat islands

Thanks to its design elements made from round timber, coupled with its trees, bushes, shrubs, grass and herbs, the public space along with the pavilion café is an attractive place to spend time. The greenery has already fully grown and the small, tree-lined oases will help to reduce potential heat islands.

Focus Issue: “Optima” – systematic integration of sustainability issues into property management

PSP Swiss Property has an integrated Property Management Department, which works closely together with other departments. Property managers engage with sustainability aspects on a daily basis when dealing with communications with tenants, when engaging with their concerns and when implementing projects.

However, sustainability related measures have so far not been systematically documented. In order to increase awareness regarding sustainability issues within property management and to delineate responsibilities more clearly, during the reporting year we identified areas (**Project “Optima”**) in which property managers can have a direct effect through targeted action.

E-mobility infrastructure	Energy and water consumption	CO ₂ emissions
Dialogue with tenants on sustainability issues	“Optima”	Maintenance and monitoring of photovoltaic installations
Optimising recycling and refuse collection	Operating costs (including energy costs)	

Measures in these various issues have now become standard issues within Property Management department meetings. Teams regularly report on progress in these areas, which is now systematically recorded.

Action does not necessarily have to be taken in relation to every property, and not all issues have to be addressed all the time, as the possible challenges, as well as opportunities, differ from building to building. The areas of **energy consumption, energy costs and CO₂ emissions** are priorities. Optimisation of operations is regarded as an ongoing task. After two years of “pandemic

operational mode”, we were not yet able to return to “business as usual” during the reporting year 2022⁴. We are still seeking to bring down energy consumption to an optimised level, which rose due to the action taken during the pandemic (heated but under-used offices, strong ventilation). Benchmarks have been set for both energy and water consumption. However, since structural conditions can differ significantly between different buildings, specific annual or medium-term targets need to be set specifically for each individual property.

Aside from pandemic operations over the last two years, it must however be assumed that more flexible usage will become the norm in future, and also to some extent the reduced occupancy of office spaces. In addition, hygiene requirements for designing “safe” workplaces have also increased, resulting in some conflicts with energy efficiency targets. At the same time however, tenant awareness regarding increased energy costs and the possibility of impending power outages increased during the reporting year. In order to meet with all of these demands, the more active involvement of all parties will be indispensable. An important focus of “Optima” is thus also **“Dialogue with tenants concerning sustainability issues”**. The results from the last 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.

Priority 2023 In 2023, as part of the IT initiatives, we aim to digitally present the issues covered by “Optima” more effectively in a dashboard and to more efficiently structure the system for monitoring the achievement of targets for initiatives falling under “Optima”.

4 Reporting period for environmental data: 1.7.2021–30.6.2022.

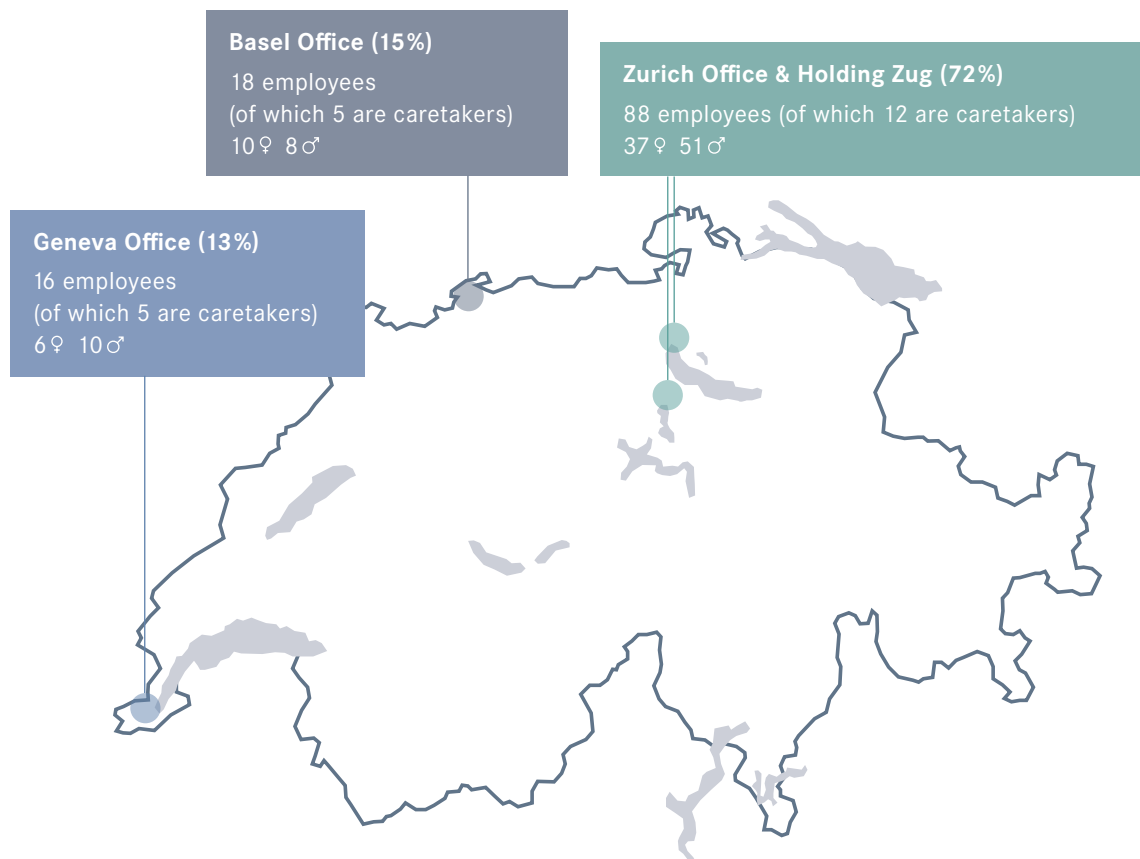
Employees

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 2022, 122 employees were working at PSP Swiss

Property, 22 of whom were caretakers (end of 2021: 120 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



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**. www.psp.info/values

As already published in the Annual Report 2021, PSP Swiss Property was certified as “Great Place to Work” (GPTW) for the second time at the end of 2021. This certification stands for an excellent workplace culture. The survey determines workplace culture and employer attractiveness along five dimensions: Credibility, Respect, Fairness, Pride and Team Spirit – these are values that are important to us and that we want to live by. Details on the survey results can also be found on our website.

www.psp.info/overview-employees

The results were communicated to the company in February 2022, and the managers defined possible fields of action with the employees and implemented appropriate measures.

Organisations that have been awarded the Great Place to Work label can progress to the next stage, obtaining certification as one of the best workplaces in Switzerland in the respective category. In May 2022 we were ranked in 15th position and **commended as one of the best employers (in the category of the medium-sized companies) in Switzerland**.

www.greatplacetowork.ch

Back to the Office – back to “normality”?

The Covid-19 pandemic and the related measures and restrictions had a major impact on public and commercial life in Switzerland until into the first quarter of 2022 – i.e. for a good two years. From the spring of 2022 it was finally possible to plan the return to the office and to the usual workplaces. Even after restrictions had been lifted, some employees expressed concerns about returning to work – as anxiety about the possibility of falling ill was still too high. A question thus arose as to what could be done to encourage employees to

return to the office and communicate with one another. This resulted in the idea of shooting a short film in order to bring people together in an unconventional manner both in and around the newly configured premises with a view to enhancing cooperation and innovatively developing our workplace culture.

“**The Assignment**” was released on 5 April 2022. It is a homage to the office as a second “home”, in which people and ideas come together and the corporate culture can thrive. The film’s entire cast is made up of PSP employees, in addition to some special guests and partners and one young up-and-coming actor.



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. At the end of 2022 we started work on various alterations and adjustments on the third floor in order to create additional spaces and zones for exchange and innovation and also optimise frameworks for cooperation. In 2021, the move to the new **offices in Basel** was completed, whilst in the

spring of 2022 staff were able to move in to the new offices at **Rue du Prince 9 in Geneva**. The office is equipped with modern workstations, meeting rooms, a kitchen, a dining table and various other inviting options for formal and informal exchange (see also the photograph pages 230–233). In Bern too, a small PSP office was opened inside the renovated property at Bärenplatz 27, offering employees the opportunity to manage the portfolio in Bern more effectively.

A good workplace culture also includes an environmental consciousness. Based on a survey carried out at the Zurich site, a number of improvements have been implemented over the last two years in the field of office ecology. Measures were taken in 2022 in relation to lighting, and a new disposal concept was drawn up.

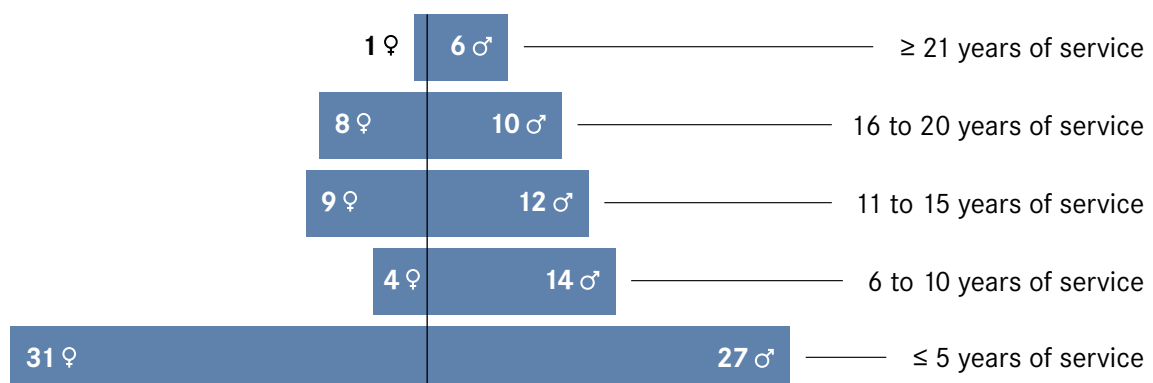
Priority 2023 In 2023, we aim to raise the awareness of our employees at all business locations regarding the issue of electricity consumption (lighting, equipment).

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 spirit of good internal networking and communication, employees are regularly informed in writing or verbally about current topics, developments and goals of the company as well as about the current course of business on the occasion of the quarterly reporting. The improvements in interdepartmental information and communication thanks to adjustments in the IT infrastructure are reported on page 212 under “Operational efficiency”.

Cooperation between us is built on reciprocal appreciation as well as respect, loyalty and responsibility. Last year’s GPTW Survey confirmed that employees like working for PSP Swiss Property. During the reporting year, more than half of our employees had been with the company for more than 5 years. The staff turnover rate, which has been lower than 10% for several years (2022: 7.4%), is testament to this stable staffing level.

[Social performance measures page 240: Fluctuation](#)

Years of service of employees



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 workforce 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.

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. We attach great importance to diverse teams when recruiting staff. However, apart from gender distribution and age structure, we deliberately do not keep statistics on all possible diversity characteristics. A voluntary employee poll carried out in 2021 has confirmed that this cultural diversity is well represented within the workforce, and the results of the GPTW survey indicate that everybody considers themselves to be fairly treated, irrespective of their nationality and ethnic origin.

www.psp.info/corporate-culture

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

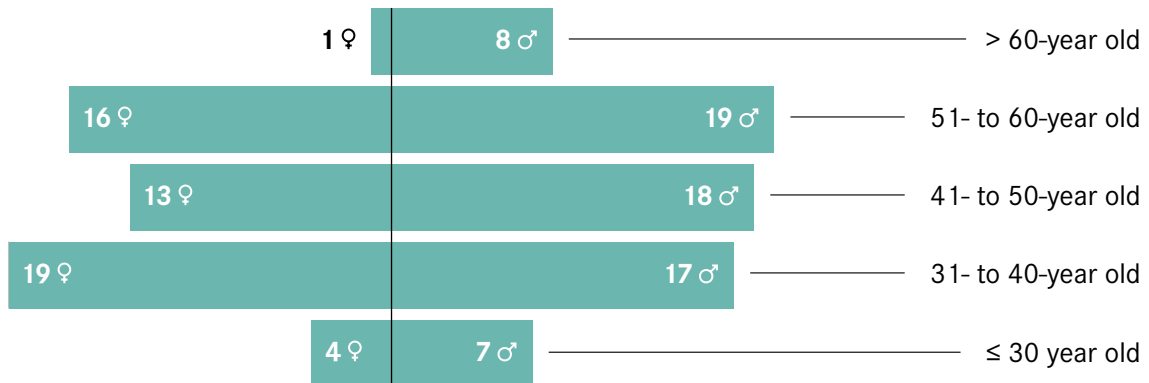
Gender equality: the property and construction industry is traditionally male-dominated. With 53 **women** working for the Company, their **share in 2022 was 43%** (2021: 44%). As a result, the gender ratio is almost balanced overall, with a different distribution in the different departments. Whereas 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. We strive hard to recruit women in male-dominated areas such as the Construction department. Nevertheless, out of 16 employees in construction, only two are currently female. 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 240 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. At the start of 2022 the first woman was promoted to senior management.

[Social performance measures page 240:](#)
[Gender diversity](#)

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, a trainee buildings and infrastructure technician was appointed in the summer of 2022. At the same time, three out of eleven new employees this year were older than 50, whilst two employees were older than 40. Deserving employees may continue to work also after retirement age, for example on a part-time basis, by the hour or on project work. One caretaker is continuing to deal with a complex property beyond retirement age with a 50% rate of employment, one employee working by the hour at reception has been appointed to a fixed position, and one former member of senior management is still involved in a project.

Age of employees



Cooperation and dialogue across linguistic boundaries: although multilingualism is part of Switzerland's identity, communication across the language border is often a challenge. 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. In order to break down language barriers, employees are encouraged to take language courses, which can be attended in the office during working hours in the office or online. Furthermore, joint events or projects with staff from both language regions and regular mutual visits promote mutual understanding. Meetings are held at different locations whenever possible. The aim is to promote this exchange linguistic boundaries even more.

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.

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. Since July 2020, employers in Switzerland with 100 or more employees have been obliged to carry out an equal pay analysis. The equal pay analysis carried out in 2020 by an external firm confirmed PSP Swiss Property's status as a fair employer. Following a review by the auditing firm SGS⁵, we were therefore issued with the **"Fair-ON-Pay+" certificate** in June 2020. Fair-ON-Pay is a standardised analytical process, which measures pay equality between men and women within a company according to current Federal Government requirements. This is carried out using amongst other things Logib, the standard analytical tool used in Switzerland for salary equality analyses, which has been developed in accordance with the requirements of the Federal Office for Gender Equality (FOGE). Thanks to the successful initial analysis and the reassessment in the third year (2022), it was confirmed that both data and operational pay equality requirements are still being complied with and thus the SGS certificate issued for four years can be maintained.

[Social performance measures page 240:](#)
[Gender pay gap](#)

⁵ 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.

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 2022, 11 employees took up new positions, including one trainee.

[Social performance measures page 240: New hire rate and turnover](#)

Assessment and development

Personnel reviews to discuss individual situations or development discussions are held regularly on an ongoing basis between managers and employees. It is particularly important for us to hold development discussions not only at the end of the year but also throughout the year. Our aim in doing so is to take account of the wishes and goals of employees, although also to identify their contribution to achieving goals within the company. During the reporting year practically all managers held a discussion of this type at least once with each employee working under them (98%).

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 popular. The five events held in 2022 were extremely well received by our employees – including those concerning health (ergonomics), sustainability (green bonds and circular economy) as well as other topical trends within the real estate sector. We are also regularly raising our employees' awareness concerning issues related to

cyber-security. In addition, we are aware that new specialist expertise will be required in line with rapidly advancing digitalisation and that new competences will become more important. We are also seeking to promote these.

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.

In 2022, each employee completed an average of 3.3 days of internal or external training or continuing education. This value corresponds to that of the previous year. Due to the pandemic, some employees have postponed the training planned for 2022 to 2023.

Despite being aware that opportunities for development at a Company with 122 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, one employee has become the leader of a three-person team, thus taking on management responsibility, another employee has taken over a portfolio of properties which he is attending to independently as a property manager and another employee from the housekeeping department has had the opportunity to switch to the accounting department.

[Social performance measures page 240: Training and development, Performance appraisals](#)

Employee health and wellbeing

It is important for us to offer an attractive and safe work environment. 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.

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.

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 2022, 33 were employed part-time, which corresponds to a share of 27%. Eighteen female employees and two male employees without rank, ten female and two male middle-management staff as well as one senior management member had a part-time contract.



Working from home: all employees are equipped so that they can work from home. The working methods introduced during the pandemic as well as the competences developed in the area of digitalisation have proven to be beneficial. There is always scope for working from home, 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. This service was used by three employees in 2022.

[Social performance measures page 240:](#)
[Absentee rate](#)

Priority 2023 In 2023, 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 continue the focus on ergonomics and to make further improvements. We shall place particular attention in 2023 on mental health and resilience of our employees. This also covers, as previously, the active management of absences.

Focus Issue: 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.

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. Since ergonomics at work can have a major influence on the psychological wellbeing of employees, in 2022 we held a webinar on the issue of ergonomics and also offered ergonomics checks in situ for interested staff members. To date, 30 workstations have been examined and optimised following specific requests. In addition, a plant concept has been implemented in both Basel and Geneva. The presence of office plants – so-called “biophilic design” – promotes employee wellbeing. Plants create a friendly atmosphere, improve the indoor climate and have a positive effect on acoustics.

Meals: all locations have a bright cafeteria area. When purchasing products we support Swiss family businesses or our tenants where possible.

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 third time in the Swiss-wide health promotion initiative “bike-to-work”. 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 health and safety: in the field of occupational health and safety, we work in accordance with our safety guideline, along with the corresponding emergency concepts, including an emergency handbook and emergency contact numbers. Each business location has an appointed safety officer, and each new employee is trained by the safety officer. Courses are held regularly (first aid, defibrillator and fire prevention courses), and tests are carried out with all staff. Cleaning staff also receive instructions and training.

[Social performance measures page 240:](#)

[Injury rate, lost day rate](#)

2022 health promotion options survey: in order to establish whether we have correctly identified our employees’ needs regarding health-related matters, and whether any action taken by us is effective, in December 2022 we conducted an anonymous survey amongst employees (not including caretakers) concerning health promotion options. It covered the offer of fitness training, the provision of fruit and drinks, ergonomic furniture as well as presentations concerning nutrition and ergonomics.

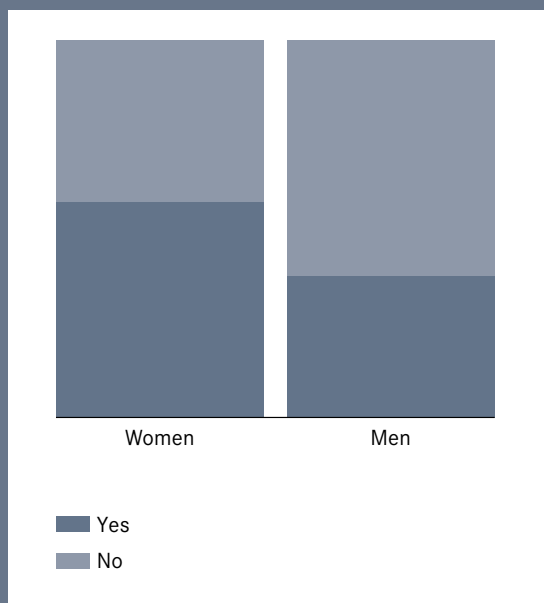
The take-up ratio of 82% was very good, and the feedback concerning our health promotion options was generally very positive. We provide a summary of the most important results below:

- 90% of respondents were either satisfied or very satisfied with the health promotion options of PSP. However, it should be pointed out that feedback from employees in Geneva was less positive. This may be due in part to language barriers (e.g., during presentations), although it is also possible that not enough information was available concerning opportunities to take up particular offers following the move to the new office premises.
- Around half of respondents take advantage of the fitness offer of PSP. The reasons for not using the offer include other training preferences as well as a lack of information about options.

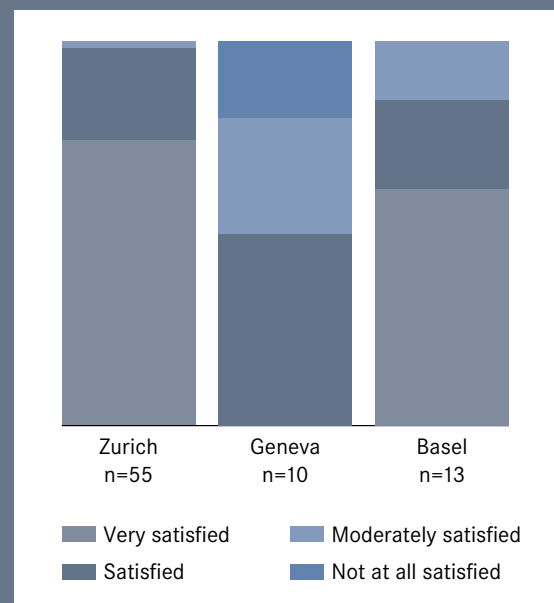
- 72% of respondents feel fit or extremely fit, with around half of respondents confirming that using PSP's health promotion options has had a positive effect (generally improved wellbeing, although also better fitness and more informed nutrition).
- The provision of fruit was particularly appreciated.
- The more widespread presence of plants was received very positively, especially in terms of the more pleasant and friendly atmosphere. Effects on air quality and noise levels were perceived by around 7% of respondents.
- There still appears to be scope for improvement as regards ergonomic furniture, especially in relation to chairs.

Priority 2023 We shall analyse the feedback and proposed improvements contained in the health survey and identify action where necessary. The valuable ergonomics checks in situ will continue to be available in Basel and Geneva in 2023.

Has anything changed for you as a result of using the different health promotion options?



How satisfied are you with the health promotion options of PSP?



“As a PSP caretaker I am responsible for eight very different properties in Geneva. The thing that really makes my work so interesting and varied is that every building has its own technology and its own framework conditions.

In addition, tenants have very different expectations, that need to be understood and catered to. For instance, it can be a challenge to reconcile our energy efficiency targets with users’ requirements for comfort.”

Patrice Fromaget, caretaker



In the vibrant city centre

In January our employees at the Geneva business location were able to move into the newly renovated offices at Rue du Prince 9 – right in the heart of the shopping and commercial district. The office is equipped with modern workstations, an expandable meeting room and various attractive opportunities for exchange. The location in the direct vicinity of a large number of PSP properties will also facilitate tenant management.



“My work leads me to diverse projects that go hand in hand with my convictions: to create pleasant living and working spaces for the users and to reduce the environmental impact of human activities. This year, the new tenants of the building at rue du Mont Blanc 12 in Geneva were not only able to move into a beautifully renovated building, but also an environmentally friendly one: we were able to reduce CO₂ emissions from 21 kg/m² to an expected 3.5 kg/m² per year. The project to furnish our offices in Geneva, which I did together with a colleague from Zurich, gave me the opportunity to realise a friendly and welcoming workspace for our team.”

Geneviève Maxit Assada, construction project manager



“I have been working for PSP in Geneva since the end of August and already feel right at home here. The team is wonderful and the office is absolutely amazing! Also, thanks to the open space and the reception area’s location in the middle of the team, I have been learning a lot about how the Swiss real estate market works.”

Chantal Cerutti, receptionist





“One year after moving into our new office in the heart of Geneva, it’s time to take stock: we have been able to expand our knowledge of the PSP properties in the vicinity, thereby developing closer links with our tenants. The new, high-quality facilities including the common areas provide an ideal setting for exchange. The expandable meeting rooms are optimal for receiving clients and suppliers and to conduct confidential discussions. The Geneva office benefits from wonderful and pleasant premises in an excellent location in keeping with the image of PSP – to the joy of its employees!”

Sandra Barras-Bolla, administrator, property management



“I have the privilege of managing a portfolio of commercial buildings at excellent locations in Lausanne. Our buildings are strategically located in up-and-coming districts in the city centre. Our expert and experienced team in Lausanne works every day on the shared goal of exploiting our buildings in the best manner possible, thereby providing our tenant partners with spaces they are happy with.”

Yann Del Cano, property manager

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. This secures our access to the capital market.

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 54.8%. 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 66–70. Our Financial Statements on pages 47–138 provide ample evidence of our financial strength and our successful management.

Investors are also increasingly focusing on risks related to climate change and other risks arising from the interaction with the environment and society. This is discussed in the chapter “Portfolio” on pages 194–199.

Focus Issue: Green Bond Framework

We launched our Green Bond Framework on our Sustainability Capital Markets Day on 8 November 2022. Under this framework, all outstanding bonds of PSP Swiss Property totalling CHF 1.8 billion were reclassified as “green bonds”. In addition, future bonds will be issued as green bonds. The Green Bond Framework sets out the conditions for classifying PSP bonds as “green” as well as reporting requirements. Under the Green Bond Framework, green bonds are allocated to a “green asset portfolio”. The classification of properties for the green asset portfolio is based on two criteria: these include first of all the effective CO₂ emissions per square metre and secondly a property-specific sustainability rating. The core aim of this framework is to achieve ongoing improvement of CO₂ emissions along our existing reduction path. This will thus result in a coherent and dynamic system. The sustainability rating is determined by the independent firm Wüest Partner (for further information concerning “Wüest ESG” see the Focus Issue “Comprehensive sustainability assessment of properties in the PSP portfolio” on page 202). Both criteria need to be met in order for a property to be classified as a green asset.

Two of the largest providers of second party opinions in the field of sustainability (ISS and Moody’s) have provided a second party opinion concerning

the Green Bond Framework, i.e. an independent assessment. As part of the assessment process, both established that the criteria set by us fulfil the requirements of the Green Bond Standard. The initial green asset portfolio includes properties worth a total of around CHF 3 billion (investment costs).

The Green Bond Framework underscores the significance of sustainability as an integral part of our strategy in terms of the linkage between financing and the sustainability strategy, and in particular our obligation to reduce CO₂ emissions. In addition, this reclassification of bonds will provide further support for capital market access. This also makes it possible to better service the constantly increasing segment of green bond investors.

Further information concerning this reclassification and the future Green Bond Report may be found in the PSP Green Bond Framework. www.psp.info/en/green-bond-framework

Priority 2023 On 5 May 2023, we shall publish our first Green Bond Report as part of the Q1 2023 publications. It will be comprised of an allocation report and an impact report. This will significantly increase transparency in relation to sustainability at asset and portfolio level.

Green Buildings that meet regional, national or internationally recognised standards or certifications for environmental performance



The detailed criteria regarding renovation of existing properties and construction of new properties can be found in the Green Bond Framework.

Transparency and ethical business conduct

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

Disclosure regulation

In 2022, we carried out a gap analysis in relation to disclosure in the field of sustainability. As part of this process, we compared our existing guidelines and initiatives with the rules in place or about to be introduced in Switzerland as well as throughout the EU. This focused on the Counterproposal to the Corporate Responsibility Initiative in Switzerland, the TCFD (Taskforce on Climate Related Financial Disclosures) as well as the EU-level SFDR, CSRD and Taxonomy Regulation. In addition, we refreshed the analysis of the external sustainability ratings of PSP Swiss Property. We identified where future obligations lie and where any gaps may be apparent – either from a management perspective or simply from a disclosure perspective.

In actual fact, in terms of the applicable legislation we are only directly subject to the VSoTR (Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour), which will result in various necessary clarifications in relation to conflict materials and child labour. We are not legally obliged to make any non-financial disclosures according to Article 964^{bis} to Article 964^{quater} of the Swiss Code of Obligations, as amended, or under the Ordinance on Climate-Related Reporting, as the number of our employees is below the legal threshold. As a Swiss company operating only in

Switzerland, we also do not fall within the scope of disclosure requirements under the various EU green finance regulations.

We are aware that many of these requirements may nonetheless be extended to us via the disclosure requirements of our investors. However, we shall prioritise our action and focus primarily on reporting in relation to issues or indicators that are also of material relevance for our sector and for us. For instance, acting in conjunction with industry experts, we are endeavouring to establish better data in relation to energy efficiency for Swiss real estate stock, in order to improve the comparability of CO₂ emissions for real estate portfolios in Switzerland.

Priority 2023 Although we are not obliged to report under the TCFD on account of our size, in 2023 we shall take action to bring our reporting gradually into line with the requirements laid down in the TCFD. In view of the fact that we already disclose information within the CDP, a number of elements are already present but have not yet been fully incorporated into reporting. In addition, we shall also take account of other significant aspects of non-financial reporting, with reference to the various regulations.

Supply chain

Transparency requirements are also increasing with regard the protection of human rights, such as for instance combatting child labour and slavery or guaranteeing rights in employment – both in the EU and in Switzerland. Our materiality analysis has established that we do not have any significant risks in terms of human rights. Nevertheless, it is 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. Our major contracts concluded for instance with general contractors already contain various clauses concerning health and safety at work, as well as the guarantee of workers' rights and human rights. In addition, a number of clauses have been incorporated into our facility management contracts. One important measure in 2022 resulting from the gap analysis referred to above was the

adoption of a Code of Conduct for Suppliers and Service Providers, including provisions on ethical business practices, human rights and environmental protection. It can be consulted on our website. www.psp.info/values

Priority 2023 The Code of Conduct for Suppliers and Service Providers is set to be introduced in stages. In addition, we shall also make clarifications concerning conflict materials and child labour in accordance with the provisions of the VSoTR and take action where necessary.

Cyber-risks

Risks for business continuity and credibility also arise as a result of increasing cyber-crime. Attacks on our systems and potential violations of the integrity of our customer data could undermine the confidence not only of our investors but also our tenants. The information security concept was overhauled and updated in 2022, with action being taken on various fronts. First of all, employee awareness concerning phishing was raised through online training and presentations, and employees were also tested with “fake phishing e-mails”. Measures were also implemented to monitor systems and end devices more closely so that unusual activities, for example, can be detected quickly.

Priority 2023 In 2023, we plan to have the cyber-risk analysis revised by an independent partner and to derive appropriate measures.

Performance measures

EPRA Sustainability performance measures – Environment

The following table contains the environment-related performance measures for 2021 and 2022. 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 2022. Explanations on the performance of the key figures can be found on pages 200 to 201 and 243 to 245.

EPRA code	Unit	Indicator	Scope
Energy			
Elec-Abs, Elec-LfL		Electricity	Landlord-obtained electricity for shared services, air-conditioning, ventilation
			Proportion of landlord obtained electricity from renewable sources ¹
DH&C-Abs, DH&C-LfL	kWh	District heating and cooling	Landlord-obtained district heating and cooling passed on to tenants
			Proportion of landlord obtained district heating and cooling from renewable sources
Fuels-Abs, Fuels-LfL		Fuels (oil/gas)	Landlord-obtained fuels for the production of heating passed on to tenants
			Proportion of landlord obtained fuels from renewable sources
		Total Energy	Total landlord-obtained energy² Proportion of total landlord obtained energy from renewable sources
Photovoltaic installations and self-generated electricity			
	kWp	Installed capacity	Installed capacity of photovoltaic installations owned by PSP Swiss Property as per year-end
	kWh	Produced electricity	Produced electricity with own photovoltaic installations
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	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	8 buildings or 8.7% of lettable space as a percentage of the reported portfolio are certified (LEED, Swiss “Minergie” standard, HPE)		

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 2021 and 2022 is 89 783 752 kWh and 91 928 754 kWh respectively. Adjusted for heating degree days, “Like-for-like” energy use for 2021 and 2022 is 86 336 021 kWh and 90 672 252 kWh respectively.

3 These figures are not adjusted for heating degree days. Adjusted for heating degree days, energy intensity for 2021 and 2022 is 95.823 kWh/m² and 100.143 kWh/m² respectively.

EPRA Sustainability performance measures – Social

Employees

The following table contains the key performance measures for 2021 and 2022 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. The key performance measures relating to employees were externally reviewed by Ernst & Young AG (marked with).

EPRA code	Unit	Indicator	Scope	Performance measure	
				2021	2022
Diversity					
Diversity-Emp	% of employees	Gender diversity	Board of Directors	86% ♂ / 14% ♀	83% ♂ / 17% ♀
			Executive Board	100% ♂ / 0% ♀	100% ♂ / 0% ♀
			Senior Management ¹	100% ♂ / 0% ♀	93% ♂ / 7% ♀
			Middle Management ²	53% ♂ / 47% ♀	56% ♂ / 44% ♀
			Employees without rank ³	20% ♂ / 80% ♀	21% ♂ / 79% ♀
			Caretakers	95% ♂ / 5% ♀	95% ♂ / 5% ♀
Diversity-Pay	Female to male ratio	Gender pay gap ⁴	Board of Directors ⁵	1	1
			Middle Management	0.94	0.94
			Employees without rank ³	1.05	1.00
Development, Training and Turnover					
Emp-Training	Average hours per year and employee	Training and development ⁶		26.9h	27.3h
Emp-Dev	% of total workforce	Performance appraisals		90%	98%
Emp-Turnover	Total number	New hires	Direct employees	10	11
		Leavers		8	9
		Number of employees at year end		120	122
		New hire rate		8.3%	9.0%
	Rate in %	Turnover		6.7%	7.4%
Health & safety					
H&S-Emp	Number of injuries per 200 000 hours worked	Injury rate	Direct employees	0	0
	Number of lost days per 200 000 hours worked	Lost day rate		0	0
	% of average hours worked	Absentee rate ⁷		1.8%	2.8%
	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. Compensation of our Executive Board is disclosed in the compensation report. We do not show the pay gap for the Senior Management for reasons of personal privacy (currently only one female director) and the lack of meaningfulness (small number of Senior Management members). We do not disclose the pay gap for the caretakers for reasons of lack of meaningfulness (full-time equivalent of female caretakers too small).

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 per employee.

7 For data protection reasons and due to the small number of employees, the absence rate excludes long-term absences (due to illness, occupational or non-occupational accident) of more than 12 weeks.

Assets

EPRA code	Unit	Indicator	Scope	Performance measure	
				2021	2022
Health & Safety					
H&S-Asset	% of assets	H&S impact assessments	Assets under operational control ⁸	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 ⁹		N/A	N/A

⁸ 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.

⁹ 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 pages 206–207.

EPRA sustainability performance measures – Governance

The following table contains the corporate governance related key performance measures for 2021 and 2022. The key performance measures are marked with the respective EPRA code.

EPRA code	Unit	Indicator	Scope	Performance measure	
				2021	2022
Board composition					
Gov-Board	Total number	Executive members	Board of Directors	0	0
		Non-executive members		7	6
		Independent members		7	6
		Independent and non-executive members with competencies relating to environmental and social topics ¹		5	4
	Years	Average tenure of Board members		9.9	8.3
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 2022 (page 167 ff.), where specific competencies are listed and skills and experiences become apparent from the biographies of Ms. Corinne Denzler, 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, with a career in the field of Swiss tourism and as former 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.

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 2022 (page 172 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 2021, page 151 ff. and annual report 2022, page 161 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 1 July 2021 to 30 June 2022. For a few properties, this period differs on account of data availability (e.g., different period for invoicing, e.g., from 1 April to 31 March or 1 January to 31 December). The social indicators (EPRA table performance measures) and the governance-related performance measures refer to the same period as the financial reports (1 January 2022 to 31 December 2022).

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 2022, we analysed 147 investment properties with 917 973 m² of lettable space (2021: 151 investment properties with 936 977 m² of lettable space).

On 30 June 2022, the portfolio comprised 161 investment properties. The difference to the 147 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: Port Noir Hammam & Bain Genève Plage, Coligny; Bahnhofstrasse 66, Brandschenkestrasse 70 and 72 as well as Mühlebachstrasse 6 (all in Zurich). The property Rue de Sébeillon 2 in Lausanne consists of parking spaces only, and thus has no energy consumption. The investment properties at Lintheschergasse 10 and at Mühlebachstrasse 2 / Falkenstrasse 30 in Zurich were not purchased until February 2022 and will only be taken into account when complete data for an entire reporting period is available. This also applies to the property at Place de la Synagogue 3, 5 / Rue Jean-Petitot 4, 6 in Geneva, which has been in the portfolio since 1st January 2022. The property at Hardturmstrasse 181, 183, 185 in Zurich (ATMOS) has been in the investment portfolio since the beginning of 2021, but was still in the process of tenant fit-out during the reporting period. The properties at Rue du Mont-Blanc 12 in Geneva, at Zeughausgasse 26/28 in Bern and on Waisenhausstr. 2/4, Bahnhofquai 7 and Bahnhofplatz 1 / Bahnhofquai 9, 11, 15 as well as Gartenstrasse 32 in Zurich were still being renovated during the reporting period and hence will only be considered in the reporting for 2023.

These 15 mentioned properties were therefore not included in the Sustainability Report. On the other hand, the property at Sihlramtstrasse 5 in Zurich, which is intended for sale, was taken into account.

The properties sold in the reporting period, Lintheschergasse 23, Löwenstrasse 16 and Schaffhauserstrasse 611 in Zurich, Rue du Pont 22 in Lausanne and project "Grand-Pré" in Geneva, were not taken into account for the key figures in the reporting year 2022.

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 144 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 147 properties.

Explanations on the data basis

Estimates

Of the energy we procure, 5.4% of total was estimated in 2022 (7.8% in 2021). For properties for which the final settlements are not yet available at the closing date, we use the previous year's figures. 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. In some cases, we also use estimates for the share of common electricity (based on total consumption of the property), for example for the so-called Rothschild portfolio (9 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.

Photovoltaic installations and self-generated electricity

The reported installed capacity of the photovoltaic installations at the end of the year comprises the installed capacity in kWp of all photovoltaic plants on or at PSP assets owned by PSP. The key figure for electricity produced by own photovoltaic installations is based on the same reporting period as the other energy key figures (1 July 2021 to 30 June 2022) and includes own consumption, sales to third parties and any feed-in of the electricity produced.

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 CO₂e data with the help of Myclimate's Smart3 data management system and CO₂e 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

We also calculate the CO₂e emissions from our business travel (air, car, train). Emissions from business travel in 2022 amounted to 37.0 tonnes CO₂e (2021: 19.0 tonnes). The increase is due to the fact that some business flights were made again in the reporting year, whereas this was not the case in the previous period due to the pandemic.

Correction of previous year's environmental performance measures

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. Furthermore, for certain properties, estimated values were replaced by measured values. The adjustments affect a total of 31 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: 3.4% higher; electricity: 0.1% higher; district heating: 1.9% higher; water: 6.5% higher; CO₂e emissions Scope 1: 5.5% higher; CO₂e emissions Scope 2: 1.5% higher; CO₂e emissions Total (Scope 1, Scope 2, Scope 3): 2.4% higher. The significant correction of the oil & gas value and consequently also of the Scope 1 emissions is mainly due to an adjustment at the properties of the Hürlimann site, where the heat loss was not taken into account in the previous year. The significant correction of the water value is due to adjustments in the so-called Rothschild portfolio, where estimated values were replaced by actually measured values and two inefficient water cooling systems make a significant contribution.



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To the management of
PSP Swiss Property AG, Zug

Zurich, 20 February 2023

Independent assurance report

We have been engaged to perform a limited assurance engagement on the metrics marked with a „☑“ in PSP Swiss Property AG’s Annual Report 2022 in the chapter “Sustainability Report” for the reporting period from 1 January 2022 to 31 December 2022:

- ▶ Table on energy and emissions performance measures on pages 238–239 of the Sustainability Report (hereafter “the KPIs”)
- ▶ Social performance measures related to employees on page 240 of the Sustainability Report (hereafter “the KPIs”)

Our 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 KPIs indicated above
- ▶ KPIs related to previous reporting periods
- ▶ Qualitative statements



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
- ▶ PSP’s own methodology for Photovoltaic installations and self-generated electricity

A summary of these guidelines is available on the EPRA website (online at <https://www.epra.com/sustainability/sustainabilityreporting/guidelines>) or directly in the sustainability report (PSP’s methodology for photovoltaic installations and self-generated electricity as described on page 245). 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 emission factors and the values needed to combine emissions of different gases.



Responsibility of PSP Swiss Property AG’s management

The management of PSP Swiss Property AG is responsible for the selection of the applicable criteria and for the preparation and presentation of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.



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.



2



Our responsibility

Our responsibility is to express a conclusion 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 (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the Sustainability Report are free from material misstatement, whether due to fraud or error.

In accordance with the engagement agreement, our duty of care for this engagement only extends to the management of PSP Swiss Property AG.

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in above mentioned performance measures. 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 responsible for collecting, consolidating, and calculating the KPIs 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
- ▶ Analytical procedures and inspection of documents on a sample basis with respect to the compilation and reporting of the performance measures
- ▶ Analytical procedures of the report regarding plausibility and consistency with the KPIs

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



Our conclusion

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

Ernst & Young Ltd

Tobias Meyer
Partner

Claude-Aline Dubi
Manager