

SWISS PRIME SITE

ME TOWER

2019

— INTEGRATED REPORT

Integrated Report

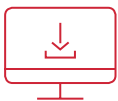
- 4 Key figures
- 5 Our strengths
- 6 Foreword by the Chairman
- 8 Interview with the CEO
- 14 Interview with the CEO Immobilien
- 18 Board of Directors
- 19 Executive Board
- 20 Success story
- 22 Our markets
- 24 Risk management
- 26 Strategy
- 28 Property portfolio
- 30 Project pipeline

Value creation

- 32 Assuming responsibility
- 36 Stakeholder engagement
- 38 Materiality analysis
- 42 Sustainability goals and roadmap
- 48 Business model
- 50 Integrated value creation
- 53 Value creation group companies
- 58 Reduction pathway
- 64 TCFD Report

Notes

- 70 GRI Report
- 100 Key figures of group companies
- 106 GRI Content Index
- 110 Independent Limited Assurance Report on selected GRI Disclosures
- 113 Information policy



Reporting structure

Reporting consists of the online report (sps.swiss/en/reporting) and the separate sub-reports (PDF download). For reasons of sustainability, only the short report is available as a printed version.

Key figures

1259

million CHF operating income
+3.7% year-on-year

6 506

employees
+2.9% year-on-year

2.0

billion CHF project pipeline
unchanged year-on-year

608.5

million CHF profit
+95.7% year-on-year

4 764

women
+1.8% year-on-year

1.6

million m² rental space
+2.4% year-on-year

3.80

CHF distribution¹
unchanged year-on-year

626

apprentices
+15.3% year-on-year

4.7

percent vacancy rate
–2.1% year-on-year

¹ Proposal to the Annual General Meeting

Our strengths at a glance



Sustainable business model

Swiss Prime Site invests in high-quality land, properties and locations. These, together with conversions and developments of entire sites, make up the Company's core business. Vertically integrated real estate-related group companies complement the core business and provide attractive added value.



Stable financing

The Company is solidly financed with debt and shareholders' equity. The equity ratio is 44.4%. Debt is balanced in its composition, using a range of instruments such as bonds, mortgages and loans. The loan-to-value ratio is 45.7%.



First-class locations

The current portfolio of 187 high-quality properties comprises Swiss properties with good value retention situated in first-class locations, which have a fair value of CHF 11.8 billion. The Company has a strong focus on office and retail space. The vacancy rate is 4.7%.



High profitability and growth

The existing property portfolio realises an attractive net yield of 3.5%. Swiss Prime Site achieves a return on equity (ROE) of 11.5%. The project pipeline for the coming years comprises more than 20 projects with an investment volume of around CHF 2 billion.



High share liquidity

Swiss Prime Site is the largest stock exchange-listed real estate company in Switzerland, with market capitalisation of CHF 8.5 billion. The 76 million registered shares have a free float of 100% and high liquidity on the SIX Swiss Exchange.



Well-balanced dividend policy

The Board of Directors pursues an attractive and investor-friendly dividend policy. Around 80% of the profits generated, excluding revaluations and deferred taxes, are currently returned to the shareholders. The dividend yield is currently 3.4%.



Dear Shareholders

Continued demand for prime investment properties has ensured good growth in real estate markets. Under these conditions, and thanks to active portfolio management, Swiss Prime Site once again has very good results to report for the 2019 financial year.

Operating income rose by 3.7% to CHF 1 258.8 million, with the Real Estate and the Services segments making a positive contribution to this pleasing growth. The core real estate business increased income by 2.0%. Real estate-related Services increased their contribution to the group by 4.8% compared to the previous year. The value of the real estate portfolio grew by 5.0% to CHF 11.8 billion during the course of the year. The vacancy rate fell to 4.7% [4.8%] and, together with an attractive net yield of 3.5% [3.6%], reflects the quality of the portfolio. Profit rose significantly to CHF 608.5 million [CHF 310.9 million]. In addition to operating improvements, higher revaluations in the real estate portfolio and a one-off positive tax effect caused by tax cuts in some cantons contributed to this pleasing result.

For 2020, Swiss Prime Site expects economic and political conditions to be similar to those of the previous year. This should create a wide range of opportunities for both us and the real estate industry. In 2020, completed project developments, active asset, portfolio and vacancy management, recurring income from real estate developments and the continued realisation of the project pipeline will have a positive impact on the operational and strategic goals in the core real estate business. We expect solid contributions from the real estate-related Services segment. Selling the Tertianum Group will result in a one-off increase in profit excluding revaluations and deferred taxes. We will maintain an attractive dividend policy.

I would like to thank our valued shareholders, customers and partners for your trust and support. My thanks also go to all employees and the management across the entire Swiss Prime Site Group. In my time as a member of the Board of Directors and as its Chairman, we have all worked together to help Swiss Prime Site become a successful company in the real estate industry.



Hans Peter Wehrli
Chairman of the Board of Directors



Market conditions are intact

Swiss Prime Site ended the 2019 financial year with very positive results. Both segments performed in line with expectations. René Zahnd, CEO of Swiss Prime Site, explains why market prospects are still favourable, why the Company parted with Tertium, when co-working works well, how to successfully enhance retail spaces and how important sustainability is for the Company as a whole.

René Zahnd, in 2019 there was a tangible sense of a «Sustainability Revolution». As a strong supporter of sustainability, what do you think about this movement?

René Zahnd: Sustainability is about being prepared for the future. Right now, we are at a turning point. Sustainable actions generate medium- and long-term added value. If you have read Larry Fink's letter entitled «A Fundamental Reshaping of Finance», you'll know that even companies like BlackRock, the world's largest asset management company, are placing more emphasis on the issue than ever before. This is happening with good reason.

What is the real estate industry and Swiss Prime Site doing in this regard?

The real estate industry is investing in properties and buildings that typically have a life cycle of 50 to 100 years. We therefore need to focus on the medium and long term so that we can offer our customers the right solutions for the future. Having said that, there is already plenty of potential for making savings in grey and operational energy in the construction and operation of properties. The government has made it very clear that we need to be carbon neutral by 2050. Swiss Prime Site has set objectives across different levels to ensure that we fulfil this requirement. From encouraging e-mobility and installing photovoltaic systems on the roofs of our buildings, and real estate that has practically no emissions or can even act as its own power plant, through to a binding definition of a CO₂ reduction pathway, we have introduced a range of measures that enable us to play our part. In addition, we created a Sustainability Board in 2019. This board looks at the issue in detail with the objective of embedding it in our business processes wherever possible.

The real estate market continued to grow well in 2019. Low interest rates stimulated demand for land and real estate once again. Do you think there is still room for growth?

Real estate has been a growth market for over twenty years. There has been speculation for almost a decade about whether a slump is coming. It's not happened yet. This has been due

to both the level of interest rates and the solid performance of the Swiss economy, making the current job market attractive to foreign companies and their workforce as well as to specialists. Even the low euro rate hasn't made much of an impact on that. Thinking about the immediate future, I can't see any signs of conditions changing dramatically. That is why I am confident.

In many industries, digitalisation has resulted in new business models that challenge or even endanger existing ones. What's the situation at Swiss Prime Site?

We see digitalisation and new technologies as an opportunity for us to scrutinise and optimise our processes. When planning and realising projects, digitalisation helps us to be quicker and more efficient and precise. There are also areas such as management or the retail market in which digitalisation actually acts as a catalyst. It is therefore essential that our employees' expertise is aligned with these new realities. However, in today's world with its focus on sustainability, it is especially important that we maintain personal contact with our customers; this is something we mustn't lose. An algorithm cannot replace this contact. This is why we offer such extensive training and development to our employees.

You have been managing Swiss Prime Site for four years, and for the fourth time, results have improved. That sounds really simple. Is it?

No, not at all. This is a good point at which to offer my sincere thanks to all Swiss Prime Site Group employees. It is thanks to their knowledge and dedication that the last few years have been so successful. The trust and excellent relationship we have with our customers have also been hugely important. Four years ago, I took over a top-performing company and have since further developed it with my colleagues on the Executive Board and Board of Directors.

Are you pleased with the 2019 financial year, and what conclusions can you draw?

Although it may not have seemed that way from the outside, it was a challenging year. We made some key strategic decisions. These included the decision to sell Tertium, which we carried out at the end of 2019. In day-to-day business, we took major steps towards transforming Wincasa, developing the retail business at Jelmoli and our property portfolio and driving the growth of Swiss Prime Site Solutions. Together, we overcame the challenges, and can be proud of the results. However, as always, there is still a lot to do. Today's business environment requires constant movement and flexibility.

Let's talk about Tertianum.

When Swiss Prime Site acquired the residential and care services provider Tertianum in 2013, the company had fewer than 20 locations. Today, we have a network of more than 80 centres and residential homes spread across the whole of Switzerland. In 2019, Tertianum achieved an operating income of more than half a billion Swiss francs for the first time (CHF 519.6 million, +6.5%). EBIT was CHF 34.0 million (+23.6%) and at 6.5%, the EBIT margin drew level with international competitors. We turned Tertianum into the largest private Swiss provider of retirement and care services and successfully positioned it in the market.

You confirmed that Tertianum will be sold and acquired by Capvis. The market responded well to this news. What will the new owners do with Tertianum?

I definitely believe that Capvis are the right new owners for Tertianum. The Swiss company understands our domestic market really well and can use its expertise to leverage significant synergies. The market responded very well to the news because the transaction makes sense and the financial aspects are right for Swiss Prime Site's shareholders.

How did earnings perform in the Services segment?

We were able to increase both the operating income (CHF 828.4 million, +4.8%) and the EBIT (CHF 55.5 million, +16.6%). We are very pleased with this growth. Regarding the EBIT of Tertianum and Wincasa, I am particularly proud that we were able to achieve the medium-term objective we set three years ago of reaching a combined EBIT of over CHF 50 million. And we did this a year before the target date of 2020.

How did Wincasa, Jelmoli and Swiss Prime Site Solutions fare?

Wincasa reported earnings from real estate services of CHF 148.1 million, an increase of 2.5% over the previous year. Despite significant investment in transforming the business model, EBIT was at a similar level to the previous year, at CHF 17.7 million. In a highly competitive market rife with discount wars, Jelmoli reported revenue from retail of CHF 127.8 million and an operating result of CHF -4.0 million. It is worth noting that investment in the Jelmoli airport project began in 2019 and will continue in 2020. Swiss Prime Site Solutions extended its contract with the Swiss Prime Investment Foundation ahead of schedule. This reflects our positive relationship with the customer and the success of their services. Earnings from asset management were up by 60.2% to CHF 13.5 million. At CHF 7.8 million, EBIT almost doubled.

Are you pleased with the results in the core real estate business? Could you provide more detail?

In our core business, we were able to increase our operating income slightly compared to the previous year, to CHF 519.5 million (+2.0%). With revaluations of CHF 204.4 million, we tripled the value compared to 2018. In geographical terms, the increase is spread across our key markets in Geneva and Zurich, with Müllerstrasse in Zurich being a runaway success. We acquired this property as part of the swap deal connected to our share in Sihlcity and it formed a significant share of the revaluations in 2019. This is because we have been able to re-let the building on a long-term agreement. It also shows that revaluations are not only linked to the current interest rate, but can also be directly affected by management. With an EBIT of CHF 572.9 million, we clearly exceeded the previous year's results by CHF 141.8 million or 32.9%. Excluding revaluations, results increased compared to the previous year (CHF 368.4 million, +1.6%).

«Thinking about the immediate future, I can't see any signs of conditions changing dramatically. That is why I am confident.»

There were rather smaller transactions in your portfolio in 2019. Is the market actually dry or were you simply choosy?

A bit of both. Firstly, there is currently significant demand for real estate in prime locations, resulting in some absurd asking prices and low yields. We are not prepared to buy something at any price. Fortunately, with our project pipeline of around CHF 2 billion, we do not have to. Secondly, we certainly did conclude a number of transactions over the year. These were smaller properties that didn't fit in the portfolio anymore and could be sold at a profit and acquisitions that have the potential to be future development projects.

The retail market around the world is in turmoil. Currently, 26% of Swiss Prime Site's portfolio is retail. What makes you confident about the future?

Retail is not all the same. Our portfolio currently comprises 26% retail floor space. Of this, around a quarter is Jelmoli, where we have significant influence over the spaces and can ensure that they perform well. Our two biggest tenants in this type of use are also the two largest retailers in Switzerland, focusing on food products, where online business has made fewer inroads. Furthermore, the majority of the retail spaces are in excellent locations. In 2018, for example, when OVS turned its back on the Swiss market, we re-let the spaces very quickly and at a better price.

Do you have plans to reduce the proportion of retail further?

Since 2015, we have reduced the proportion from 34% to 26%. Once the projects under construction are up and running, this will reduce the proportion of retail automatically and over time. I can see between 20% and 25% being a realistic assumption. In addition, we will develop existing retail spaces and improve them with additional offerings.

What does that mean, exactly?

For example, in summer 2019, we welcomed a really interesting new tenant in Jelmoli – Pallas Kliniken. Even though Pallas Kliniken is not a retailer as such, it fits perfectly into the premium department store. They share the same customers and can offer them a fantastic, all-round service. This has enabled us to enhance the customer journey in Jelmoli and significantly increase the appeal of the store as a destination. Pallas Kliniken is also a new tenant which can benefit from the existing network within the building and vice versa.

Nina Müller has been announced as the new CEO of Jelmoli.

What will her main tasks be?

We are really pleased to be able to announce that Nina Müller will be the new CEO of Jelmoli. She will take up her role in spring 2020. Jelmoli is performing well and she can look forward to leading the finest premium department store in Switzerland. With the challenges in the online market, opening the new locations at the airport in Zurich and updating the ERP system, there is much to be done.

What progress is Swiss Prime Site making currently in the implementation of its strategy?

Our strategy is shaped by our three- to five-year business scenarios. In spring 2019, we and the Board of Directors signed off the 2020–2022 period. The targets we have set ourselves are challenging but achievable.

Can you tell us a bit more about them?

Our decision to sell Tertium and the successful completion of this process represent an important strategic step. The cash flow and results from the sale of Tertium will help us to implement more of our project pipeline, grow our asset management and reduce debt, thereby fulfilling our shareholders' and stakeholders' expectations.

How do you view the office market in Switzerland currently?

Market conditions for prime office and commercial real estate are intact. In particular, the rental market in our key regions of Zurich and Geneva is in a healthy and robust condition. The supply of high-quality space in the city of Zurich, for example, is at its lowest level since 2010.

What do you think will happen to the vacancy rate in the medium term?

In 2019, we reported a vacancy rate of 4.7%. This is slightly lower than the 4.8% reported in the previous year. Fundamentally, we are confident that we can keep the value under 5%. At the same time, it is important to recognise that a certain level of vacancies cannot be avoided and is basically also a good thing. It gives us the requisite flexibility to respond better to demands from existing customers or the market.

Co-working and flexible working arrangements are currently the words on everyone's lips. Where does Swiss Prime Site stand on these?

We have co-working in around a dozen of our properties. The proportion of the total rental yield in the portfolio continues to be low, at roughly 1%. It is quite possible that we may expand in this area. We can see from the market that this segment is fulfilling a need that previously wasn't adequately covered.

Do you work with other providers or do you have your own model?

We are currently working with a range of providers who have various models for the involvement of Swiss Prime Site. There are traditional packages as well as some which are unique, at least at present. For example, we were able to secure Tadah as a tenant for our YOND building, which offers co-working areas with integrated childcare facilities. This works particularly well in developments like YOND, with its own ecosystem comprising a range of tenants. We will definitely continue working in this area. And of course, we are still not excluding the possibility of managing the co-working areas ourselves. After all, why should we share these profits with third parties?

Some people say that this is a good way of reducing vacancies in the portfolio. What do you think?

Certain advocates in the market may well see it like that. From our vantage point, however, this view clearly falls short of the mark, and is actually incorrect. A good office or commercial space should be in an excellent, highly frequented location, thereby fulfilling a key requirement for customers – accessibility. These two prerequisites are key in order to attract tenants. If a property has vacancies because it is outdated or the location is wrong, they won't be filled by introducing co-working concepts.

«Our decision to sell Tertianum and the successful completion of this process represent an important strategic step.»

Can you outline the short- and medium-term objectives?

Swiss Prime Site anticipates that operating results will improve across the 2020 financial year, before revaluations and deferred taxes. Profit from the sale of the Tertianum Group will contribute significantly to this. In addition, we anticipate that the vacancy rate will stay below 5%.



Our focus is on our customers

For Peter Lehmann, CEO of Swiss Prime Site Immobilien, a strong customer focus is the basis for the positive results in the 2019 financial year. His actions are guided by the ability to identify needs in the market and realise them in projects.

Peter Lehmann, Swiss Prime Site Immobilien once again reported strong figures for 2019. Can you explain how these results were achieved?

Peter Lehmann: General conditions encouraged the real estate market to gain momentum in 2019. Specifically, I mean economic growth in Switzerland, interest rates and the demand for prime office and commercial spaces. We recorded excellent successes in portfolio management and asset management. Across the 2019 financial year, we were able to reduce the vacancy rate to 4.7%. In addition, our projects proceeded as planned. The overall level of pre-lettings was excellent.

How do you achieve high pre-lettings for projects when some of them only exist on paper?

For me, the customer and their needs are always the priority. We can only be successful as a company if we align our actions with market demand. Many companies are experiencing a generation change right now. Management is getting younger and has different needs in terms of the locations and areas that they want to offer their employees. This is our starting point when we look at making our portfolio and our projects attractive for the future.

Can you give some specific examples?

Projects currently in our pipeline include YOND in Zurich, JED in Schlieren and West-Log in Altstetten, all of which exemplify our focus on the customer. Quite some time ago, we established that logistics real estate will be in strong demand over the coming years. As a consequence, and with the help of our network, we were able to buy the West-Log project before the ground-breaking ceremony. We then optimised it further and commissioned the construction. In Schlieren, we are bringing a concept to fruition for our two anchor tenants, Zühlke and Halter. The existing buildings of the former printing works on the site will be converted, creating an ecosystem for knowledge transfer, innovation and entrepreneurship. Our anchor tenants benefit from this, as will start-ups who want to use the spaces. On the same site, we are also investing in an emission-free new build with unique spaces; it's something that has never been seen in Zurich before.

And YOND?

Some tenants already moved into this property at the end of 2019, and it's been a success for us across the board. The idea was born a few years ago, when market research revealed increased demand by smaller companies for basic, flexible spaces. We therefore created the YOND concept, with high ceilings that offered the option of putting in intermediate floors. This was a completely innovative concept for Switzerland, with representatives from the city of Zurich and Avenir Suisse attending the ground-breaking ceremony, a testament to its great market potential. The current occupancy rate is over 80%. With tenants like Coople, Tadah, Vebego, JobCloud and Better Taste we have exactly the rental table that we envisaged in the concept phase.

Can you tell us a bit more about the renewals of rental agreements within the portfolio?

Our building at Müllerstrasse in Zurich is a good example of this. We acquired the property at the end of 2018 together with two other properties in exchange for the 24% share in Sihlcity. The rental agreement with the current tenants was due to expire in 2021, which we used as an opportunity to re-position the building. Thanks to our strong network, we were able to achieve this really quickly. Once the current customers have moved out of the building, we will completely renovate it to prepare it for the specific needs of the new tenant. Our optimised marketability will then enable us to adjust the level of rent considerably, thereby significantly increasing the value of the building.

And how is business in Geneva, your other key area?

The major Espace Tourbillon project is proceeding as planned. All five properties are now well advanced. For the two buildings that were sold to the Hans Wilsdorf Foundation, we are now at the interior design stage. The other three properties and the underground logistics centre are nearly structurally complete. We are currently selling one of the three properties to companies in condominium ownership. This innovative idea has been well received by the market. The Alto Pont-Rouge project is also doing well. Preparatory work for construction is almost complete. With the new train station set to open within the next few years, the district will receive a real boost, and companies moving away from the city centre will need these spaces.

As usual, your pipeline is completely full. Which other projects are you most pleased about at present?

Schönburg in Berne is definitely one of them. Nearly all the flats are let and both the fitness centre and the retail spaces are open. I am confident that we will be able to celebrate the hotel opening in spring 2020. The transformation of Stüchi Park in Basel is well under way. We opened the Stüchi Village in 2019 and held the



ground-breaking ceremony for the first two extensions. The site is gradually beginning to come together and become a real centre for Basel-Nord.

«Many companies are experiencing a generation change right now. Management is getting younger and has different needs in terms of the locations and areas that they want to offer their employees.»

Let's go back to logistics properties. Can you be more specific?

With the increase in online commerce, the dispersion of goods across the city is becoming much more important. We all want the goods we order online to be delivered to our home as quickly as possible. However, with traffic increasing, this is only possible if logistics processes are optimised. This is where the «last mile» that a package has to travel is so key. Goods being distributed from towns and cities need to be packaged differently so that they land in the customer's letter box as quickly and efficiently as possible. Real estate located at the edge of towns and cities is perfect for this type of logistics. West-Log and Espace Tourbillon are two such properties.

So you are assuming that the need for this type of real estate is going to increase?

Absolutely. For example, in our portfolio we have the Iseli site in Regensdorf, a parcel of land with existing infrastructure that would be suitable for such a project.

Doesn't that move you away from your promise to focus on «prime» locations?

No. From the point of view of the market for logistics real estate, the locations we have chosen absolutely are «prime». A logistics project in a rural area, on the other hand, would not fulfil this criterion.

Schlieren, Zurich, Geneva, Berne and Basel: how can you keep an eye on the needs of so many different customers in such different regions of Switzerland?

We have different strategies that enable us to retain our focus on the market and our customers. Having an office in Geneva,

for example, gives us a presence in French-speaking Switzerland. Our local specialists provide us with essential insights to make the right decisions. We also maintain very good personal contacts who help us invest in line with customers and the market.

Sustainability is becoming more important, globally, regionally and within companies. How do you approach this issue?

We set sustainable goals and achieve them. Specifically, we have committed to a CO₂ reduction pathway. By adopting a range of measures, we want to – we must – achieve this long-term goal. However, it's not enough to try and invest in emission-free real estate by 2050. Given the long life cycle of properties, we have to do this today and tomorrow. We are enhancing our existing portfolio with different initiatives that move us closer to our goal. For example, we are currently looking for ways of installing as many photovoltaic systems on our buildings as possible. We are also investing in sustainable forms of construction. One specific example of this is the new build in JED in Schlieren. This is a building with no conventional heating, cooling or ventilation.

When it comes to emissions, the JED new build is one of your flagship projects. Could you explain that concept a little more?

Given the climate crisis, we need to re-think our approach to new buildings. Looking to the past can help us do that. Our ancestors knew that thick walls help to keep out the weather. If our walls are thick enough, therefore, and the window areas are smaller, we can maintain the indoor climate almost regardless of the external temperature. We have taken advantage of precisely this fact, so in the JED new build, the walls are 80 centimetres thick. The windows are designed so that they let sufficient light into the building while being offset inwards so they receive very little direct sunlight, thereby minimising any heat gain. The temperature inside the building is an ideal 22 to 26 degrees. The humidity is maintained using sensors which automatically open/close the windows. Previously, you used to need 50–80 m² for building services systems, whereas now a small space of less than 10 m² is sufficient.

What else is special about the JED new build?

We have discovered that there are hardly any large interconnected spaces to rent in Zurich, although this is something our customers have a need for. We therefore decided to include as many support grids as possible on each floor. However, this does not mean that our customers have to accept any reductions in flexibility. Within the support grids, many areas can be specially reconfigured or separated according to requirements. They don't have to be, but they can – and that's what customers want today.

Is this the design of the future?

We think we will see more of this kind of construction in the future. It is crucial that we convert our existing buildings to be more efficient and make new real estate totally emissions-free.

«Co-working can function in different ways. Traditionally, successful locations are central, with good transport connections and high footfall.»

Another trend in the real estate market is co-working.

Is this actually a major requirement in the market?

The trend for co-working and serviced offices has several drivers. Firstly, major start-ups are ensuring that the topic is being widely discussed in the media. Secondly, we are seeing a certain level of need on the market for this type of use. In a fully rented site, there are tenants who would like some overflow space for either seasonal or project-related reasons. It would offer additional employees a flexible workspace where they would still be close to their colleagues. Global companies are also interested in «single office provider» strategies. This is where they have a single agreement with a global provider. Employees can then use office facilities in any city in which the provider has a presence. These are exciting developments.

In your opinion, where does the concept work and where does it fall down?

Co-working can function in different ways. Traditionally, successful locations are central, with good transport connections and high footfall. Concepts outside city centres can also be very promising. At some point, we will not all be able to – or even want to – commute into cities to work. Flexible workspaces outside city centres and in locations that can be reached from your house on foot will be worth considering. There are already examples of this around Zurich.

Could you imagine offering co-working even in Prime Tower?

Successful co-working is about high footfall and the area's visibility. Offering flexible working spaces in Prime Tower could be successful if we were to implement a model in which existing tenants in the tower could use them as part of the overflow space that we mentioned earlier. From a security perspective, a

completely open co-working space would not be simple, but we wouldn't want to rule it out completely. The site at Hardbrücke is almost perfect for this kind of service.

Retail floor space is under pressure from online business.

How do you think this will develop in future?

Good spaces in central locations will always be in demand. We see this every time rental contracts are due for renewal. We are confident that there will always be a need for bricks-and-mortar business. Whether this need will be as pronounced in the future as it is today, time will tell. Our collaboration with Pallas Kliniken in Jelmoli clearly shows that you can enhance or transform retail spaces and remain successful.

What is your outlook for the coming year and beyond?

I am confident that the real estate market will continue to grow in 2020. The generally positive economic situation, political stability and high level of technology as well as digitalisation in Switzerland will ensure that we remain an ideal location for local and global companies.

Board of Directors



Prof. em. Dr. Hans Peter Wehrli

Chairman

Member since 29 April 2002³



Mario F. Seris

Vice-Chairman

Member since 27 April 2005^{2, 3}



Dr. Barbara Frei-Spreiter

Member since 27 March 2018²



Thomas Studhalter

Member since 27 March 2018¹



Christopher M. Chambers

Member since 22 October 2009^{1, 2}



Dr. Rudolf Huber

Member since 29 April 2002¹



Gabrielle Nater-Bass

Member since 26 March 2019²

Swiss Prime Site's Board of Directors comprises key figures from Switzerland's economy. The years of extensive experience of the individual board members in various fields paves the way for a balanced, long-term-oriented body. The Audit, Nomination and Compensation as well as Investment Committees function within the Board of Directors. The Board of Directors acting collectively determines Swiss Prime Site's strategy and represents a controlling body relative to the Executive Board in terms of executing operating activities.

¹ Audit Committee

² Nomination and Compensation Committee

³ Investment Committee

Executive Board



René Zahnd
Chief Executive Officer
Swiss Prime Site



Markus Meier
Chief Financial Officer
Swiss Prime Site



Peter Lehmann
Chief Executive Officer
Swiss Prime Site Immobilien



Oliver Hofmann
Chief Executive Officer
Wincasa



Dr. Luca Stäger
Chief Executive Officer
Tertianum

As at the end of 2019, Swiss Prime Site's Executive Board comprised the Chief Executive Officers of the group companies Swiss Prime Site Immobilien, Wincasa and Tertianum as well as the group's CEO and CFO. This ensures that all of the central business fields, as well as their interests and expertise, are represented at the top operating level of the management body.

Our success story

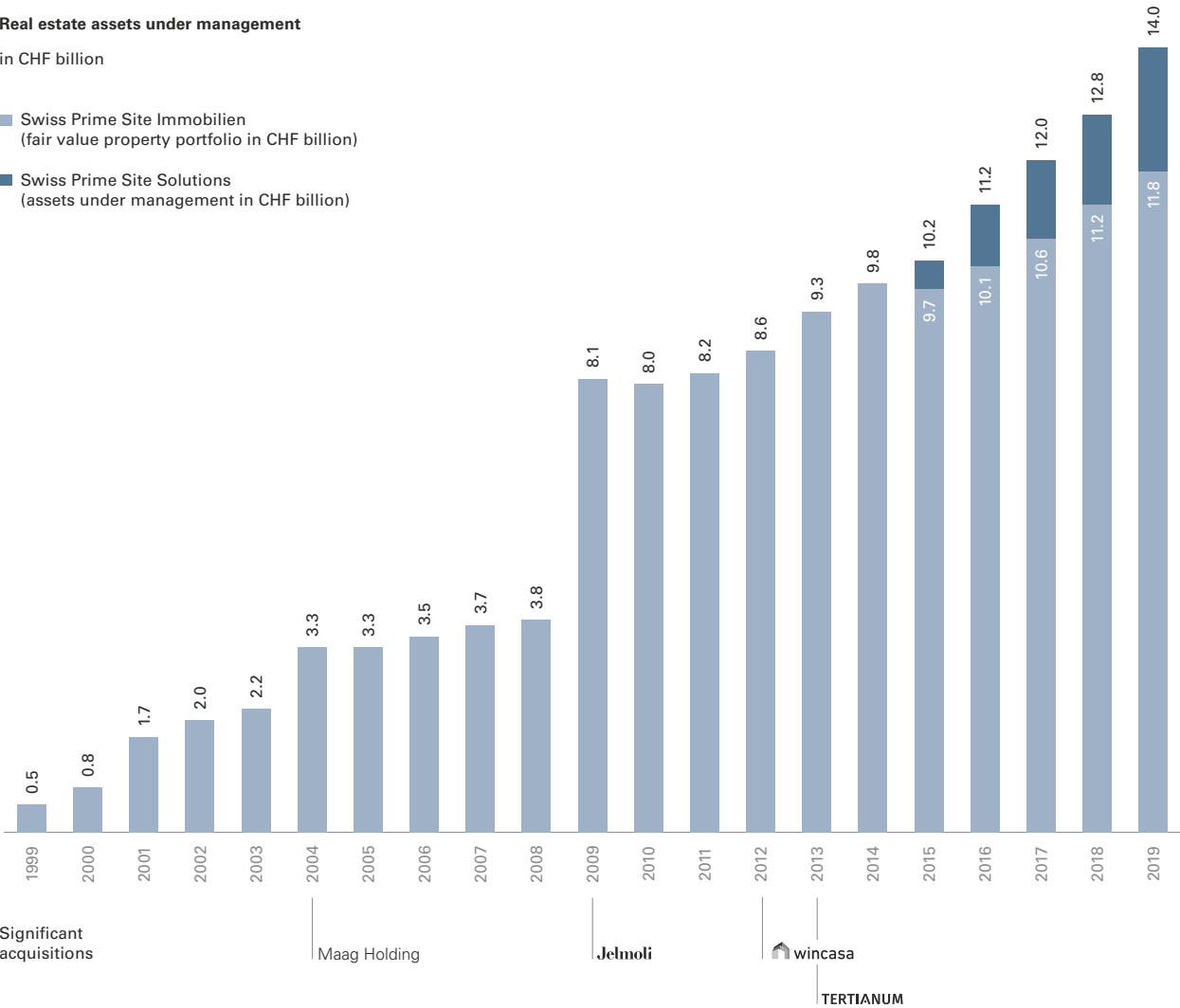
Swiss Prime Site was founded in 1999. By 2019, the Company had grown to become the largest stock exchange-listed real estate firm in Switzerland, with a property portfolio currently valued at CHF 11.8 billion.

By means of acquisitions, property developments and conversions, as well as sharp focus on prime locations, Swiss Prime Site is continuously building up its portfolio. One of the most significant takeovers to date was the acquisition of Maag Holding (2004) with the Maag site in Zurich-West. Prime Tower and the surrounding annex buildings were developed at the site. The acquisition of Jelvoli (2009) doubled the value of the Company's real estate holdings. Since that time, Swiss Prime Site has carried out key strategic acquisitions with Wincasa (2012) and Tertianum (2013). In addition, Swiss Prime Site has generated additional growth and created premium properties by means of significant in-house developments – such as SkyKey in Zurich and EspacePost Berne – or conversions of former office floor space, such as Motel One in Zurich. Together with Swiss Prime Site Solutions (asset management for third parties), Swiss Prime Site manages real estate assets amounting to CHF 14.0 billion.

Real estate assets under management

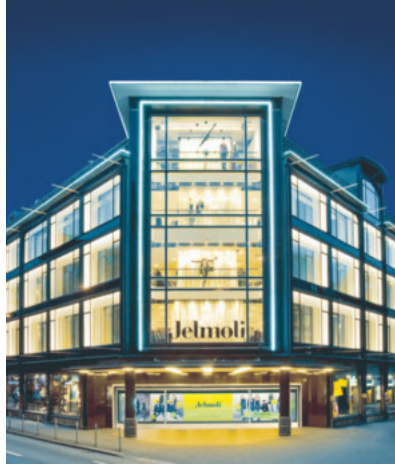
in CHF billion

- Swiss Prime Site Immobilien
(fair value property portfolio in CHF billion)
- Swiss Prime Site Solutions
(assets under management in CHF billion)





Prime Tower, Zurich



Jelmoli – The House of Brands, Zurich



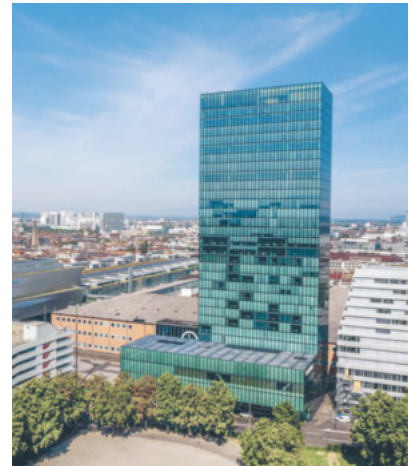
SkyKey, Zurich



Motel One, Zurich



Opus, Zug



Messeturm, Basel



EspacePost, Berne



Rue du Rhône 48-50, Geneva



Place du Molard 2-4, Geneva

Our markets

The Swiss Prime Site Group operates in the Swiss real estate market with its core business. The most significant influencing factors for the Company include the rental, transactions and capital markets. Other important impulses emanate from the national retail trade as well as the demand for senior services.

Rental market

From September 2018 to September 2019, around 54 000 positions were created in the services sector, generating increasing demand for office space. In Zurich in particular, demand developed at a dynamic pace and significant rental contracts were finalised. The market for retail floor space remained challenging. Bricks and mortar stores, and in particular shopping centres, are facing strong competition from e-commerce. Swiss Prime Site benefits from holding properties in high-traffic central locations that enjoy strong demand. For example, a beauty clinic was added to the range of products and services in the premium department store Jelmoni. Given that the demand for the urban micro-distribution of goods is likely to increase, this will open up additional opportunities for Swiss Prime Site. The Company sees great opportunities in urban logistics and is already investing in two very promising projects in Geneva and Zurich.

Transactions market

In recent years, the strong demand for investment properties has resulted in significant increases in the value of existing properties, accompanied by compression of yields on the transactions market. Over the past year, the yields on prime office and retail properties have continued to fall. Swiss Prime Site took advantage of the considerable interest in investment properties, achieving profitable sales. The Company also invested in its own real estate development projects that, unlike the embattled transactions market, generate above-average net yields of around 5%.

Capital market

Both direct and indirect real estate investments continue to profit from high investor demand. Swiss Prime Site used the favourable market environment to issue two straight bonds amounting to CHF 520 million. Swiss Prime Investment Foundation, the assets of which are managed through Swiss Prime Site Solutions, completed two share issues. This demonstrates the sustained demand from pension funds for services in the field of real estate asset management. Swiss Prime Site shares enjoyed strong demand and achieved an excellent return (incl. distribution) of 47%. With an average annual performance of 8.9% since listing, Swiss Prime Site shares have generated more returns than the sector and the market on average.

Assisted living

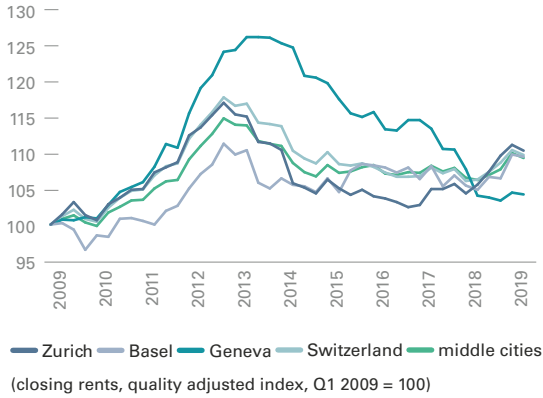
Demographic change in Switzerland is becoming more and more apparent: In 2018 there were 1.58 million people in the 65 and over category – this equates to 18.5% of the population. That figure was 15.4% in the year 2000. Effectively, the number of people aged over 65 years has increased by more than 40% during this period, and further growth in the older population is expected in the coming years. Swiss Prime Site announced that it would sell the operational group company Tertianum to Capvis by the first half of 2020. With the 16 nationwide Tertianum elderly care homes and residences in the Swiss Prime Site property portfolio, as well as the four projects that are currently under construction or in the planning phase, Swiss Prime Site continues to be active in the growth market of assisted living.

+ 8.9 % p.a.

average annual performance (total return) of the Swiss Prime Site share from listing in 2000 to the end of 2019.

Rental market: trend in prices and commercial space on offer

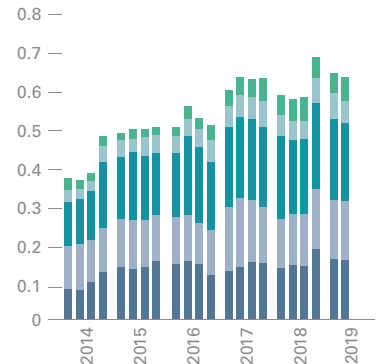
Office space: rental prices



Office



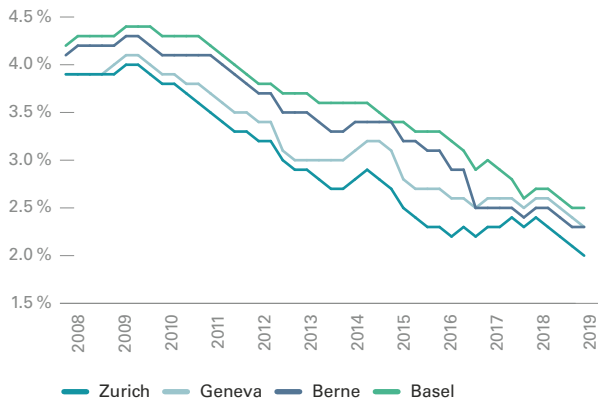
Retail



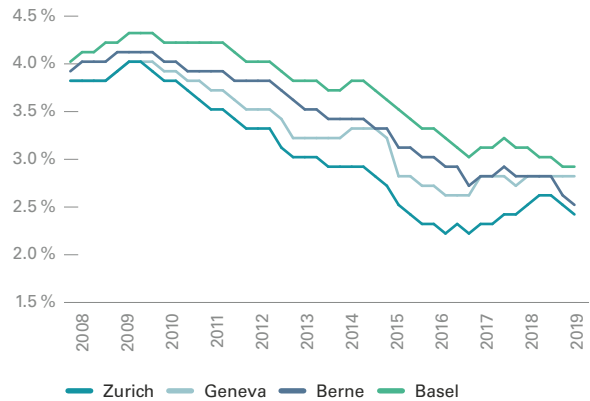
space on offer (in million sqm per quarter)

Transactions market: trend in prime initial yields

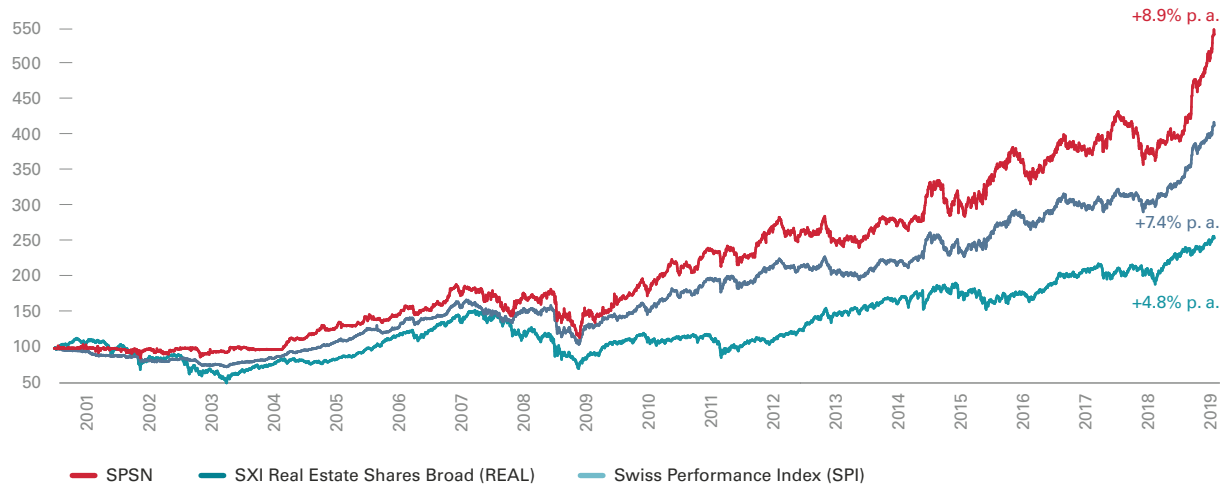
Office



Retail



Capital market: Swiss Prime Site share price performance versus sector and market



Sources: Credit Suisse, Wüest Partner, Swiss Prime Site, Thomson Datastream

Risk management

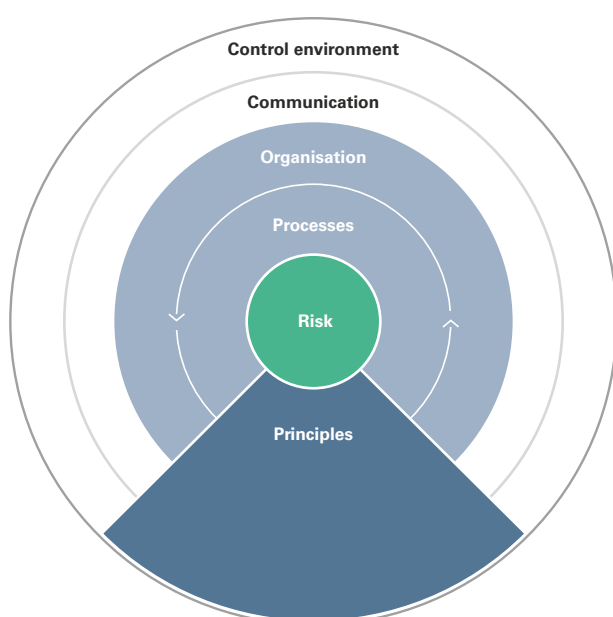
Ensuring continuity and exploiting opportunities

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks as it progresses towards its strategic goals. To secure long-term success, it is therefore crucial to recognise changes in the economic, social, regulatory, technological and ecological environment early on. The Company places significant emphasis on managing opportunities and risks, for which it has implemented a systematic process. Risk management therefore provides a significant contribution to the continuity and successful development of the Company.

Risk management is based on the group-wide risk policy. It establishes a homogeneous, responsible approach to tackling opportunities and risks and promotes a uniform understanding of risk management within the Swiss Prime Site Group. Each group company also issues further specific requirements and measures.

Systematic risk management process at all levels

The Swiss Prime Site Group's risk management system is made up of the following elements: principles, control environment, communication, organisation, processes.



The principles ensure all employees have a uniform understanding of risk and an adequate level of risk awareness. These are considered when engaging in dialogue with all stakeholders (risk owners).

The control environment is influenced primarily by the Board of Directors and Executive Board through their responsibilities, risk awareness and organisational measures to safeguard effective business operations. This is supplemented by the Company's basic ethical values, the organisational structure, rules of conduct and clear responsibilities.

One fundamental pillar of risk management is transparent communication with internal and external stakeholders. All employees are required to maintain an ongoing dialogue about opportunities and risks.

In the Swiss Prime Site Group's risk organisation structure, the Board of Directors has overall responsibility within the scope of its supervisory duties by defining the risk strategy. The Executive Board is responsible for operational implementation. It is supported in this task by the Group Risk Management department, which is responsible for the group-wide coordination and steering of the risk management process. Fundamentally, all employees contribute towards a considered approach to opportunities and risks.

The risk management process encompasses all activities for the management of opportunities and risks. Risks are identified within the scope of annual risk meetings between the Executive Board and the Risk & Audit Committee of the respective group company and between all risk owners and the Group Risk Management department (top-down). Along with an analysis of individual systems and processes (bottom-up), this produces a risk inventory for each group company.

The identified risks are assessed in relation to their causes and impact and assigned to appropriate risk categories (strategic, external, operational, financial and compliance risks) and risk owners. They are then rated according to their financial loss potential and probability of occurrence. The resulting risk profile also quantifies the value of the required risk management measures as well as the effects that adverse media reports would have on the group's reputation.

At group level, risks are reported yearly to the Board of Directors and Executive Board. This consists of a consolidated risk report and risk inventory. At group company level, similar reports are submitted to the relevant Board of Directors and Executive Management.

Most important risks in the various business fields

In 2019, the revaluation of real estate, changes in interest rates and general financial market risk when refinancing were among the most important risks with medium loss potential and an average probability of occurrence in the real estate sector. By proactively managing vacancy risk, Swiss Prime Site kept vacancy rates stable and below 5% despite the difficult market environment.

The main challenges faced by group companies in the services sector were new regulatory requirements (Tertianum), changes in customer requirements due to the digital transformation and competition in their respective markets (Wincasa, Jelmoli).

Comprehensive assessment of cyber and climate risks

Swiss Prime Site focused particular attention on cyber risks for the first time in 2017. Although the advance of digitalisation is creating many opportunities in the real estate sector, especially in customer interaction and the smart control of processes, new cyber risks such as sabotage or data theft have arisen. In 2019, Swiss Prime Site therefore drew up its first risk inventory for this key risk situation and defined appropriate countermeasures.

Besides digitalisation, climate change is having a significant impact on the business activities of the Swiss Prime Site Group. Since 2017, the Company has made a clear commitment to the climate goals in the Paris Agreement. In taking a proactive approach to climate risks, the Company is also helping to protect its own business activities. In 2019, for the first time, Swiss Prime Site therefore carried out a detailed analysis of climate-related financial risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For detailed information, refer to the TCFD report of Swiss Prime Site.

Strategy

Investments and focus

Swiss Prime Site Group's objective is aimed at achieving constant growth and a sustainable trend in profitability. To realise this goal, the Company has executed substantial investments in the core real estate business. Prime properties with attractive yields located in Switzerland are regarded as the focal point of this strategy. With a 43% share in the portfolio of CHF 11.8 billion, Zurich is currently the most important strategic region. The region around the Lake Geneva basin is also experiencing strong growth. Swiss Prime Site focuses on commercial-use areas and units, utilising in-house expertise to sustainably develop, reposition and modernise properties and sites.

Earnings diversification and synergies

Existing real estate-related business fields are being expanded in order to further strengthen diversification of the business model. Swiss Prime Site currently boasts attractive group companies with Wincasa, Tertianum, Jelmoli and Swiss Prime Site Solutions. These group companies provide services for the group as well as for third parties that are heavily in demand on the market, against the backdrop of the core real estate business. The goals are focused on significantly boosting the contributions to revenues and operating income in addition to enhancing the synergies within the group and individual group companies.

Innovation and sustainability

As Switzerland's largest listed real estate company, Swiss Prime Site aims to be an innovation leader. Hence, the Company has created positions at the group level and in the individual group companies that are exclusively engaged in developing innovative technologies, techniques and processes. The objective is directed at equipping the group for facing future challenges and changing markets – particularly amid times of disruptive transitions. The key factors include sustainability, in addition to innovation and digitalisation. In all these aspects, conscious sustainability-oriented management ensures the future viability and success of the Company.

2020 targets

<5 %

Vacancy rate

~45 %

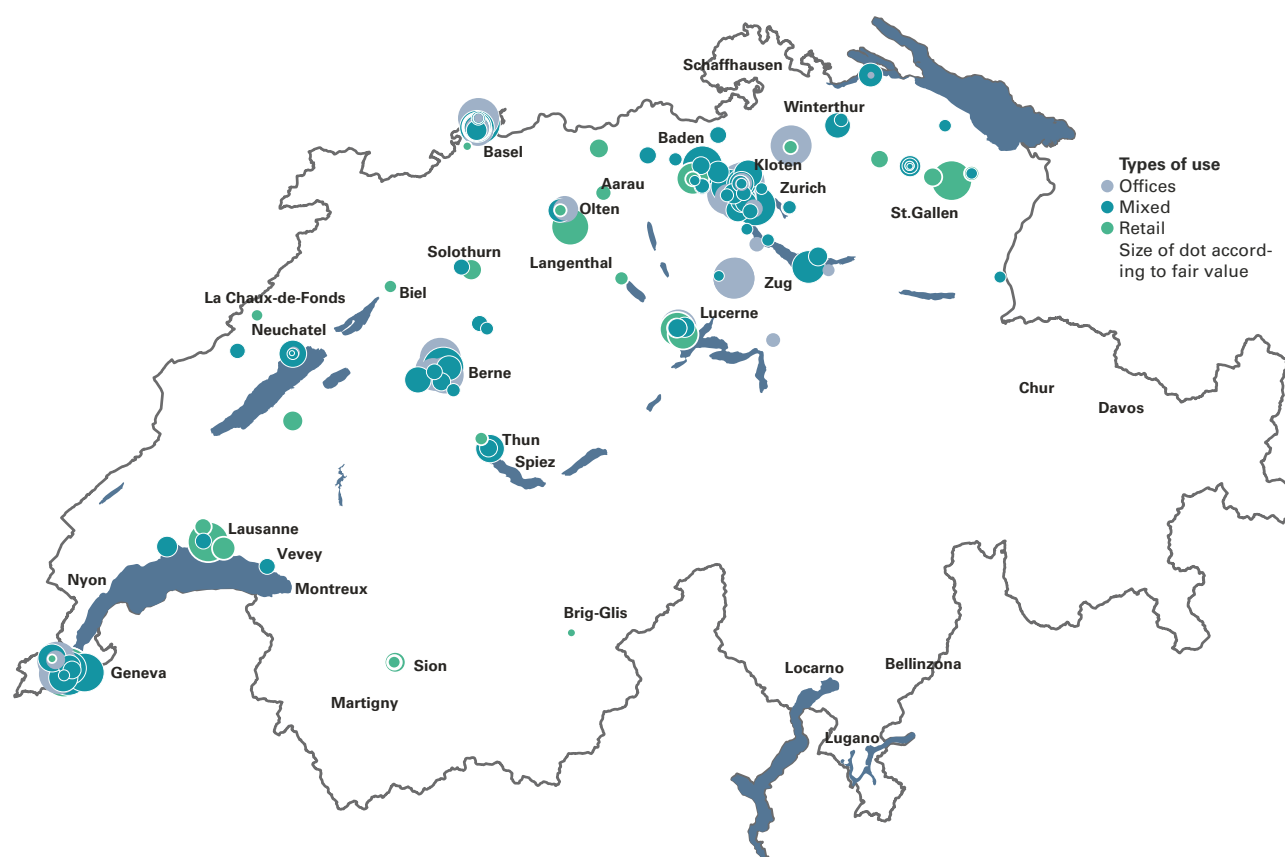
Equity ratio

6–8 %

Return on equity



Property portfolio



Expansion and growth

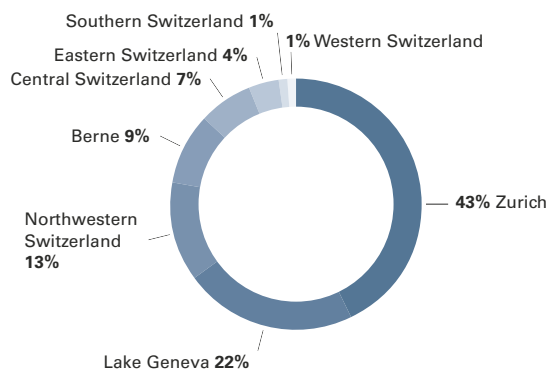
The formation of Swiss Prime Site in 1999 by the Credit Suisse Pension Fund, Siemens Pension Fund and Winterthur Leben (today: AXA) laid the foundation for the current property portfolio. The value of the real estate holdings grew through acquisitions and significant self-development projects to roughly CHF 3.8 billion (2008) within less than ten years. With the acquisition of the Jel-moli properties in 2009, the Company once again more than doubled its real estate portfolio. Additional key projects such as PrimeTower and SkyKey in Zurich and EspacePost in Berne as well as acquisitions (2013: Tertium properties) boosted the quality and the size of the property portfolio considerably. The fair value of the real estate held by Swiss Prime Site amounted to CHF 11.8 billion as at the end of 2019.

Geographic allocation

Swiss Prime Site's real estate portfolio boasts a high level of quality of property and location. According to Wüest Partner, roughly 80% of the group's properties rank in the quadrants with the highest quality based on the overall market. Such strategic positioning is attributable to the fact that the properties enjoy brisk demand despite the challenging market. The majority of properties (76%) are located in German-speaking Switzerland. In this context, canton Zurich and particularly Zurich City account for the lion's share in this region with 43%. Another focus region is the Lake Geneva basin (22%).

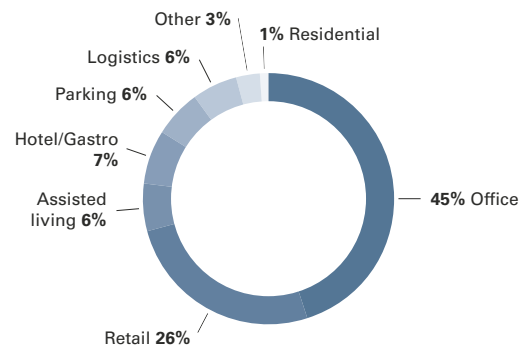
Portfolio split by region

Basis: fair value as at 31.12.2019



Portfolio split by type of use¹

Basis: net rental income as at 31.12.2019



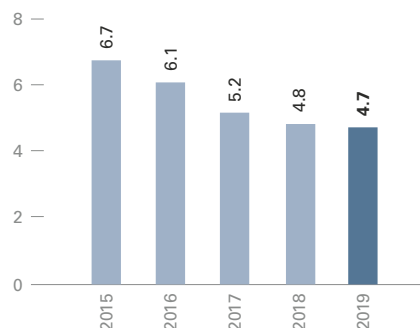
¹ Real Estate segment

Utilisation

Swiss Prime Site has focused its portfolio of high-quality, value-retaining properties situated in prime locations primarily on commercial and services businesses and their needs. Of the 1.6 million m² of total available floor space, 45% is currently leased as office space and 26% as retail units. Utilisation of the Company's real estate by group company Tertium accounts for 6%. Hotel/gastronomy, logistics and parking are regarded as additional supplemental types of use. The real estate portfolio's maturity profile is long term and thus attractive. Roughly 22% of net rental income is generated with rental agreements with a term of ten years or more. Another 34% of the portfolio is subject to renewed leasing at terms of between four and nine years.

Swiss Prime Site has succeeded in significantly reducing the vacancy rate of its real estate holdings (187 properties) over recent years. The 2019 rate was a low 4.7%.

Vacancy rate in %



Project pipeline

Development and project planning

One of Swiss Prime Site Immobilien's strengths is its ability to develop its own projects. This paves the way for the Company to operate with a high degree of independence from market cycles. In accordance with the business model, acquired land, sites or properties that no longer sufficiently conform to the current standards are subject to analysis, then optimised, developed and transformed to meet customer or market needs.

Development projects are based on the group's strategic goals aimed at boosting organic growth and increasing corporate profitability. Earnings from completed projects accrue in the form of revaluation gains, rising tenant income and sales proceeds. New projects developed by Swiss Prime Site Immobilien generally exhibit above-average net yields versus the market as well as the existing portfolio.

The investment volume of Swiss Prime Site Immobilien's project pipeline amounts to around CHF 2 billion as at the end of 2019.

Projects under construction

Construction projects have a total investment volume (including land) of around CHF 850 million. In 2020, there will be a total of six projects under construction. The most significant investments are being carried out in the large-scale Espace Tourbillon building complex in Plan-les-Ouates. Two of the five buildings to be erected had already been sold shortly after construction began in the second half of 2017. One house is being sold by way of condominium ownership.

The former NZZ printing facility will undergo a significant upgrade by 2020 under the new name JED – Join. Explore. Dare. The easily accessible site will be positioned in the long term as a centre for innovation, entrepreneurship, knowledge transfer and attractive working environments. With the signing of long-term rental agreements with Halter and Zühlke, two well-known anchor tenants have already been found for the existing building. The logistics real estate West-Log, featuring office space on the upper floors, is being created within walking distance of Zurich Altstetten train station and will also have a direct connection to the A1 motorway. This ideally situated building will enable the anchor tenant Elektro-Material AG to distribute its goods quickly and cost effectively within the city of Zurich and the surrounding area. Swiss Prime Site Immobilien is thereby serving the growing market for urban logistics, which is becoming increasingly important in the e-commerce era.

Projects in planning phase

At the end of 2019, projects in the planning phase had an estimated investment volume (including land portions) of around CHF 940 million. Of these projects, the largest individual project will be Alto Pont-Rouge in Lancy. The project plays a significant role for the Geneva region in its form and due to its location, since another transportation juncture and economic hub will be created for the city as a result. Based on current planning, an investment of around CHF 280 million will be made in the construction and operation of approximately 31 000 m² of additional rental floor space.

Stücki Park will be thoroughly developed to make it more attractive and future oriented. The key expansion of the already existing laboratory and office floor space will be carried out in two phases. 50% has already been leased in advance to Lonza in the first phase. Four new buildings situated between the already fully leased Business Park and shopping centre will noticeably expand the total floor space. The rentable space will double to more than 60 000 m². Consequently, the project will meet the region's needs for laboratory and office floor space, creating room for an additional 1 700 workplaces. The laboratory and office floor space constitutes a key element for the successful and sustainable future development of the entire site, where innovation, entertainment, wellness, healthcare, research and shopping are all interwoven in an overall concept.

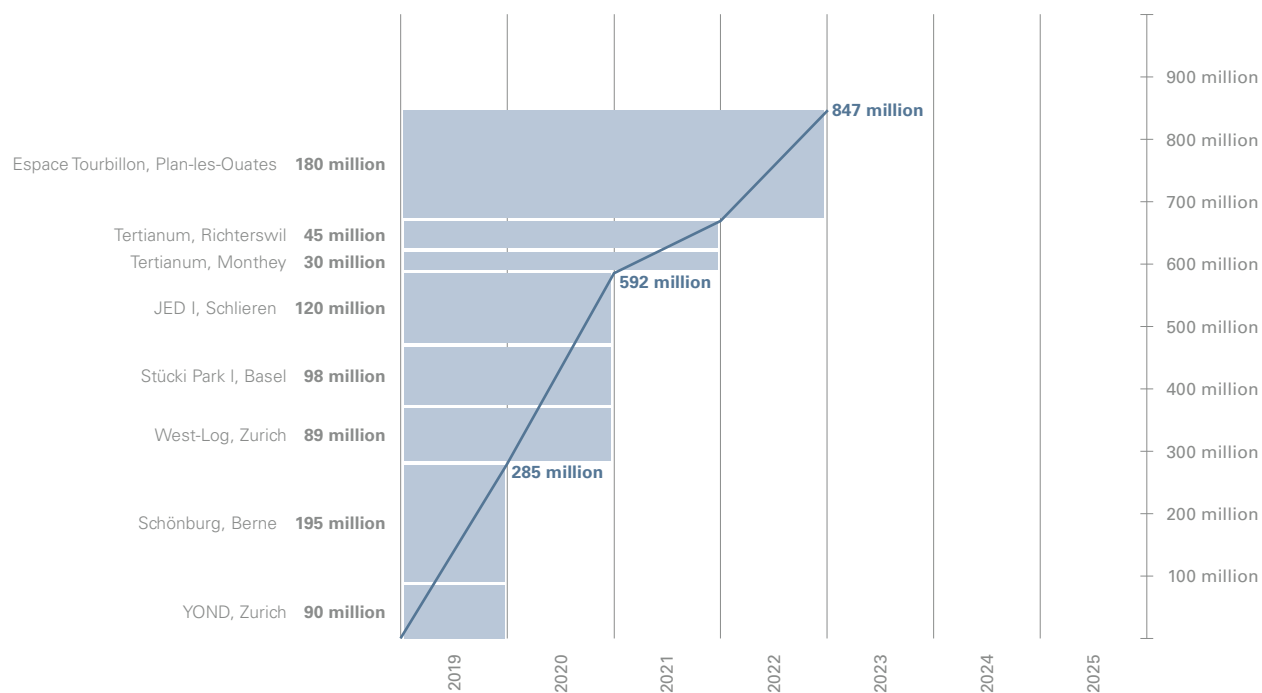
Four projects for the construction of new elderly care homes (Monthey, Olten, Richterswil) and a residence (Paradiso) for Ter-tianum are currently in the planning stage or already under construction.

The company also plans to realise flexible projects designed for future generations of tenants in Schlieren – JED II or 2226 – and in Zurich – Müllerstrasse, maaglive – in the coming years.

In addition, Swiss Prime Site Immobilien has land reserves and considerable utilisation reserves in its stock.

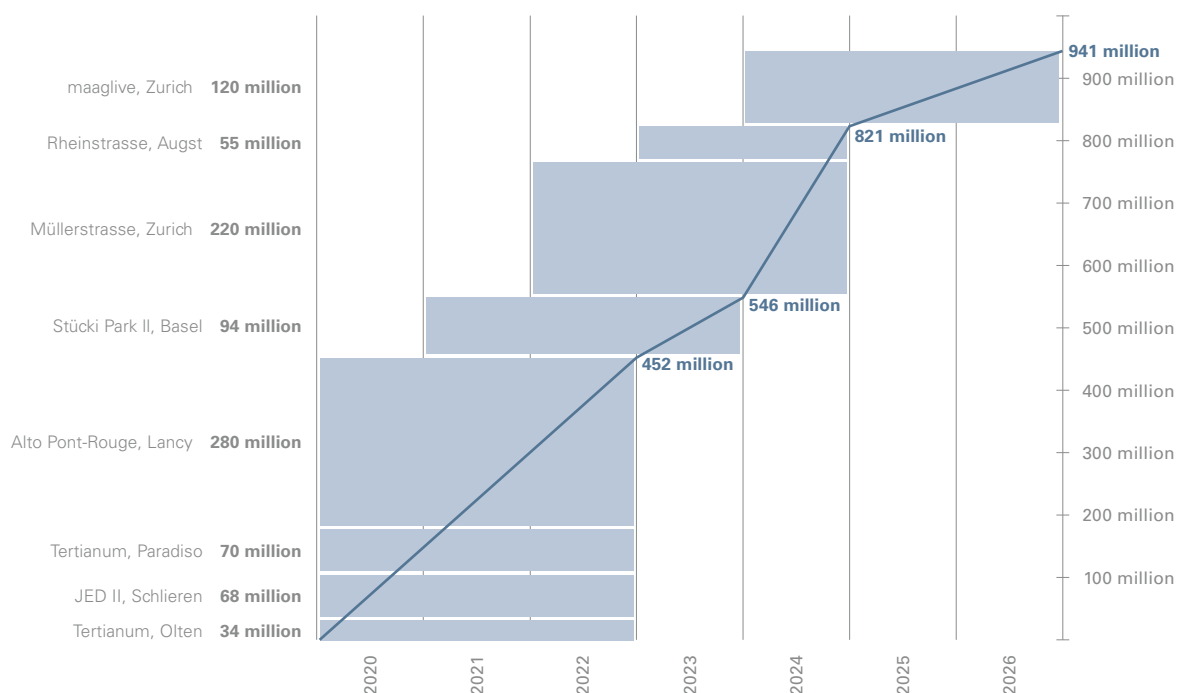
Projects under construction

Value in CHF



Projects in planning phase

Value in CHF





Assuming responsibility

In the reporting year, Swiss Prime Site developed a detailed CO₂ reduction pathway for the entire property portfolio. A CO₂ mitigation target that falls well below the 2-degree goal set out in the Paris Agreement is being pursued with planned investments of over CHF 650 million by 2050.

On 28 August 2019, the Federal Council decided that, from 2050 onwards, Switzerland should emit no more greenhouse gases into the atmosphere than can be captured and stored in natural and technological sinks. This means that our government is going considerably above and beyond its existing commitments under the Paris Agreement.

It has been two years since the publication of Swiss Prime Site's first comprehensive sustainability report and we can now look back and take stock. Over the course of these two years, there has been a great deal of movement in the area of sustainability and the environment, at both political and social level. Climate activists are dominating the headlines and panel discussions, and the «green wave» has dominated numerous new elections of European parliaments, which are reacting with a clear stance on climate goals.

While the 2-degree goal, which we committed to back in 2017, was fairly difficult to understand as a scientifically derived value, «net zero» leaves no room for interpretation. That's a good thing, but is the target actually achievable? This is precisely the question we aimed to answer when pursuing our own objective of developing a reduction pathway for the entire Swiss Prime Site property portfolio by the end of 2019.

This detailed reduction pathway, which is being published for the first time in this report, forecasts an influenceable 75% reduction in relative CO₂ emissions (intensity) by the year 2050 for the approx. 1.6 million m² of floorspace, assuming a continued average increase in area of 20 000 m² per year.

We are very optimistic that we can fall well below the limits of the 2-degree goal with all the measures available to us. It is also clear, however, that we will not be able to achieve «net zero» without the help of possibilities to offset. At the same time, assuming responsibility also means recognising the limits of what is possible and – in contrast to politics – not hastily spreading ideas that aren't feasible in reality.

Responsibility and credibility

It paints a deceptive picture when governments, and thus individual companies, are already committing themselves to zero emissions without having any real idea about whether and how they can achieve this ambitious goal or how much they will have to invest in it. We have done the maths: more than CHF 650 million will be needed for investments in building shell renovations and replacement heating measures, which will need to be allocated appropriately over the next 30 years. In addition, we estimate the cost of carbon offsetting measures to be around CHF 2 million annually from 2050 onwards. But the good news is that we can afford this ambitious target without suffering financial losses or the total return being affected, as these costs have already been reflected in the individual property valuations.

We now see it as our clear-cut duty to take all necessary measures to consistently follow our reduction pathway and to represent it as an integral part of our long-term financial planning. At the same time, despite tackling the big challenge of continuously reducing CO₂ emissions, we must not lose sight of the other dimensions of our sustainability strategy. In particular, we have a responsibility to deal with the issue from all possible angles.

«We have a responsibility to pursue a long-term sustainability strategy that we can implement ourselves and which is part of our DNA.»

For Swiss Prime Site, assuming responsibility means considering a wide range of issues, continuing to evolve in all areas, and being a leading voice on relevant issues as one of the main players in the industry. The circular economy, green leasing, biodiversity and climate-adapted construction are just some of the current trends that we will be focusing our attention on in the coming months and years.

We earn credibility by addressing and dealing with these issues in specific projects. Removing, recycling and reusing an old aluminium façade as a fresh face for the same property in Zurich is just one example of the pragmatic approach we take to the complex topic of the circular economy.

Attitude and goals

Goals are supposed to be challenging, not formulated in a way that makes them easily attainable. We have analysed the progress made in the area of sustainability for the past two years

and come to the conclusion that we have already achieved a great deal. Nevertheless, we are still only at the very beginning of a long journey and a real transformation.

«Goals are supposed to be challenging, not formulated in a way that makes them easily attainable.»

The fact that the issue of sustainability has taken on a whole new significance at Swiss Prime Site is also due to members of the Board of Directors – namely the Chairman, Hans Peter Wehrli, and Barbara Frei-Spreiter – having joined the Sustainability Board this year. This board will make a decisive contribution to the formulation of goals in future and to the long-term orientation of the sustainability strategy.

In this report, we want to show in detail the areas in which we have made progress, as well as those where we believe action is still required. The task is to convey our specific company stance not only to expert analysts and interested shareholders and stakeholders, but also to our own employees, and to provide transparent and detailed answers to the question of how Swiss Prime Site can create sustainable value.

I hope you enjoy reading this report and that it gives you many interesting insights into our sustainability-oriented business activities.



Urs Baumann
Head Group Sustainability & Innovation



Stakeholder engagement

For Swiss Prime Site, engaging with all stakeholders is a key element of sustainable management. This means identifying needs and expectations in dialogue and gearing business activities towards meeting these in harmony with the corporate strategy. This improves the Company's reputation and image and helps it to create products and services that meet the requirements of the market. Swiss Prime Site also uses dialogue with a range of stakeholders to address current issues and challenges in greater depth. To this end, the Company holds a stakeholder panel with external stakeholders every two years, in addition to its ongoing interactions with them. In 2019, this all-day event was devoted to the topics of «urbanisation» and «intergenerationality».

2019 Stakeholder Panel

Swiss Prime Site's sustainability strategy is firmly anchored in its corporate strategy. The associated process, the methods and tools to be applied and the measures for achieving the sustainability goals are being constantly refined. This requires issues to be addressed on an ongoing basis by internal stakeholders and also calls for recurring dialogue with external parties.

Swiss Prime Site held a stakeholder panel for the first time in 2017. One recommendation to come out of it was that there should also be a focus on the issues that are of primary importance for the group companies. The 2019 Stakeholder Panel therefore dealt with the focus areas of «urbanisation» and «intergenerationality», which had been highlighted during the first panel back in 2017.

The number of participants at the latest panel was significantly higher than the first, as more than fifty internal and external stakeholders were personally invited to take part. In addition to experts, who were there to help kick-start the discussions with keynote presentations, selected tenants and business partners were also invited to the event in order to represent a cross-section of the various customer relationships. The internal stakeholders consisted of a strong group of representatives from the youngest generation in the Company, as well as members of various think-tanks from across the group.

Specific findings – Material issues

The 2019 Stakeholder Panel gave rise to three specific insights, which are included as key themes in the materiality matrix.

Planning and development process

The first issue that was highlighted as being material relates to the planning and development process. In the planning and development phase, the main question should be: «How can we create sustainable, climate-neutral social spaces and lively communities?»

The overriding goal – to ensure the agility and transformative capacity of companies and the economy as a whole – can also be applied to properties and entire sites. In cities and agglomerations, but also in the countryside, planning should therefore be based more on systems and scenarios, and less on rigid and isolated living, working and leisure concepts. However, this requires co-operation with other players – sometimes even competitors – as well as the linking of (existing) offerings.

Mention was made several times of the desirability of a cooperative mindset. As both an owner and an operator of social spaces, a cooperative adopts a holistic perspective. Swiss Prime Site faces the conundrum of harmonising such an approach with the earnings expectations of shareholders. One possible way of dealing with this problem could be to develop an all-embracing cost-income accounting system that creates more awareness of non-financial value creation in the future. Business decisions and expected long-term earnings could be influenced considerably by recording, describing and, where possible, quantifying social and environmental impacts.

Operational phase – Life on a site, in a community

If the foundations have already been laid during the planning phase to ensure that properties or entire sites are highly agile and adaptive, this opens up opportunities within the Company to create diverse communities through suitable infrastructure, offerings and incentive systems. The idea is to also try out new things in the real estate sector by involving user groups and being open to the fact that some ideas will inevitably fail. Such an approach requires courage, patience and – ultimately – investment capacity. However, it also makes it possible for a property or a site to evolve over time and continuously adapt to social needs. The experiences of various experts on the stakeholder panel show that a «care taker» role is needed in such situations. In other words, someone who promotes active networking and thus a lively community, but without forcing anyone to participate.

Regulatory environment

In order to implement the measures described, there must also be more room to move within the applicable regulatory environ-

ment. A shared culture of development and habitat design must also be supported by the authorities. With regard to making the planning laws more flexible, it may even be necessary for Swiss Prime Site to become more involved – either alone or within the context of associations. The case of the Zug Technology Cluster which was presented during the stakeholder panel shows the potential for a flexible development plan with various forms of use.

The lure of the city as a place of commerce, communication and innovation remains strong. Cities are continuing to attract young people, but the urban population as a whole is becoming older and older. Cities are therefore growing rapidly; at the same time, densification is reducing the amount of (public) space. Many people can no longer afford to live close to the centre, which is having a corresponding impact on the functional and social mix. To avoid becoming victims of their own success, cities need spaces that encourage interaction and foster a sense of community. Intergenerationality also includes enabling social interaction between different generations, as well as new ways of living and family models.

Panel statement

To think in terms of systems and scenarios, and to plan and develop together with groups of users or even competitors, more time must be reserved for these processes and dialogues. This will make it possible to try new things. There was also a call to build and operate properties in the style of cooperatives. Among other things, this means incentive systems for diversity (age, social classes, life stages, uses, etc.) as well as compact neighbourhoods.

Antiquated laws often make it difficult or even impossible to implement new ideas. Modernisation of the Spatial Planning Act, with more flexible building and zoning regulations, requires greater involvement by the various real estate players and by Swiss Prime Site itself.

Presentations by experts

Markus Koschenz, lecturer at the Lucerne University of Applied Sciences and Arts, conveyed the following key message in his presentation «Building and living in the age of climate change»: «Climate change is posing big challenges for real estate and the mobility of the future. With their long useful lives, new buildings are already having to meet the target of carbon neutrality.»

In her presentation «Demographic change and assisted living», **Antonia Jann**, Managing Director of Age Foundation, emphasised the following: «Assisted living only rarely means life in a care home. Rather, intergenerational housing models are needed that give older people a sense of belonging.»

In his presentation «Architecture is too slow – or when spatial structures outlive social needs», **Stefan Kurath**, professor at ZHAW and Head of the Institute of Urban Landscape, drew the following conclusion: «Sustainable building means creating structures that are robust, can be used flexibly and are not geared towards short-lived social trends.»

Beat Fellmann, Managing Director of Casea AG, drew this conclusion from «A commitment to living space»: «Providing a shared living space for different social classes and generations not only requires a functional and adaptable infrastructure but also a social contribution, such as a 'care taker' who promotes people's interaction and coexistence.»

In his keynote «Zug Technology Cluster – Planning and Building in a VUCA World», **Beat Weiss**, Managing Director of V-ZUG Immobilien AG, emphasised the importance of adaptable sites: «The creation of the Zug Technology Cluster is bringing a vertical factory to the centre of the city, in a district where the future mix of uses is not yet clear. In order to make such adaptable sites possible, planning legislation should be construed by the authorities more in a way that encourages rather than prevents.»

Materiality analysis

During the 2019 materiality analysis, Swiss Prime Site determined which issues are particularly important to its stakeholders and to safeguarding its short-, medium- and long-term business success. The Company also evaluated which issues have a significant impact on economic, social and environmental development. The materiality analysis thereby forms the basis for the strategic focus of reporting, as well as for the integration of important financial and non-financial issues into the management of the group (GRI 102-49).

Differentiated approach in three fields of activity

Due to their different characteristics, the various business activities of Swiss Prime Site call for a differentiated view of the material issues. The materiality analysis was therefore performed from the perspective of the following fields of activity:

- Real estate (Swiss Prime Site Immobilien, Wincasa, Swiss Prime Site Solutions)
- Retail (Jelmoli)
- Assisted living (Tertianum Group)

This approach made it possible to tailor the issues more to the different activities and their company-specific characteristics during the analysis. In the area of assisted living, for example, the health and safety of guests was identified as a key issue, while in the retail area aspects such as brand strategy and customer footfall were covered. For real estate, optimum connection of the properties, as well as resource consumption and CO₂ emissions, were highlighted as key factors.

The issues, which are prioritised on the basis of their materiality, are arranged according to the six capitals that determine the structure of the sustainability roadmap: stakeholders, finance, infrastructure, innovation, ecology and employees. The six capitals correspond to the sustainability dimensions introduced in 2016 and reflect the Company's integrated approach to creating sustainable value for the various stakeholder groups from a wide range of resources.

For each field of activity, the aim was to assess how important the particular issues are to the different stakeholders on the one hand, and to the business success of Swiss Prime Site on the other, and also how important the issue is with regard to the Company's impact on sustainable development. This procedure is derived from the sustainability reporting guidelines of the Global Reporting Initiative (GRI), which describe how to evaluate stakeholder relevance and assess impact. Assessing business relevance as the third dimension ensures that the material issues are closely related to the core business and can be integrated into the strategic management. The process is therefore also compatible with the recommendations of the International Integrated Reporting Council (IIRC).

Integration of internal and external stakeholders

To assess business relevance, representatives of the company management were interviewed. In order to include the opinions of the most important external stakeholders, Swiss Prime Site conducted an online survey. A total of 36 members of the Executive Board and Management Board, as well as 23 external stakeholders, were invited to take part in the assessment. The Company also took into account the findings of the 2019 Stakeholder Panel. The impact dimension was assessed in an internal analysis. The next materiality review will be conducted as part of the 2021 Stakeholder Panel (GRI 102-46).

Results of the materiality analysis

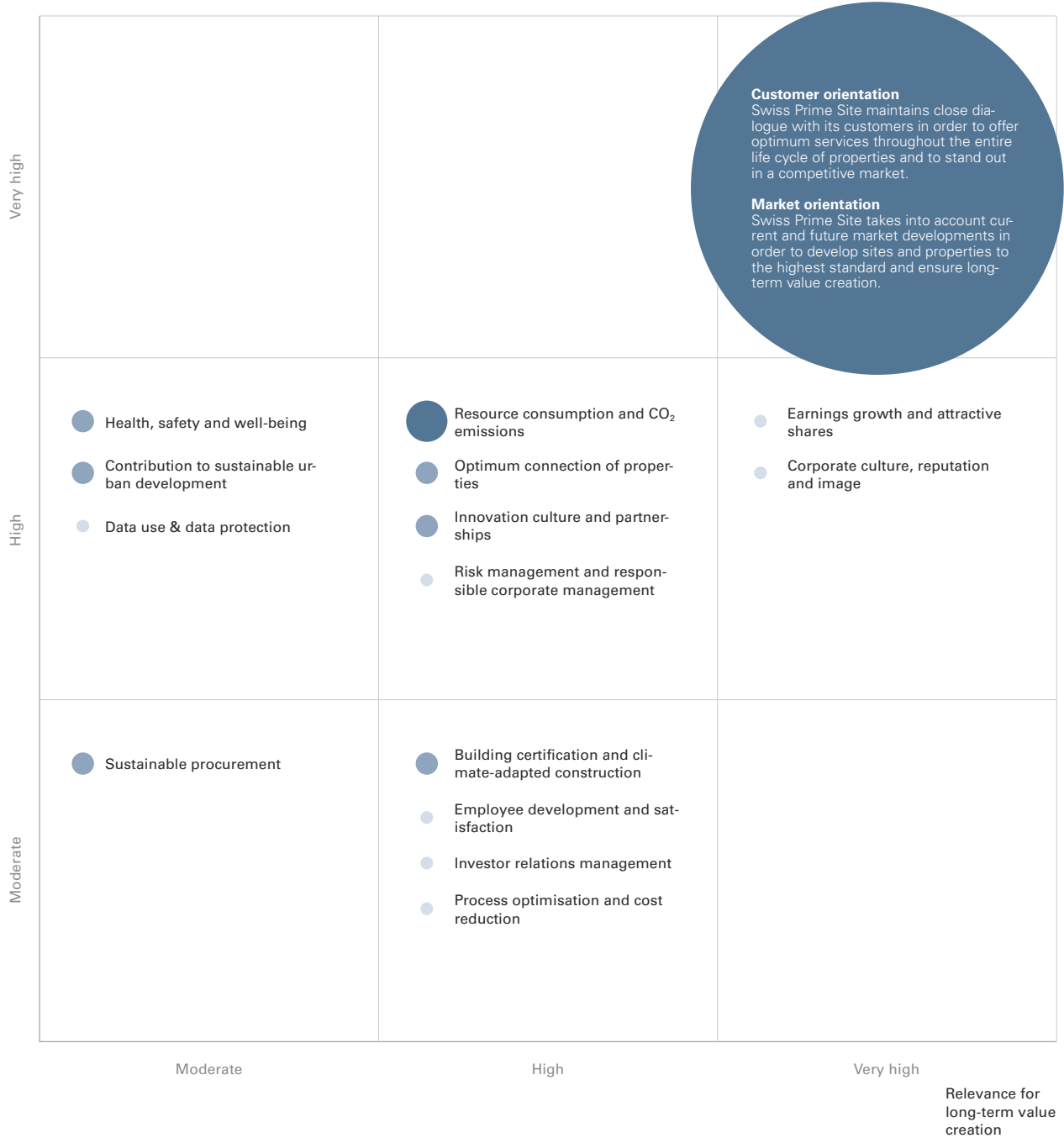
The following illustrations show which issues were deemed to be material in the materiality analysis in the three dimensions «relevance to stakeholders», «relevance to long-term value creation» and «impact on sustainable development». The focus here is on the results of the core real estate business.

Inclusion of material issues in goal setting

The materiality analysis serves to align the financial and non-financial reporting with these material issues. The identified issues are systematically covered in this Annual Report and in the accompanying GRI Report. The materiality analysis also serves as a starting point for further improving the integrated management of financial and non-financial aspects. During the implementation of the sustainability roadmap, the Company defines goals from which it then derives measures that correspond to the material issues.

Real estate materiality matrix

Relevance for stakeholders



Impact on sustainable development

Moderate







High

Very high

Determination of material issues

The following illustrations show the issues that were assessed by internal and external stakeholders and highlighted as material during the materiality analysis.

Real estate

Capital	Issues assessed		Material issues
Stakeholders	Customer orientation		Customer orientation Investor relations management Contribution to sustainable urban development
	Investor relations management		
	Social engagement		
	Creation of networks		
	Economic contribution		
	Responsible management and compliance		
	Political commitment		
	Contribution to sustainable urban development		
Finance	Earnings growth		Earnings growth and attractive shares Risk management and responsible corporate management
	Cost reduction		
	Risk management		
	Vacancy management		
	Attractive share		
Infrastructure	Efficient services		Process optimisation and cost reduction Optimum connection of properties
	Supplier management		
	Optimisation of processes / Tracking		
	Efficiency portfolio / Modernisation		
	Optimum connection of properties		
Innovation	Innovation pool / Development		Corporate culture, reputation and image Data use & data protection Market orientation Innovation culture and partnerships
	Corporate culture, reputation and image		
	Data use & data protection		
	Market orientation		
	Innovation culture		
Ecology	Innovation partnerships		Resource consumption and CO ₂ emissions Building certifications and climate-adapted construction Sustainable procurement
	Optimisation of resource consumption		
	Reduction of CO ₂ emissions		
	Raising awareness		
	Building certifications		
	Biodiversity		
Employees	Environmentally friendly supply chain		Employee development and satisfaction Health, safety and well-being
	Climate-adapted construction		
	Staff development		
	Employee equality and diversity		
	Occupational health and safety		
	Employee satisfaction		
	Attractive working conditions		
	Work-life balance		

Overview of material issues (GRI 102-47)

Capital	Material issue	Field of activity	GRI standard / Info / Further chapters
Stakeholders	Customer orientation	Real estate / Assisted living / Retail	GRI 102-40 to 102-44 – Stakeholder engagement GRI 417 Marketing and labelling
	Investor relations management	Real estate	GRI 102-40 to 102-44 – Stakeholder engagement
	Contribution to sustainable urban development	Real estate	GRI 203 – Indirect economic impacts
	Health and safety of guests	Assisted living	GRI 416 – Customer health and safety
	Social contribution	Assisted living	GRI 203 – Indirect economic impacts
	Resident engagement	Assisted living	GRI 102-40 to 102-44 – Stakeholder engagement
	Brand strategy and anchor tenants	Retail	GRI 102-40 to 102-44 – Stakeholder engagement GRI 201 – Economic performance
Finance	Sustainable products and promotion of sustainable purchasing behaviour	Retail	CRE 8
	Earnings growth and attractive shares	Real estate	GRI 201 – Economic performance
	Risk management and responsible corporate management	Real estate / Assisted living / Retail	Risk management
	Vacancy management	Assisted living / Retail	GRI 201 – Economic performance
	Increase in footfall and turnover for retail tenants	Retail	Integrated value creation
Infrastructure	Process optimisation and cost reduction	Real estate / Assisted living / Retail	GRI 201 – Economic performance
	Optimum connection of properties	Real estate	Integrated value creation
	Product safety and quality	Retail	GRI 416 – Customer health and safety
Innovation	Corporate culture, reputation and image	Real estate / Assisted living / Retail	GRI 102-16 – Values, principles, standards, and norms of behaviour
	Data use & data protection	Real estate / Assisted living / Retail	GRI 418 – Customer privacy
	Market orientation	Real estate / Assisted living / Retail	GRI 102-40 to 102-44 – Stakeholder engagement GRI 201 – Economic performance
	Innovation culture and partnerships	Real estate / Assisted living / Retail	Own SPS topic
Ecology	Resource consumption and CO ₂ emissions	Real estate / Assisted living / Retail	GRI 302 – Energy GRI 303 – Water GRI 305 – Emissions GRI 306 – Effluents and waste
	Building certifications and climate-adapted construction	Real estate / Assisted living	GRI 302 – Energy GRI 303 – Water GRI 305 – Emissions GRI 306 – Effluents and waste
	Sustainable procurement	Real estate / Assisted living / Retail	GRI 102-9 – Supply chain GRI 308 – Supplier environmental assessment GRI 414 – Supplier social assessment
	Avoidance of plastic waste and food waste	Retail	GRI 306 – Effluents and waste
	Employee development and satisfaction	Real estate / Assisted living / Retail	GRI 404 – Training and education
Employees	Health, safety and well-being	Real estate / Assisted living / Retail	GRI 403 – Occupational health and safety
	Employee equality and diversity	Assisted living / Retail	GRI 405 – Diversity and equal opportunities GRI 406 – Non-discrimination

Sustainability goals and roadmap

Swiss Prime Site sets itself long-term goals. When doing so, it is guided by national and international frameworks, such as the Energy Strategy 2050, the Paris Agreement and the Sustainable Development Goals (SDGs) of the United Nations. Sustainability management is focused on the material issues defined during the 2019 materiality process. From these, Swiss Prime Site derives a sustainability roadmap, which includes responsibilities, short- and medium-term goals and corresponding implementation measures. This roadmap forms an integral part of the annual business-plan process. The roadmap is structured according to the six capitals of the «integrated reporting» approach. On the basis of this roadmap, Swiss Prime Site assesses the achievement of goals and defines additional measures if they are not met.

Sustainability goals are set across the six capitals, both at group level and for the individual group companies. Whereas the group's

overarching goals are described for all six dimensions, the main focus at the operational level for 2018 and 2019 was on the working environment, digitalisation and raising energy-efficiency levels in the group's operations and its property portfolio.

Our achievements in 2018/2019



Stakeholders

Following on from Swiss Prime Site's first stakeholder panel in 2017, a second panel was held on the topics of «urbanisation» and «intergenerationality». Among other things, the discussions with external stakeholders and experts served as input for revising the Swiss Prime Site materiality matrix.



Infrastructure

Swiss Prime Site standardised the requirements for applying Building Information Modelling (BIM) to all new developments.



Ecology

In addition to extending the carbon accounting concept, Swiss Prime Site developed a wide-reaching CO₂ reduction pathway for the entire property portfolio.



Finance

Reporting on climate-related financial risks was introduced in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



Innovation

Swiss Prime Site organised interdisciplinary workshops on megatrends and future-relevant issues. In 2019, these included climate change and changing social values. The aim was to develop specific ideas and to establish innovative thinking in the corporate culture.




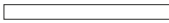










Employees

The group-wide trainee programme was successfully introduced. It will give talented youngsters an insight into the diverse areas of activity at Swiss Prime Site and strengthen the employer brand.

Goal achievement 2018/Goals 2020

Swiss Prime Site Group

	2018 goals	Goal achievement level 2018 (0–100%)	2020 goals
Stakeholders	Hold a second stakeholder panel and expand the network with start-ups		Hold Academy Day
Finance	Develop scenarios to identify possible risks to Swiss Prime Site's business from climate change		Issue green bond
	Report on scenarios based on TCFD (Task Force on Climate-related Financial Disclosures) recommendations		
Infrastructure	All employees to re-commit to the Code of Conduct		Prepare certification of group according to ESG criteria (certification 2021)
	Evaluate functional adequacy of 2018 data-protection concept		Complete review of data protection concept
Innovation	Formulate uniform BIM (Building Information Modelling) parameters for all new developments		
	Specify all new developments based on BIM (Building Information Modelling) parameters		Roll out BIM parameters for all new development projects from 1 January 2020
Ecology	Compile key environmental metrics in accordance with carbon-accounting concept		
	Cut revenue-related CO ₂ emissions by at least 5%		Cut revenue-related CO ₂ emissions by at least 5%
Employees	Continue leadership training courses		
	Start trainee programme		
	Average fluctuation rate < 18%		Average fluctuation rate < 20%

The overview shows that the majority of the defined goals were met. However, the requirement for all employees to recommit to the Code of Conduct was not implemented. Instead, new employees were given a presentation on the Code of Conduct within the context of the Welcome Days.

There is further need for improvement with regard to implementing Building Information Modelling (BIM) for new development projects and reducing the turnover rate. Corresponding goals for 2020 were set during the reporting year. The data-protection concept was introduced as planned – a detailed evaluation of its functional adequacy is scheduled for 2020. To further reduce the impact on the environment, for 2020 Swiss Prime Site is aiming to cut revenue-related CO₂ emissions by at least 5%. Furthermore, initial discussions will be held in 2020 on how to certify the entire Swiss Prime Site Group according to ESG criteria from 2021 onwards. The Company fell far short of its goal of reducing the turnover rate to below 18%. Swiss Prime Site will therefore endeavour in 2020 to reduce the turnover rate to below 20%, which is still an ambitious goal.

Swiss Prime Site Immobilien

	2018 goals	Goal achievement level 2018 (0–100%)	2020 goals
Infrastructure	Evaluate all development projects according to SNBS criteria		Individual property valuations according to ESG criteria completed for entire property portfolio
	Obtain sustainability certification for at least two new construction projects		
Ecology	Develop a reduction pathway towards the 2-degree goal		Property strategy according to CO ₂ reduction pathway implemented for entire property portfolio
	Quantify key environmental metrics for company operations and third-party tenants		Circular Economy pilot project completed
Employees	Conduct employee survey		
	Cut absentee rates to below 2%		

The progress made at Swiss Prime Site Immobilien was also positive overall. The properties to be certified according to the current Swiss Sustainable Building Standards (SNBS) were still in the planning or construction phase at the end of 2019. In 2020, Swiss

Prime Site is aiming to assess all properties in its portfolio according to ESG criteria. In addition, the full quantification of key environmental metrics for company operations and third-party tenants is to be completed in 2020.

Swiss Prime Site Solutions

2020 goals

Quantify key sustainability metrics for Swiss Prime Investment Foundation portfolio
Establish a foreign presence at the mandate of the Swiss Prime Investment Foundation

As Swiss Prime Site Solutions has not been included in the current sustainability roadmap, it is not yet possible to draw any conclusions as to the achievement of goals for the group company.

For 2020, the updated sustainability roadmap has defined the two goals shown above.

Wincasa

	2018 goals	Goal achievement level 2018 (0–100%)	2020 goals
Infrastructure	Process digitalisation: Further development of MyWincasa / streamnow		Assets under management > CHF 72.5 billion
	Establish mobility concept based on 5% cut in CO ₂ emissions		Complete ERP replacement pilot project
Ecology	Compile key environmental metrics in accordance with carbon accounting concept		Reduce own energy consumption > 5%
	Quantify key environmental metrics for company operations and mobility		
Employees	Cut absentee rates to below 2.5%		Fluctuation rate < 20%
	Launch Career Website		

The MyWincasa tenant portal was replaced at the end of 2018 with the streamnow platform, which allows users to quickly and easily deal with all matters relating to the property and the tenancy from anywhere. In addition, for the relocation of the headquarters to Zurich Albisrieden, Wincasa developed a new concept in place of the originally planned mobility concept. It takes account of

slow-moving traffic and will also be used at the Zurich Reitergasse office in future, before being rolled out to all locations in Switzerland at a later stage. The goal of reducing the employee absentee rate to less than 2.5% was not met. In 2020, it will be vital to focus on the goal of reducing the turnover rate to below 20%.

Jelmoli

	2018 goals	Goal achievement level 2018 (0–100%)	2020 goals
Infrastructure	Process digitalisation: Introduce electronic contract management	<div><div></div></div>	Complete relaunch of online shop
	Quantify key sustainability metrics for suppliers	<div><div></div></div>	Complete quantification of ESG metrics for suppliers
	Discontinue sales of real fur products	<div><div></div></div>	
	Conduct client survey	<div><div></div></div>	Footfall survey and evaluation metrics per floor and individual area
Ecology	Quantify key environmental metrics for operations	<div><div></div></div>	
Employees	Cut absentee rates to below 3%	<div><div></div></div>	Fluctuation rate < 20%

In 2018 and 2019, Jelmoli made substantial progress in various areas. Electronic contract management was introduced as planned, although the technical development and support functions will still need to be reorganised in the future. Another important move was the decision to stop selling real fur. The Jelmoli range has been completely fur-free since March 2019. In the area of supplier management, a system was introduced for assessing suppliers according to sustainability criteria, and a new code of conduct was sent out to all suppliers. However, it will be two years before any meaningful conclusions can be drawn as to whether the requirements have been met.

With regard to the environment, Jelmoli pushed ahead with the quantification of key environmental metrics for the company and improved the sustainability of packaging material used in the department store by replacing all plastic carrier bags with paper bags. The company fell just short of meeting the goal of reducing the absentee rate to less than 3%. In 2020, it will be vital to significantly reduce the turnover rate to a maximum of 20%.

Tertianum

	2018 goals	Goal achievement level 2018 (0–100%)	2020 goals
Infrastructure	Process digitalisation: Roll out SAP and careCoach across Switzerland	<div><div></div></div>	Closing in the first quarter of 2020
	Complete pension fund standardisation	<div><div></div></div>	
	Reduce the vacancy rate (care places) by at least 5% compared to BP/budget based on 2017 level	<div><div></div></div>	
Ecology	Quantify key environmental metrics for operations	<div><div></div></div>	
Employees	Introduce a uniform wage system in German-speaking Switzerland and Ticino	<div><div></div></div>	
	Introduce a uniform wage system in French-speaking Switzerland	<div><div></div></div>	

Overall, Tertianum made very good progress towards meeting the defined goals. In particular, the introduction of new IT systems in German- and French-speaking Switzerland are improving the processes enormously. The reduction of the vacancy rate also contributed towards the pleasing economic result of the Tertianum Group. While it was possible to introduce a uniform wage system in German-speaking Switzerland and Ticino, a legal examination revealed that such a system could not be standardised in

French-speaking Switzerland because of the link to collective labour agreements (CLA).

As announced in December 2019, the fund Capvis Equity V LP, which is advised by the Swiss investment company Capvis AG (together «Capvis»), is acquiring the Tertianum Group from Swiss Prime Site. Closing of the contract is expected in the first quarter of 2020.

Long-term alignment with the Sustainable Development Goals (SDGs)

The objectives of Swiss Prime Site are based on the Sustainable Development Goals (SDGs) adopted by the UN member states. The 17 SDGs and their 169 constituent targets came into effect on 1 January 2016 for a period of 15 years. They are part of the 2030 Agenda for Sustainable Development and are aimed at governments, the private sector, the scientific community and civil society. Companies can use the SDGs as points of reference to link their commitments and key performance indicators to sustainable development at the global level.

Contribution of the Swiss Prime Site Group

In accordance with the principle of materiality, Swiss Prime Site determined which SDGs it can influence most significantly with its business activities. To this end, the Company first assigned all SDGs to the six dimensions of the sustainability roadmap. The following goals are less relevant to Swiss Prime Site or cannot be influenced by it: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-Being), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 10 (Reduced Inequalities), SDG 14 (Life Below Water), SDG 15 (Life On Land), SDG 16 (Peace, Justice and Strong Institutions). In addition, due to the clearly defined statutory provisions that apply to employers and employees in Switzerland, SDG 5 (Gender Equality) was excluded on the grounds that all businesses are expected to observe the goal anyway as a matter of course.

Determination of goals

Stakeholders	<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> <div></div>	<div>1</div> <div>NO POVERTY</div> <div></div>	<div>2</div> <div>ZERO HUNGER</div> <div></div>	<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div></div>	
Finance	<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div>				
Infrastructure	<div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div></div>				
Innovation	<div>9</div> <div>INDUSTRY INNOVATION AND INFRASTRUCTURE</div> <div></div>				
Ecology	<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	<div>13</div> <div>CLIMATE ACTION</div> <div></div>	<div>6</div> <div>CLEAN WATER AND SANITATION</div> <div></div>	<div>14</div> <div>LIFE BELOW WATER</div> <div></div>	<div>15</div> <div>LIFE ON LAND</div> <div></div>
Employees	<div>4</div> <div>QUALITY EDUCATION</div> <div></div>	<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div></div>	<div>5</div> <div>GENDER EQUALITY</div> <div></div>	<div>10</div> <div>REDUCED INEQUALITIES</div> <div></div>	<div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div></div>

 Material to Swiss Prime Site

Strategic goals

Partnership goals Strategic goals				
Corporate goals Group and project goals				








 Swiss Prime Site core business

In a second step, seven of the 17 SDGs which were identified as priorities in the initial process were then mapped onto the structure of Swiss Prime Site and its business fields using an additional matrix. The following goals were considered to be material to Swiss Prime Site: SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 17 (Partnerships for the Goals).

From these seven SDGs, Swiss Prime Site derived the following adapted goals:

Focus on safe, resilient and sustainable cities and settlements

It had already been suggested during the 2017 Stakeholder Panel that a guiding principle be defined for the Swiss Prime Site Group's corporate responsibility. The Company considers SDG 11 «Sustainable Cities and Communities» to be a suitable starting point for such a guiding principle, as several trends that have a significant influence on the core business can be classified under it. Among others, these include urbanisation, intergenerationality and climate-adapted design of living spaces. Focusing on individual goals not only fosters communication with stakeholders but also opens up the development of new products and services. Swiss Prime Site is therefore aiming to make its own contribution to the «Smart City» strategy, which is based on SDG 11. This will be the responsibility of the Sustainability Board that was newly appointed in 2019.

SDG	UN goal description	Adapted goals for Swiss Prime Site
	Ensure inclusive, fair and high-quality education and promote opportunities for lifelong learning for all	Sponsor individual professorial chairs and continue to develop training and education opportunities as a learning environment for all
	Promote inclusive and sustainable economic growth, employment and decent work for all	Raise profitability while increasing the efficiency of resource utilisation and maintaining corporate values and principles of equal treatment for all
	Build resilient infrastructure, promote sustainable industrialisation and foster innovation	Invest in new technologies and sustainable buildings with innovative floorspace utilisation concepts and offerings
	Make cities inclusive, safe, resilient and sustainable	Use existing properties more intensively and take a participative approach to new projects and large site transformations which incorporates their utilisation by local communities
	Ensure sustainable consumption and production patterns	Define and monitor sustainability criteria for the entire product life cycle from construction to demolition
	Develop measures to combat climate change and its effects as a matter of urgency	Reduce resource consumption and implement measures to protect against climate-related risks and dangers
	Revitalise the global partnership for sustainable development	Establish national and regional partnerships for knowledge transfer, joint developments and shared projects

Business model and integrated value creation

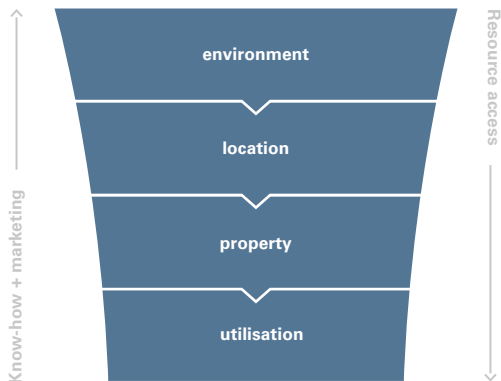
From space to living spaces

At the heart of Swiss Prime Site’s business model lies the evolution of «space within living space». Project development, construction and management, as well as company and third-party utilisation of properties, are key steps in this process. Swiss Prime Site develops and maintains sites and properties in accordance with the highest quality standards and in alignment with current and future market requirements. The aim is to ensure long-term value creation and continuous growth of the property portfolio. In pursuing this objective, the Company takes a holistic approach to corporate management, which, along with economic performance, also takes into account social and environmental aspects and is therefore geared towards safeguarding the Company’s long-term business success.

Alignment with customer and market requirements

The resilience of the business model is continuously assessed in light of social, political and regulatory developments and adjusted if necessary. Relevant trends, such as digitalisation, demographic changes or immigration can lead to expansions and adjustments of the value creation chain. Other influencing factors include market trends that necessitate the revitalisation of properties which are no longer suited to current needs, or changes to the interest rate environment. Alongside these macro and market trends, the needs of the main stakeholders also shape the environment in which Swiss Prime Site’s business model is embedded. The challenge is to address the concerns of customers, investors, the public sector, project partners and employees on a continuous basis.

Living space design



Influencing factors

legal, political and economic framework
neighbourhood infrastructure, location quality
flexibility of use, property quality
usability requirements, property efficiency

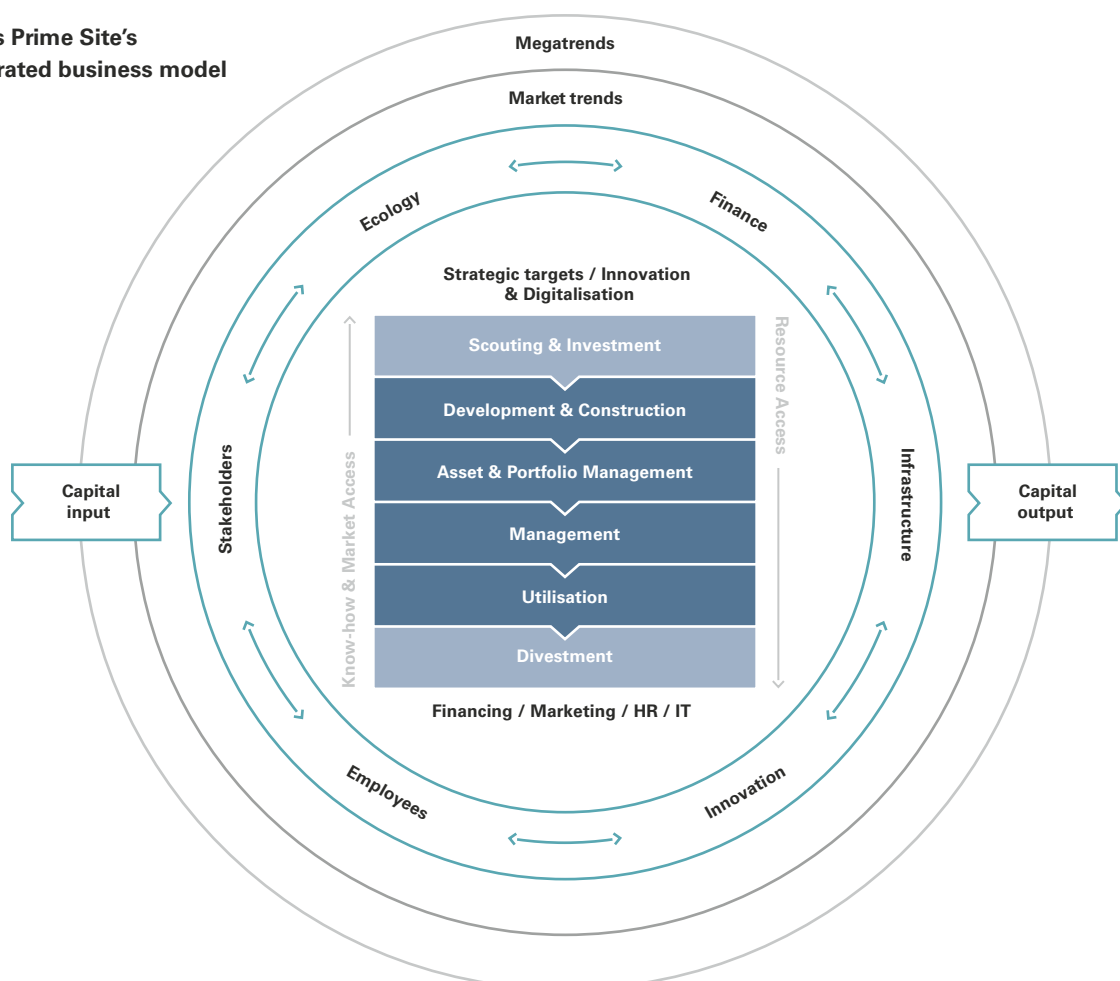
Vertically integrated group companies

The different value creation stages of the business model are vertically integrated across the five group companies Swiss Prime Site Immobilien, Wincasa, Tertianum, Jelmoli and Swiss Prime Site Solutions. The real estate portfolio comprising CHF 11.8 billion in properties is actively expanded and optimised by Swiss Prime Site Immobilien through acquisitions, developments, conversions, construction, financing and where necessary divestments. Wincasa plays an important role in the group structure by managing the properties of Swiss Prime Site Immobilien and third parties. The business model also allows use of part of the property portfolio: As a service provider in the assisted living sector and a premium department store respectively, Tertianum and Jelmoli use properties in the portfolio and therefore contribute also to the further

strengthening of the business model. Swiss Prime Site Solutions has been offering comprehensive services for third parties as an asset manager since 2017. These range from acquisition, to development, conversion and construction, through to financing and divestment.

The portfolio of services provided to support the initial investment therefore covers every phase of the real estate life cycle, which broadens the earnings base while also spreading the risk.

Swiss Prime Site's integrated business model



Integrated value creation

Benefits for all group companies

The group structure of Swiss Prime Site enables its group companies to benefit from each other in a number of ways, be it by exchanging resources and expertise or from the fact that they can provide each other with access to different markets. In Swiss Prime Site Immobilien, Tertium and Jelmoli can rely on having an owner with significant investment power, while they in turn represent reliable tenants and help the properties to retain their value. For Wincasa, Swiss Prime Site Immobilien is a key client who can develop innovative services. In return, Wincasa provides Swiss Prime Site Immobilien with important local insights into current market trends and client needs. Swiss Prime Site Solutions also benefits in myriad ways from the group structure. For example, the financial services were developed in close cooperation with Swiss Prime Site Immobilien. There is also a regular exchange of knowledge between asset managers in the two group companies. Together with Wincasa, Swiss Prime Site Solutions can offer additional «one-stop» services.

All group companies also benefit from overarching processes. Swiss Prime Site uses an innovation management system that spans the whole group. Future scouts working across the group identify trends that are relevant for the development of business in all group companies. Furthermore, marketing and branding as well as modern information technology architecture and contemporary employee development underpin the business model to further develop the concept of «space to living spaces».

Swiss Prime Site sees value creation as a comprehensive concept. Accordingly, business activities do not just focus on fulfilling financial objectives; they also look at non-financial aspects to ensure long-term value creation. The Company follows an integrated approach which focuses on innovation activity and added value for shareholders, customers, employees and suppliers as well as on responsible management of resources and the environment and positive relationships with other stakeholder groups.

Swiss Prime Site thus strives to continually optimise its value creation in accordance with the following six capitals of the International Integrated Reporting Council (IIRC):

Stakeholders

Relationship capital refers to the value of the network of all relationships with Swiss Prime Site customers and stakeholders. Sharing common objectives and values and creating trust is a strong basis on which to exchange valuable information. These relationships ultimately increase our reputation and add value to the company brand.

To strengthen stakeholder relationships, the Company maintains regular dialogue with all stakeholder groups and coordinates communications measures in a timely and appropriate manner. All group companies stay in close contact with customers in order to ensure they are satisfied and to react quickly to any new requirements. In 2019, another stakeholder panel took place, in which the topic of corporate responsibility was discussed with key internal and external stakeholder groups. Regular communication with investors and analysts was also a priority throughout the reporting year. This resulted in an increase of the number of registered shareholders to 11 266. In 2019, all agenda items at the Annual General Meeting were approved by the shareholders.

Finance

A stable and future-oriented company is based on financially sustainable management. Financial capital incorporates all the financial resources that Swiss Prime Site utilises to develop and render products and services. In addition to income from operating activities, financial capital includes funds released from targeted divestment and funds raised on the capital markets.

In 2019, Swiss Prime Site generated CHF 628 million in operating profit, 31% up on the previous year. Thanks to skilfully executed investments of around CHF 521 million and responsible management, 2019 was also a good year for shareholders. Earnings per share were CHF 8.00.

Infrastructure

One of Swiss Prime Site's core tasks is to continue developing its products and services across the group and to ensure that they meet the needs of its customers and markets. Infrastructure encompasses real estate that is developed, used, rented or sold, as well as all the facilities that are used to provide our other real estate-related services.

The attractive spaces held in the portfolio were further enhanced in the reporting year by the completion of several construction projects including the YOND new build in Zurich Albisrieden and the redevelopment of Stüchi Park in Basel. In addition, innovative products such as the Flex Office co-working spaces were developed. The portfolio currently comprises 187 properties. Total floor space increased to 1 604 451 m², while proactive management reduced the vacancy rate to 4.7%.

Innovation

Intellectual capital is founded on the continuously developing expertise within the Swiss Prime Site Group and the intangible assets developed in collaboration with partners, such as patents, brands, software, rights and licences. Systems and processes that derive from these assets create specific competitive advantages in the market and actively help to capture future potential.

The positive performance achieved by Swiss Prime Site also reflects its forward-looking innovation strategy. Prior to the Accelerator Workshops conducted in 2019, approximately 250 start-ups were assessed for potential collaboration. The selection of topics considered by the Future Board also expanded further in the reporting year and led to six specific innovation projects.

Ecology

Natural capital refers to environmental resources from renewable and non-renewable sources needed now and in the future to render services. Managing soil, energy and water resources responsibly is a major priority for activities across our real estate business.

Swiss Prime Site acts to protect the environment and conserve resources, whether in its daily operations or in investments in real estate and its management. At the same time, the focus is clearly directed at the real estate portfolio, where invested capital realises the greatest impact. In 2019, Swiss Prime Site developed a CO₂ reduction pathway for the property portfolio, based on ambitious energy consumption and emissions goals. The Company also analysed the portfolio with the aim of driving forward the increased use of solar energy. The CO₂ intensity of the real estate portfolio (incl. services within properties of the Swiss Prime Site real estate portfolio) in 2019 totalled 22.27 kg CO₂ per square metre.

Employees

The human capital of Swiss Prime Site encompasses all the knowledge, skills and experience of employees needed to bring the desired products and services to the market. The motivation and innovative spirit of the people who work for Swiss Prime Site are intrinsically linked to the implementation of our strategy and the successful sale of our products and services.

Swiss Prime Site's success depends on how well it manages to retain and attract qualified employees, promote and expand their skills, empower them to assume more responsibility and motivate them. In a competitive market for talent, Swiss Prime Site's objective is always to have the best specialists at its disposal. In the reporting year, it invested around 1.4% of its wage bill in the training and development of its 6 506 employees. The medium-term goal of reducing the employee fluctuation rate to less than 15% is being maintained.

Group key figures

	Unit	2017	2018	2019
Stakeholders				
Registered shareholders at year end	number	10 464	10 584	11 266
Acceptance of agenda items at AGM	%	100	100	100
Finance				
Shareholders' equity	CHF million	4 777	5 145	5 459
Investments	CHF million	430	545	521
Interest expenses (borrowed capital)	CHF million	78	76	71
Interest rate borrowed capital (weighted average)	%	1.5	1.4	1.2
Operating income	CHF million	1 155	1 214	1 259
Operating result (EBIT)	CHF million	471	479	628
Fair value of real estate portfolio	CHF million	10 633	11 204	11 765
Investments in training and development	% of total payroll	1.04	0.9	1.4
Earnings per share (EPS)	CHF	4.27	4.27	8.00
Bank rating		BBB/BBB+	BBB/BBB+	BBB/BBB+
Infrastructure				
Properties	number	188	190	187
Rental floor space	m ²	1 575 102	1 567 288	1 604 451
Vacancy rate	%	5.2	4.8	4.7
Innovation				
Analysed trend signals	number	approx. 300	approx. 500	approx. 250
Innovation projects	number	30	12	6
Ecology (Services)				
Total energy consumption ¹	MWh	67 037	62 853	79 129
CO ₂ emissions (Scope 1, 2)	tCO ₂ e	8 843	6 888	n.a.
CO ₂ emissions (Scope 1, 2, 3) ²	tCO ₂ e	n.a.	n.a.	12 846
CO ₂ intensity per m ²	kg CO ₂ e/m ²	17.1	13.8	27.7
CO ₂ intensity per FTE	kg CO ₂ e/FTE	1 835.19	1 361	2 396.4
CO ₂ intensity per operating income	tCO ₂ e/CHF million	7.65	5.67	10.22
Water use	m ³	486 047	551 946	551 693
Employees				
Employees ³	number	5 820	6 321	6 506
Fluctuation rate	%	21.68	25.86	26.90
Absentee rate	%	4.28	4.97	5.4

¹ The sharp increase in the total energy consumption for the service segment is mainly due to the stricter differentiation between the energy consumption of the real estate portfolio and the service segment. In addition, the energy consumption of several properties of the Group company Tertium was measured for the first time in 2019. In past years, energy consumption of these properties was estimated based on assumptions that proved to be too optimistic.

² In 2019, Swiss Prime Site enhanced the categorisation of its CO₂ emissions, by calculating Scope 3 emissions for the first time. Compared to previous years, this led to shifts between the emission scopes as well as between emissions attributed to the real estate portfolio or the services.

³ There are deviations from the 2017/2018 reporting due to subsequently adjusted data consolidation.

Value creation in the group companies

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien AG is a real estate investment company specialising in Swiss property. As at the end of 2019, the portfolio mainly comprises commercial properties and a retail share of under 30%, and its total value was CHF 11.8 billion.

Business model and collaboration with group companies

Swiss Prime Site Immobilien initiates the group's value-generation process by acquiring commercial properties. The core activities of this business field are real estate asset and portfolio management and the development and execution of real estate projects. The top-quality property portfolio is constantly monitored and strategically adjusted through sales where required.

In the Real Estate segment, there has been close collaboration between Swiss Prime Site Immobilien and the group company Wincasa, which has local market knowledge beneficial to the further development of the property portfolio. Conversely, by administering the Swiss Prime Site Immobilien property portfolio, Wincasa gains a reliable partner with whom to work on developing innovative services, such as the mixed-use site management concept.

Swiss Prime Site Immobilien works closely with the other group companies, which use parts of its property portfolio for their own operations. This enables the company to make rapid and focused investment decisions which then provide the basis for profitable retail and assisted-living operations.

Integrated value creation

In 2019, Swiss Prime Site Immobilien continued with the targeted development of its portfolio. Several construction projects, including the YOND new build in Zurich Albisrieden and the redevelopment of Stücker Park in Basel, were successfully completed in the reporting year. The Sihlcity site is no longer part of the portfolio. The non-controlling interest was exchanged in 2018 for three properties with significant development potential.

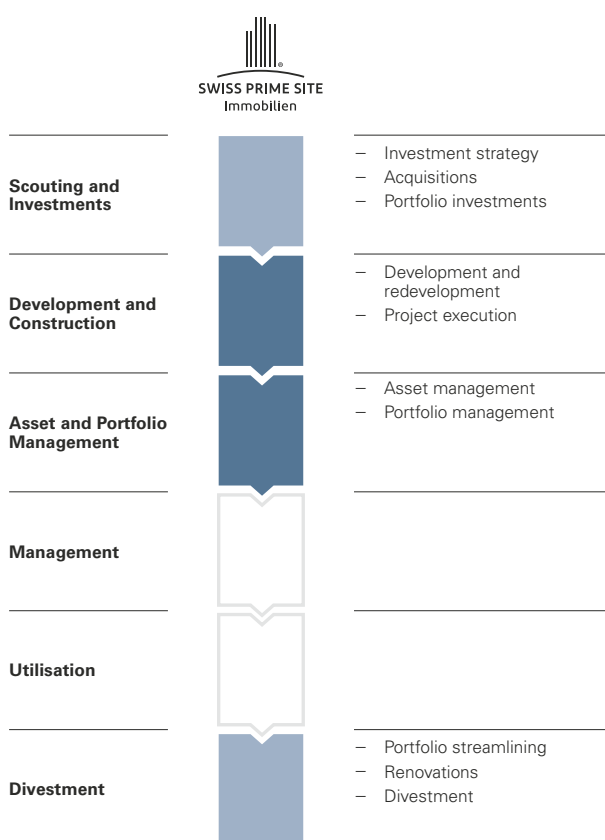
In addition to further developing the portfolio, Swiss Prime Site Immobilien particularly focused in the reporting year on reducing operating costs and vacancies and optimising project execution. The company realised its first new build project using lean principles and continued to press ahead with the standardisation of processes.

In order to continually improve its own environmental performance in line with the goals of the Paris Climate Accord, Swiss Prime

Site Immobilien developed a greenhouse gas reduction pathway for the property portfolio, based on ambitious reduction goals in energy consumption and CO₂ emissions.

More information on Swiss Prime Site's integrated value creation can be found in the GRI report.

Swiss Prime Site Immobilien value-generation processes



Wincasa

Wincasa is the leading integrated real estate services provider in Switzerland and offers its customers a comprehensive portfolio of services across the whole life cycle – using the expertise of more than 900 specialists in 28 locations. The company therefore has a key influence on the shape of the real estate industry.

Business model and collaboration with group companies

The Wincasa business model is based on two key value-generation processes – asset and portfolio management and property management. Products for institutional and corporate customers range from the revitalisation and re-letting of real estate to construction management, strategic facility management and business management. The latter includes vacancy management, energy control and process optimisation as well as centre and mixed-use site management.

Wincasa administers the entire Swiss Prime Site Immobilien portfolio, which, with an aggregate value of CHF 11.8 billion, represents a substantial proportion of the assets under management of CHF 71 billion. Serving the needs of a major client who is also a member of the same group enables Wincasa to test innovations before offering them as services to third-party clients. Its comprehensive branch network provides Wincasa with a valuable knowledge of local market conditions and the needs of owners and tenants alike that they can bring to the management of the real estate portfolio.

Integrated value generation

The complexity of real estate services has increased enormously over the last few years. Digitalisation and sustainability have significantly affected customers' requirements. This is the reason why Wincasa has a «Transformation» department that monitors new market trends and customer requirements. In 2019, the introduction of a tenant portal and an owner portal further enhanced the close communication with customers.

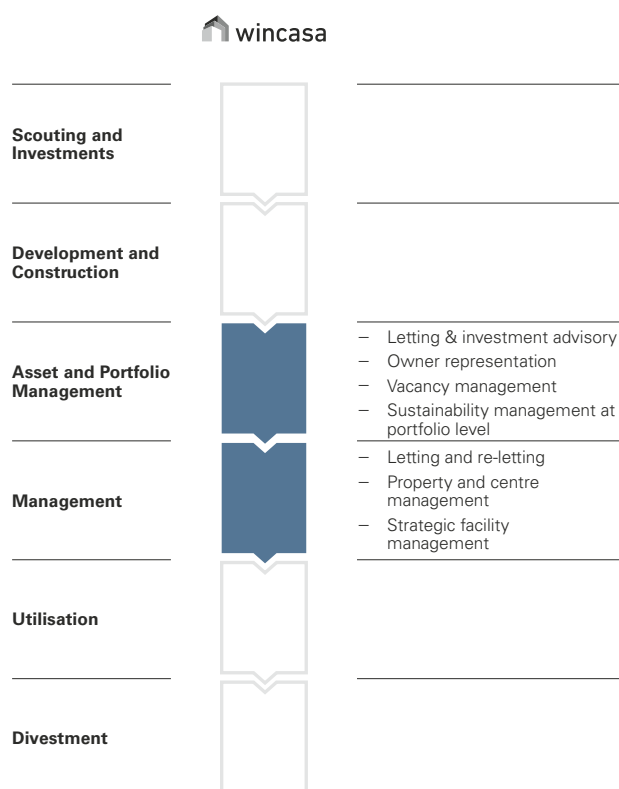
The company won new mandates in the reporting year. As of May 2019, Wincasa took on the site management of the Altenrhein site in St. Gallen. The integral management of an industrial site is the logical consequence of the systematic development of the business area mixed-use site management.

Comprehensively transforming the company will require great commitment from all employees. Wincasa therefore worked intensively in 2019 on its corporate culture. Regular workshops discussed the newly articulated cultural dimensions in detail. As part of the #weworksmart initiative, Wincasa also focused on designing an attractive working environment.

As around 50% of Wincasa's corporate CO₂ emissions are caused by its own employees' mobility, the company drew up a comprehensive mobility concept. The concept was developed using a mobility survey and includes measures on promoting mobile working and non-motorised transport. After testing the concept at its new headquarters in Zurich, Wincasa is planning to roll it out to all locations.

More information on Wincasa's integrated value creation can be found in the GRI report.

Wincasa value-generation processes



Tertianum

As Switzerland's leading provider of assisted-living services and accommodation, Tertianum contributes significantly to enhancing the quality of life of people in the third phase of their lives. It is a private company providing residential and care services to older clients at 80 locations throughout Switzerland. Of these, 16 are existing properties owned by Swiss Prime Site and four are development projects. The company therefore provides a significant part of the local and regional healthcare infrastructure.

Business model and collaboration with group companies

The group offers a total of 3 435 care beds and 2 011 apartments. The key priority for all residences is to ensure the autonomy and well-being of their guests. As guests' needs can differ widely, Tertianum provides bespoke, modular solutions. The spectrum ranges from providing living accommodation with the highest possible degree of independence through to comprehensive healthcare services.

As a user of part of the Swiss Prime Site Immobilien portfolio, Tertianum was a profitable addition to the group structure. However, in 2019 the Executive Management and Board of Directors of the Swiss Prime Site Group decided to sell the Tertianum Group. This was linked to a focus on the group's core business and the business fields associated with it. The Company expects the process to be completed in the first half of 2020. In the 2019 reporting year, Tertianum remained a full part of the Swiss Prime Site Group and is therefore included in the reporting. Despite the planned sale, Swiss Prime Site will continue to own property in the retirement living and care segment.

Integrated value creation

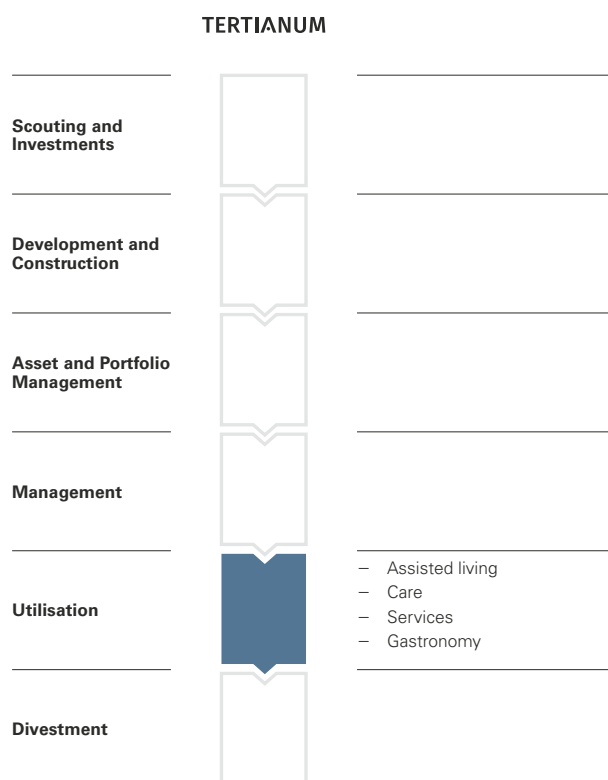
In the reporting year, the company continued its expansion path and opened two new facilities in Chiasso and Liestal. Tertianum also purchased three existing facilities in French-speaking Switzerland. Due to increasing demand, occupancy rates were higher than in the previous year. The introduction of a quality management system also indirectly contributed to the company's solid performance.

In 2019, Tertianum invested in the expansion of innovation partnerships and conducted discussions with providers of intelligent solutions which enable people to remain independent in their homes for longer. Although there are plenty of good ideas on the market, they are often not fully developed and need further elaboration. Tertianum will continue searching for suitable partnerships in the coming years.

A satisfaction survey conducted in the reporting year with guests and relatives showed that many facilities are performing significantly better than the industry benchmark. A need for improvement was identified in relation to nursing and care. Further embedding a standardised leadership culture should raise the quality across the facilities to an above-average level.

More information on Tertianum's integrated value creation can be found in the GRI report.

Tertianum's value creation processes



Jelmoli

Jelmoli – The House of Brands is the leading premium department store in the centre of Zurich. Its high-quality products and the expert advice and first-class service provided by its staff ensure that its customers enjoy an exclusive shopping experience. In 2019, Jelmoli's range included approximately one million items from around 1 000 exclusive brands.

Business model and collaboration with group companies

Jelmoli uses this top-quality Swiss Prime Site Immobilien property to provide customers with a wide selection of first-class brands complemented by an innovative food and beverage offering and an exciting calendar of one-off events. By letting floorspace to third parties, Jelmoli has also been able to create a broader-based value chain.

The reliable tenant relationship between Jelmoli and Swiss Prime Site Immobilien is a genuine win-win arrangement; Jelmoli benefits from stable rental terms and secure tenancy for the long term, while Swiss Prime Site Immobilien is able to generate a good level of steady rental income and benefits from the capital appreciation on the building – thanks also in part to the continuing investments being made in it. Swiss Prime Site Immobilien, Jelmoli and Win-casa also share the «Trend & Innovation Scout for Retail Business», a post that looks for market trends and brings gains for all owners.

Integrated value creation

In a challenging market with strong competition from online retail, Jelmoli focuses on offering customers a first-class shopping experience. In 2019, Jelmoli refurbished almost its entire partner area, creating a fantastic first impression for shoppers coming through the doors. Jelmoli also focused on developing its range of products and services, winning attractive brands that make great additions to the existing range.

The expansion planned for 2020 at Zurich Airport offers the potential for significant scale and synergy effects, strengthening Jelmoli's brand positioning with international and Swiss customers. The House of Brands will include a variety of formats arranged across two attractive spaces at Zurich Airport, with a presence in the Airside Centre and in «The Circle». The new positioning will be emphasised with the relaunch of the online shop in 2020.

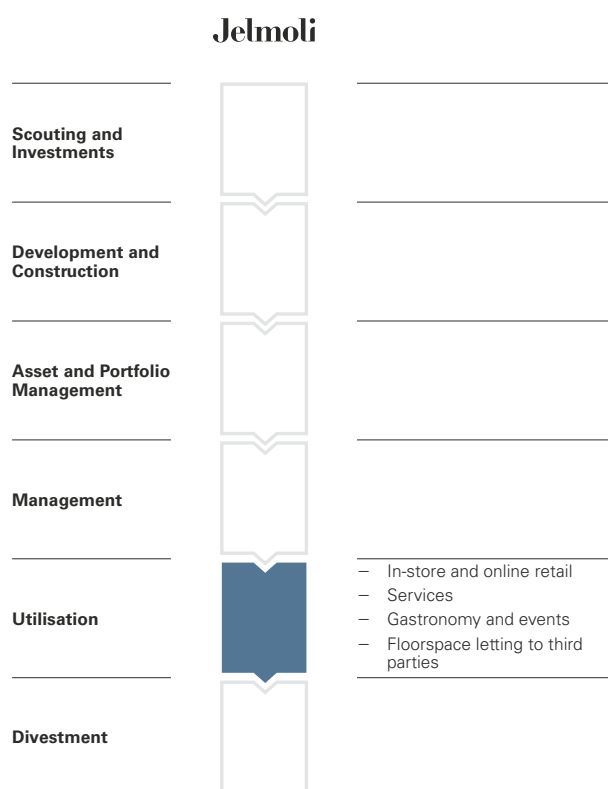
This branch expansion requires systemic improvements in the process landscape. Jelmoli is therefore planning to release a new ERP system so that synergy effects can be fully realised. The goods management system will also be adjusted in line with the increased number of touchpoints. The demands on employees' foreign language and intercultural skills will also increase. Jelmoli

therefore invested heavily in sales training and language courses in the reporting year. The aim is to ensure that customers' exacting requirements can always be fulfilled and that – where possible – tourists can be served expertly in their first language.

In the reporting year, Jelmoli continued to optimise its recycling processes. As part of the food waste concept, the «Too Good To Go» app was introduced, providing more than 1 000 portions at reduced prices. This represents a saving of 2.5 tonnes of CO₂.

More information on Jelmoli's integrated value creation can be found in the GRI report.

Jelmoli's value creation processes



Swiss Prime Site Solutions

Swiss Prime Site Solutions is a real estate asset manager that develops tailored services and real estate solutions for third-party customers. The company has more than CHF 2.3 billion of assets under management and a development pipeline of more than CHF 500 million at locations across Switzerland.

Business model and collaboration with group companies

Swiss Prime Site Solutions provides comprehensive services throughout the property life cycle. The services offered in portfolio management, capital procurement, development & construction and acquisition & sales include drawing up sales strategies, potential analyses within the existing portfolio, managing and monitoring real estate developments, carrying out share issues and developing customer-specific strategies to increase efficiency and market penetration.

In rendering this wide range of services, Swiss Prime Site Solutions benefits in many ways from the group structure. Financial services are developed in close collaboration with experts in the Swiss Prime Site Group and there is a regular exchange of knowledge with Swiss Prime Site Immobilien regarding asset management. Together with Wincasa, Swiss Prime Site Solutions also offer additional «one-stop» services.

Integrated value creation

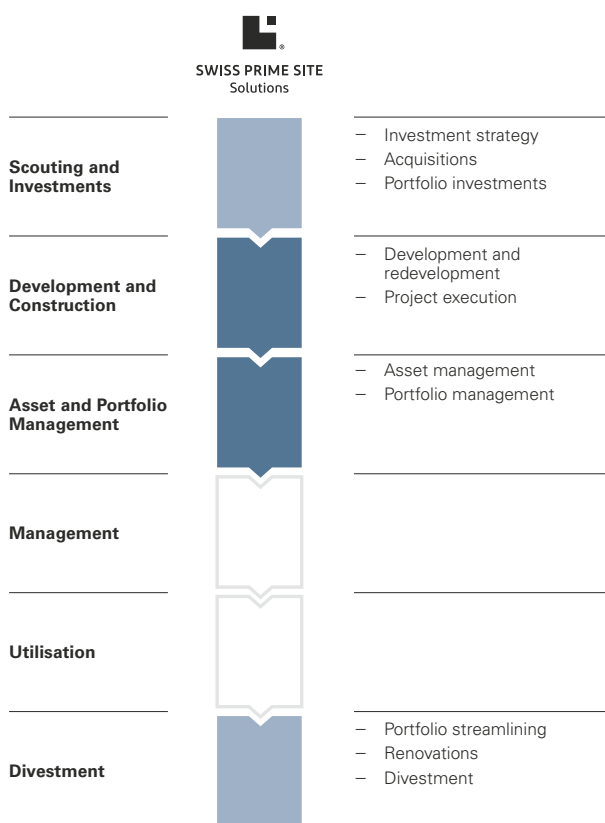
In 2019, conducting two share issues was a particular priority for Swiss Prime Site Solutions. As a result, the company carried out purchases of 25 properties with a total value of around CHF 540 million. In addition, the project pipeline grew to a total volume of CHF 0.5 billion, portfolio management was optimised and new major tenants were won.

On basis of this success, the Swiss Prime Investment Foundation (SPIF) decided to carry out an early extension to its asset management contract with Swiss Prime Site Solutions, to 2023. Since the beginning of the mandate, SPIF's real estate assets have grown from CHF 1.4 billion to more than CHF 2.3 billion. The contract renewal is a reflection of the confidence in the tailored services and extensive market knowledge of Swiss Prime Site Solutions, which enable the Investment Foundation to offer its investors an attractive yield and further growth.

In the reporting year, the company continued with the establishment of a powerful team which can expand the services portfolio with innovative products and broaden the customer basis. Swiss Prime Site Solutions invested in its employees' training and development in order to make even more of forthcoming opportunities on the market.

More information on the integrated value creation of Swiss Prime Site Solutions can be found in the GRI report.

Swiss Prime Site Solutions value creation processes



CO₂ reduction goal and pathway

In the reporting year, Swiss Prime Site developed a detailed CO₂ reduction pathway for its entire property portfolio. With planned investments of more than CHF 650 million by 2050, particularly in cladding renovations and heating replacement measures, the goal is a CO₂ reduction pathway significantly above the 2-degrees goal of the Paris Climate Accord. In order to achieve carbon neutrality in line with the goals of the Swiss government, Swiss Prime Site will also consider CO₂ compensation measures.

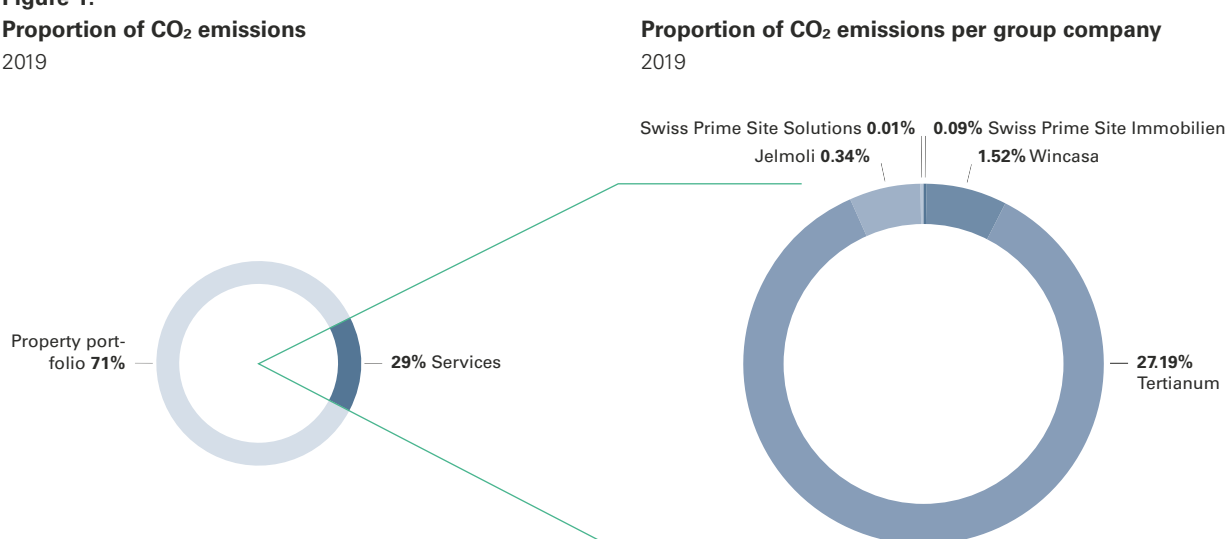
Background

Scientific scenarios such as those published by the Intergovernmental Panel on Climate Change (IPCC)¹ predict that the effects of climate change already seen today will speed up and worsen by 2050. The forecasts assume that the costs of rectifying damage to the climate and adaptive measures will rise significantly. The consequences of unchecked climate change will affect Switzerland, too. According to the climate scenarios published by the National

Center for Climate Services (CCS)², Switzerland can expect major changes such as more drought, more frequent extreme weather and significantly more heatwaves.

The political situation will change, too. In August 2019, the Swiss Federal Council increased its climate goals, which form part of the discussion about revising the CO₂ law. The climate goals state a reduction pathway for Switzerland by means of which net emissions can be reduced to zero by 2050³. The Swiss Government's energy strategy⁴ and the Energy Law that was introduced in 2018 represent significant legislative changes. In addition, many cantons and cities are debating initiatives which would increase requirements for buildings and mobility. The assumption is that city and site developments will insist on medium-term climate budgets which contain emissions limits for real estate developments and managers. Against the background of these developments, Swiss Prime Site has defined its own far-reaching reduction goal and a CO₂ reduction pathway for its own property portfolio.

Figure 1:
Proportion of CO₂ emissions
2019



¹ The Intergovernmental Panel on Climate Change (IPCC): AR5 Synthesis Report: Climate Change 2014, Online, source: <https://www.ipcc.ch/report/ar5/syr/>

² CCS (Ed.) 2018: CH2018 - Climate scenarios for Switzerland. National Centre for Climate Services, Zurich.

³ Swiss Federal Office for the Environment 28.08.2019: 2050 Climate Goals, Online, source: <https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/climate-target2050.html>

⁴ <https://www.bfe.admin.ch/bfe/en/home/policy/energy-strategy-2050.html>

Initial situation

Swiss Prime Site supports the goals of the Paris Climate Accord⁵ (2-degrees goal) and a long-term, carbon-neutral Switzerland, to which business needs to be a significant contributor. Previously, the Company pursued a wide range of initiatives and projects to reduce CO₂ emissions. These ranged from energy control, organisational optimisations, potential analyses for the installation of photovoltaic systems through to promoting e-mobility, but most of them proceeded independently from one another. Swiss Prime Site therefore set itself the goal in 2017 of developing a CO₂ reduction pathway for the property portfolio which would align existing projects and initiatives with a long-term, overarching goal, linked by clear guidelines.

The energy management project initiated in 2012 served as the basis for the creation of a standardised CO₂ balancing process across the whole group, which significantly improved the availability and quality of data. The resulting transparency regarding energy consumption and the associated CO₂ emissions contributed significantly towards the development of the reduction pathway and enabled future progress to be reviewed.

The focus of the CO₂ reduction pathway is on the energy consumption (scope 1 and 2) of the property portfolio, which constitutes far and away the greatest part of the Company's CO₂ emissions (Figure 1). The reduction pathway factors in a total of 165 properties and an annual portfolio growth totalling 20000 m². As Swiss Prime Site's property portfolio is comparatively young and technologically advanced, energy consumption and CO₂ emissions are relatively low, making the challenge of further improvements much harder.

Developing the reduction pathway

The first step in working out the reduction pathway was to look at all the different areas in which Swiss Prime Site has a direct impact on CO₂ emissions and in which effective measures can therefore be defined (Figure 2). The influence of external factors, such as break-through technologies, was not initially included. The key action areas are in electrical energy, heating and cladding renovations. Swiss Prime Site takes into account the renovation cycles of the existing properties and the assumed annual growth of the stock (10000 m² à × kg CO₂e/m²) and new build developments (10000 m² à × kg CO₂e/m²).

Figure 2:
Identified areas for reduction of CO₂ emissions

Action areas	Measures	Implementation
Electrical energy	Hydroelectric power	– Electrical energy obtained from renewable sources
	Photovoltaic roof	– Roll-out of photovoltaic systems on flat roofs for defined locations and evaluation of additional locations – Use of electricity from own energy generation – Electricity obtained from Swiss or European hydroelectric power
Heat energy	District heating/wood-fired heating or other sustainable options	– Gradual move away from natural gas and oil-based solutions – Increase in the proportion of renewable energy based on Swiss-quality district heating and wood-based district heating
Cladding renovation	Factoring in renovation cycle	– Prompt implementation of relevant renovations – Gradual implementation of the Swiss Sustainable Building Standard (SNBS) in building construction (complying with stricter requirements over time)
Forecast Portfolio growth	Not factoring in renovation cycles	– The growth of the stock and new developments are also factored into the scenario analysis and calculation of the reduction pathway. Renovation cycles, however, are not taken into account.

⁵ Swiss Federal Office for the Environment 2018: Paris Accord, Online, source: <https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/climate--international-affairs/the-paris-agreement.html>

By looking at a range of possible actions in the four main areas of activity, Swiss Prime Site was able to calculate three reduction scenarios. Based on these, Swiss Prime Site decided to follow the most ambitious scenario as a reduction pathway and reduce its relative CO₂ emissions by 75% by 2050. This goal is clearly more ambitious than the 2-degrees goal of the Paris Climate Accord (Figure 3).

In order to achieve this defined reduction pathway, a drastic reduction in relative CO₂ emissions is required, from an annual 22.27 kg CO₂ per square metre (2019) to approx. 5 kg CO₂ per square metre by 2050. The investment costs already budgeted for cladding renovations (windows, façades, roofs) in the property valuations total CHF 610 million. A further CHF 40 million has been budgeted for heating replacement measures. Any additional costs will need to be elaborated on in stages as part of an analysis of the individual property and spread appropriately over the period of 30 years. Swiss Prime Site is also striving to distribute clusters of measures, such as those planned for 2029 and 2030 according to property valuations, for example, (cf. Figure 3), more evenly over the years, making the reduction pathway smoother.

Currently, Swiss Prime Site does not believe it will be possible to reduce CO₂ emissions to net zero by 2050 through these reduction measures alone. That is why the Company is intending to offset

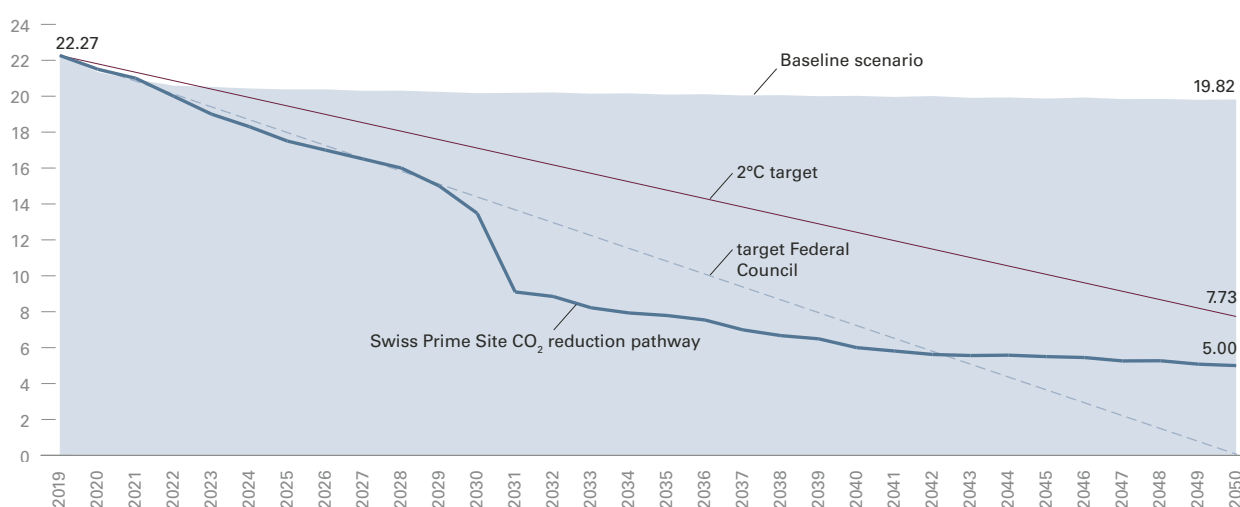
the remaining unavoidable CO₂ emissions through compensation measures, particularly projects within Switzerland. Swiss Prime Site estimates that from 2050, annual compensation costs to offset unavoidable CO₂ emissions will total around CHF 2 million. This calculation is based on the assumption of a future CO₂ tariff of CHF 200 per tonne.⁶

How the reduction pathway will be realised

In order to realise its ambitious reduction pathway, Swiss Prime Site has set clear objectives to be implemented in existing properties and future projects. The Company is guided in this process by the Swiss Sustainable Building Standard (SNBS). New build projects and total renovations will include sustainability aspects as early as possible in the planning phase and will factor these in throughout the property's life cycle. In the event that certification becomes a requirement, since 2019 all new build projects must qualify for SNBS Level 4.⁷ The requirements for this level will become even stricter in the future, with the primary objectives focusing on CO₂ intensity (see Figure 4).

In addition to these quantitative targets, Swiss Prime Site can also define other criteria to ensure that new builds are emission-free in the medium-term and generate energy in the long-term. These targets include density of use, life cycle costs, mobility, flexibility of use, summer heat protection, accessibility and densification.

Figure 3: CO₂ reduction pathway (blue curve) and 2050 climate goal



⁶ For comparison: The CO₂ price in the EU Emissions Trading System was around EUR 24 per tonne in 2019.

⁷ The evaluation scale comprises Levels 1-6; for new builds, all indicators must be level 4 for SNBS certification.

Complying with additional criteria, however, will depend on the progress of innovation in construction. Swiss Prime Site follows this market carefully and regularly assesses which innovations can be used to increase energy efficiency and reduce the CO₂ balance.

For existing properties, the greatest reduction potential lies in the procurement of electricity and heat as well as in renovation measures. Swiss Prime Site has defined short-, medium- and long-term targets for existing properties which are based on SNBS criteria and must be included in the individual property strategies. Building certifications are checked on a case-by-case basis, particularly

in total renovations. Complying with the CO₂ reduction pathway requires the measures set out in Figure 4 to be implemented from 2020. Additional reductions can be made by implementing stricter measures from 2025 and 2035.

Figure 4: Requirements for new development, operation, and redevelopment⁸

NEW DEVELOPMENT/ REDEVELOPMENT		Standard	Minimum requirement	Target Swiss Prime Site
	Primary energy non-renewable	45 – 59.9 kWh/ m ² a SNBS-threshold 2 to threshold 1.5	30 – 44.9 kWh/ m ² a SNBS-threshold 1.5 to threshold 1	< 30 kWh/ m ² a ≤ SNBS-threshold 1
	CO ₂ emissions	3.6 – 4.6 kg CO ₂ / m ² a	2.4 – 3.5 kg CO ₂ / m ² a	0 kg CO ₂ / m ² a
Operation	Electricity procurement	Procurement of 100% electricity from renewable sources In addition, promotion of electricity produced on site		Positive energy balance per object Obligation for tenants to purchase green electricity
	Procurement of heating energy	Procurement of district heating from low temperature networks and ecological sources Procurement takes technological progress into account and excludes energy contracting		
Energetic renewal of building envelope		Consider stricter legal requirements and additional measures		Planning of renovation cycles at least according to the model regulations of the cantons in the energy sector (MuKE)
Energy production and storage in portfolio properties		Check suitability of photovoltaics for further objects (roof and facade) Examine the economic efficiency of energy storage		Implement photovoltaics and energy storage for identified objects

⁸The SNBS criteria for greenhouse gases are a target: weighted final energy (national weighting factors).

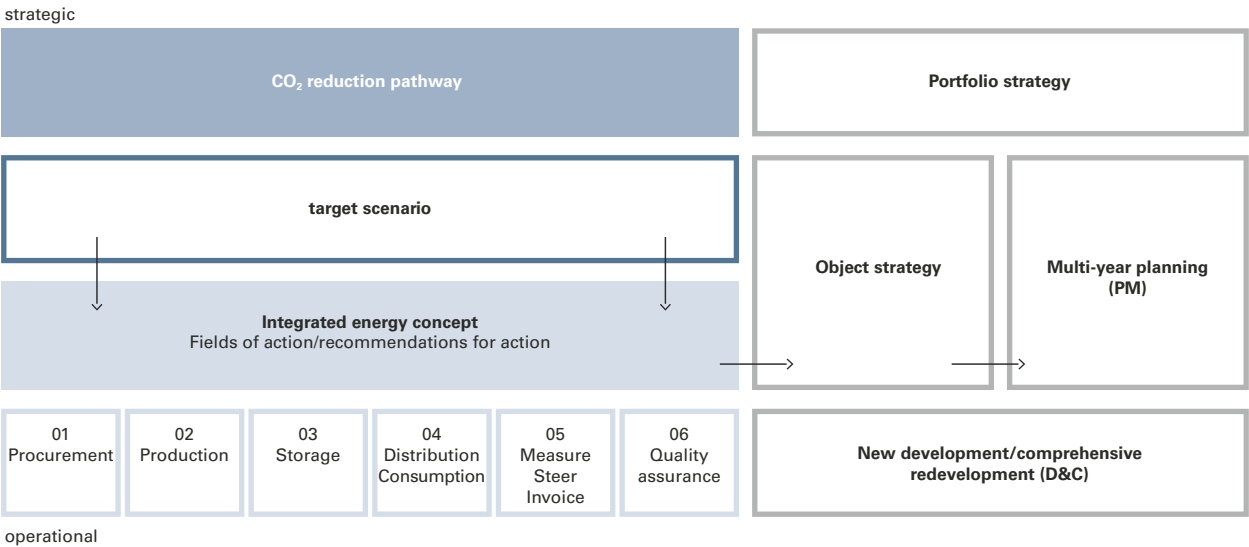
Operationalise climate goals

To operationalise the quantitative and time-based goals set out in the CO₂ reduction pathway to reduce CO₂ emissions in the buildings portfolio, Swiss Prime Site developed a holistic energy concept (Figure 5). This contains specific recommended actions to implement the CO₂ reduction strategy for properties. Measures for new build projects relate to both the procurement of energy and how it is produced, stored, distributed, consumed, measured and billed.

In the case of existing real estate, the holistic energy concept will determine the specific property strategies and multi-year plans across the whole portfolio, in which investments to reduce CO₂ emissions are planned long-term and aligned with the valuation.

The holistic energy concept will therefore ensure that the CO₂ reduction pathway is operationalised, measured and evaluated as a defined goal within the Company. It should be clear at any given moment where the Company is on the reduction pathway and under what circumstances any timely compensation measures may need to be carried out.

Figure 5: Operationalisation of the CO₂ reduction pathway





Reporting on climate-related financial risks

In the 2019 financial year, Swiss Prime Site reported on climate-related financial risks for the first time using the guidelines of the «Task Force on Climate-related Financial Disclosures». The report shows how Swiss Prime Site identifies and manages physical and transitional risks caused by climate change which can have a financial impact on the Company.

Governance

In 2019, the Board of Directors of the Swiss Prime Site Group decided to set up a Sustainability Board to strengthen the integrated management of financial and non-financial success factors and risks. This decision was taken in the belief that responsible, forward-looking leadership increases the Company's resilience and enables it to create long-term value for the Company and its shareholders and stakeholders. Climate-related opportunities and risks play an exceptionally large part, as climate change is already a reality, with many current and future consequences for all areas of business. In order to better manage the opportunities and risks presented by climate change, the Sustainability Board will assume the following key tasks:

- It will define the CO₂ reduction pathway, factoring in the progress of associated measures. The reduction pathway and its operationalisation within the Company are described in more detail in the chapter «CO₂ reduction goal and path».
- 1. It will regularly update climate-related opportunities and risks using the risk matrix introduced in 2019, set goals and introduce measures where necessary.
- 2. It will sign off the annual reporting on sustainability issues, in particular climate-related financial risks in accordance with the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). As part of this process, the Sustainability Board assesses the progress of managing climate-related opportunities and risks using clearly defined metrics.

Strategy

Key climate-related risks

For Swiss Prime Site, the effects of climate change lead to certain financial risks as well as the opportunity to strengthen its resilience using future-oriented measures. In accordance with the TCFD guidelines, Swiss Prime Site differentiates between direct physical risks and transitional risks. Physical risks include extreme weather events such as heavy rainfall, droughts or floods as well as the longer-term, local consequences of climate change. Transitional risks result from the decarbonisation of the economy as well as new legislative, economic and technological trends and condi-

tions triggered by climate change. Swiss Prime Site considers the following risks in particular to be significant and integrates them into group-wide risk management:

Physical risks	Transitional risks
<ul style="list-style-type: none"> – Increase in extreme weather events such as very high winds and heavy rainfall with flooding – Increasing summer temperatures, more heatwaves and long-lasting periods of heat – Reduction in both the quality and quantity of drinking water due to local periods of drought 	<ul style="list-style-type: none"> – Social effects of climate change: Move by customers towards more responsible products and services – Stricter regulations: Rise in CO₂ tax on fossil fuels and hydrocarbon fuels as well as requirements regarding energy efficiency and renewable energies – Materials cycle: Stricter requirements regarding recycling and re-use of products and construction materials

Use opportunities thanks to integrated value creation

Swiss Prime Site is in a good position to mitigate risks arising from climate change and use the associated opportunities. The Company can rely on the following strengths:

- High level of investment and financial resources to implement pro-active and innovative measures
- Extensive skills in planning, constructing and running property
- Broad experience in using commercial properties
- Close coordination with Development, Sustainability and Innovation

Swiss Prime Site builds on these strengths to develop integrated solutions using the following five strategic action areas.

Strategic action areas

1. CO₂ reduction goal and path for the property portfolio:

The most important action area is the property portfolio, which is managed by the group company Swiss Prime Site Immobilien. In line with the Swiss Federal Council's climate target of achieving a carbon-neutral Switzerland by 2050 and based on science-based targets¹, Swiss Prime Site developed an ambitious CO₂ reduction pathway in 2019. This particularly includes the scope 1 and 2 emissions by the property portfolio, i.e. those emissions arising from electricity and heating requirements during the use phase. Swiss Prime Site is also working on gathering data about scope 3 emissions (see «Goals and Metrics»).

2. Climate-friendly investments:

In all Swiss Prime Site's areas of activity, significant investments and new services will be assessed in terms of their impact on climate change. The criterion «climate-adapted construction» will be integrated into real estate development. As part of innovation management, the Company will have a greater strategic focus on approaches that enable it to design buildings and housing schemes that are resilient to climate changes.

3. Innovation management regarding climate-friendly services and new technologies

As part of innovation management, Swiss Prime Site looks at trends and disruptive issues such as climate change. In doing so, the Company uses the skills of employees from all areas to help develop services that can help resolve social challenges. Corporate Ventures manages the collaboration with innovative new companies who are driving pioneering technologies and business models, such as those working on energy efficiency or climate protection in the real estate industry.

4. Raising employees' awareness

The issue of climate change plays an increasingly important role in internal communication and employees' training and development. Until now, Swiss Prime Site has not formally embedded sustainability-related performance indicators into its compensation policies. However, the Company is planning to review this incentive system. Including more figures in compensation calculations could help the Company to integrate sustainability goals more systematically into corporate processes and achieve them more efficiently.

5. Stakeholder dialogues on climate-related issues:

Swiss Prime Site has regular discussions with investors, customers and other stakeholders. Issues relating to climate change form an increasing part of these dialogues, helping the Company to identify stakeholder groups' needs at an early stage and factor them into planning processes.

Risk management




Swiss Prime Site undertakes a systematic, ongoing risk management process that identifies and manages opportunities and risks. In 2019, the Company included climate-related risks into its risk management for the first time and evaluated them using the following two methods:

- Event-based scenario analysis: Evaluating individual physical and transitional risks caused by climate change
- Science-based modelling of the «Climate Value-at-Risk» of the entire property portfolio

In the event-based scenario analysis, potential risks are evaluated using qualitative scenarios and their impact on Swiss Prime Site's business activities. This evaluation is based on the existing risk management process. Potential events are evaluated based on their probability of occurrence and the scale of their impact on the Company's value and reputation. The evaluation also looks at when the impact is expected to occur and the expected horizon for action to implement risk mitigation measures. The resulting risk evaluation serves as a tool to help the group management and the Board of Directors to identify specific measures which can dampen or eliminate the expected negative impact on the Company.

¹ <https://sciencebasedtargets.org/>

The following are events with the highest risk potential:

Potential events caused by climate change	Impact on Swiss Prime Site	Action required and measures Horizon for action: Short (1 year); Medium (1–3 years); Long (3–10 years)
<ul style="list-style-type: none"> – Increase of up +4.5 °C and longer periods of drought up to +9 days – Increase in very hot days to up to 17 days per year 	<ul style="list-style-type: none"> – Increased insurance events – Less attractive rentability for seniors (key word: hotspots in cities) – Lower rentability and higher vacancies – Potential falls in rental income due to higher ancillary costs – Rising costs due to higher energy requirements for cooling – Increased requirements of cladding and housing technology – Increased expenses to comply with promised indoor climate conditions – Rising costs due to increased water requirements 	<p>Measures:</p> <ul style="list-style-type: none"> – Factor in the effect of rising temperatures on living and working comfort in properties, particularly in cities. – If necessary, identify and implement preventive measures, e.g. increase proportion of green spaces <p>Metrics:</p> <ul style="list-style-type: none"> – Number of tenant complaints and insurance events – Total costs of special measures to prevent climate-related damage in real estate – Identification of energy consumption from cooling <p>Horizon for action: Long</p> 
<p>Heavy rainfall</p> <ul style="list-style-type: none"> – 10% higher annual heavy rainfall, linked with extremely high winds and storms – Greater frequency of long-lasting, extreme weather conditions 	<ul style="list-style-type: none"> – Stricter location quality and building safety requirements – Increased insurance costs – Structural damage to buildings – Stricter construction quality requirements 	<p>Measures:</p> <ul style="list-style-type: none"> – Detailed analysis of building locations – Analysis of flooding risk across the whole property portfolio and for specific projects – Analysing potential environmental damage of specific properties – Analysis of building structure and stability – Review of insurance cover <p>Metrics:</p> <ul style="list-style-type: none"> – Value of damage caused by extreme weather events <p>Horizon for action: Short</p> 
<p>Social impact of climate change</p> <ul style="list-style-type: none"> – Move by customers towards more responsible products and services – Climate-induced migration 	<ul style="list-style-type: none"> – Investors' requirements regarding resilience of products and services – Tenants' requirements regarding building and space standards, e.g. SNBS or Minergie certifications – Tenants', investors' or regulators' requirements regarding sustainable procurement and building technology (e.g. materials) 	<p>Measures:</p> <ul style="list-style-type: none"> – Factoring in sustainability criteria for existing stock and new build projects – Additional sustainability requirements by suppliers <p>Metrics:</p> <ul style="list-style-type: none"> – Demand for certifications of buildings and rented spaces – Questions by tenants, the public and investors on properties' sustainability <p>Horizon for action: Short</p> 

<p>Stricter regulations</p> <ul style="list-style-type: none"> – CO₂ tax on fossil fuels and hydrocarbon fuels – Increased requirements regarding the use of renewable energies and energy efficiency – Tax on contamination 	<ul style="list-style-type: none"> – Rising operating and ancillary costs – Potential falls in rental income due to higher ancillary costs – Reduced rentability and vacancies – Tenants', investors' or regulators' requirements regarding sustainable procurement and building technology (e.g. materials) – Increasing requirements and costs to develop and operate real estate – Significant additional costs if new guidelines are not proactively considered, e.g. by replacing fossil fuel-based heating systems before the end of the life cycle – Potential additional costs and longer project terms due to contamination in development and construction projects – Negative impact on the fair value of real estate 	<p>Measures:</p> <ul style="list-style-type: none"> – CO₂ reduction pathway and strategy, operationalisation of reduction pathway – Implementation of sustainability requirements in new build projects – Factoring in sustainability requirements into property strategies for existing real estate – Portfolio analysis to identify risks – Factoring in sustainability requirements when purchasing real estate <p>Metrics:</p> <ul style="list-style-type: none"> – Current CO₂ – emissions of the portfolio (progress against the CO₂ reduction pathway) – Efficiency figures and proportion of renewable energies in the energy mix – Costs of CO₂ tax in the portfolio <p>Horizon for action: Short / medium</p> 
<p>Materials cycle</p> <ul style="list-style-type: none"> – Products and services are geared towards reuse / recycling 	<ul style="list-style-type: none"> – Additional requirements for building planning, development and demolition (e.g. by using minimum quotas for recycling and recyclability of building materials) – Rising construction costs and longer planning phases due to increased planning and building requirements – Stricter requirements regarding product and supplier management 	<p>Measures:</p> <ul style="list-style-type: none"> – Actively follow technical and regulatory developments, if necessary adapt requirements for Swiss Prime Site and suppliers – Implement requirements for new build projects and existing real estate – Operationalise Madaster <p>Horizon for action: Long</p> 
<p>Increased requirement for ESG data and information</p> <ul style="list-style-type: none"> – More discussion by investors about sustainability – Stricter requirements by investors, regulators (e.g. FINMA), NGOs, etc. 	<ul style="list-style-type: none"> – Attractiveness to investors falls, with potential impact on share price and financing – Increased expense of gathering and maintaining relevant data – Increased relevance of reporting – Need for sustainable procurement guidelines – Additional expense of identifying and gathering relevant data across the whole value chain – Impact on fair value; higher valuation expenses – Investment required in the sustainability of properties in order to positively affect their valuations (conflict between investment cycles and short-term valuation) 	<p>Measures:</p> <ul style="list-style-type: none"> – Monitoring of ESG Key Performance Indicators in business process, sustainability reporting and property strategies – Integration of sustainability requirements into property strategies – Targeted increase in investment in sustainability of real estate <p>Metrics:</p> <ul style="list-style-type: none"> – Sustainability ratings for real estate and companies <p>Horizon of action: Short</p> 

The internal risk management process was supplemented by the external valuation of the «Climate Value-at-Risk» of Swiss Prime Site's property portfolio. Swiss Prime Site made a fundamental contribution to this science-based method, which has been specifically developed for the real estate industry. Initial results show that the direct physical climate risks for the property portfolio in Switzerland over the next 15 years are comparatively low, although flood risks are not yet fully factored into the model. The results suggest that the short- and medium-term transition risks due to social change and stricter regulations are significantly more important. The results of the calculations are shown at an individual property level. This enables Swiss Prime Site to identify properties exposed to above-average risks and take preventive measures.

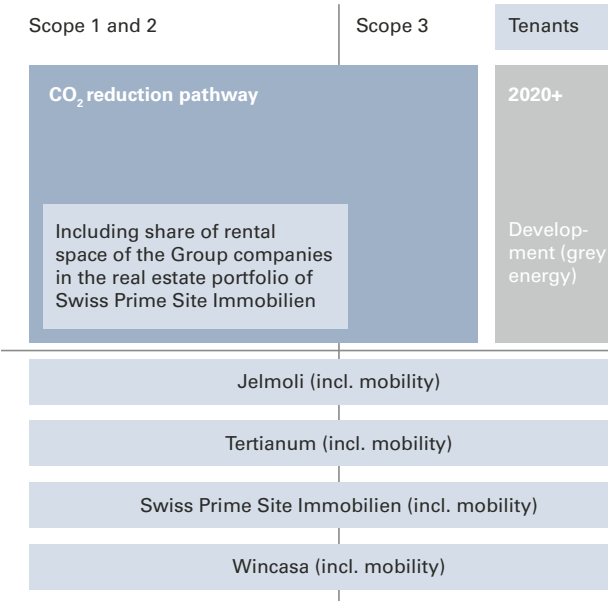
Metrics and goals

In developing the CO₂ reduction pathway in 2019, Swiss Prime Site set a binding long-term goal to reduce CO₂ emissions. This will be achieved through investment in the replacement of fossil fuel-based heating systems, cladding renovations and the promotion of renewable energies, as the property portfolio is responsible for around 71 % of Swiss Prime Site's CO₂ emissions. Comprehensive data is needed to monitor progress and this has been gradually built up over the last few years. The CO₂ reduction pathway was calculated based on the property portfolio's scope 1 and scope 2 emissions as well as the scope 3 emissions of spaces in the property portfolio rented through the group companies. Swiss Prime Site is planning to extend the balancing of scope 3 emissions in 2020 as follows (Figure 1):

- to all group companies' operations;
- to spaces occupied by third-party tenants;
- to emissions caused by grey energy at new build projects;

Detailed information on metrics and goals can be found in the chapter on «CO₂ reduction goal and path» and in the Environment section of the GRI report. Further information on the calculation methodology used can be found in the footnotes to the overview of the ESG figures in the document «Sustainability Key Indicators».

Figure 1: CO₂ balance, as of 2019





GRI Report

Universal Standards

102-9 Supply chain

Due to the different fields of activity, the supply chains of the five group companies differ significantly. The Jelmoli range includes approximately one million products from around 1 000 brands. In the reporting year, the company purchased goods worth approximately CHF 68 million. A large proportion of the products fall into the fashion, beauty, sport, food and home living categories.

Tertianum purchased goods and services worth around CHF 44.5 million in the reporting year, the majority of which were healthcare consumables, food, beverages, household goods as well as fuel, water and energy. When choosing its suppliers, Tertianum considers local companies and organisations where possible.

Wincasa purchases products and services in the mandate business for property owners, as well as for its own operations. In its mandate business, Wincasa applies ecological and social criteria that go beyond the legal requirements if requested by the property owner. In 2019, the company purchased some CHF 22 million worth of goods and services for its own operations from more than 70 direct suppliers.

At Swiss Prime Site Immobilien, the majority of purchased services are in the area of facility management, with an annual order volume of between CHF 7 million and CHF 14 million. Almost all purchases made by Swiss Prime Site Solutions are for services, also including the area of facility management. Purchases in connection with the managed property portfolio must always be approved by the owner (executive management or foundation board).

102-12 External initiatives

Swiss Prime Site is committed to conducting its business responsibly and with integrity. Besides complying with statutory requirements and regulatory standards, this also means adhering to the internal directives and principles that the Company has defined itself. The Code of Conduct is binding for all group companies and, among other things, is based on the principles of the United Nations' Universal Declaration of Human Rights.

Swiss Prime Site recognises the dangers associated with ongoing climate change and has committed itself to achieving the 2-degree goal under the Paris Agreement. The Company has adopted the target as a yardstick for its own climate goals and initiatives. When evaluating and disclosing the risks arising from climate change, Swiss Prime Site follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). More information on this can be found in the new TCFD Report.

102-13 Membership of associations

The various different associations and organisations that the Swiss Prime Site group companies are members of reflect the diversity of the fields in which they are active. All group companies strive to select organisations that stand for something related to their core business. Membership of associations is also about representing political interests, although this aspect is not the main focus. For example, the Swiss Prime Site Group is a member of the Verband Immobilien Schweiz (VIS), as well as Avenir Suisse and Greater Zurich Area. Swiss Prime Site is also an associate partner of Entwicklung Schweiz.

Swiss Prime Site Immobilien is represented on the supervisory board of Verband Immobilien Schweiz (VIS) that, among other things, is concerned with creating liberal market and competitive conditions. The company is also represented on the board of directors of Madaster, a Swiss platform aimed at improving resource efficiency in the construction and real estate sectors.

Wincasa is a member of the Schweizer Verband für Immobilien-treuhänder (SVIT), the largest association of its kind in Switzerland, as well as the Swiss Council of Shopping Centers (SCSC). In addition, the company is an accredited member of the Royal Institution of Chartered Surveyors (RICS), the world's largest professional body for real estate practitioners. It is also part of «Bauen digital Schweiz» that represents the interests of companies using digital technologies in construction.

Tertianum supports senesuisse, the Swiss association of economically independent residential and care homes for the elderly, that represents the interests and concerns of long-term care providers and is committed to counteracting excessive regulation of the healthcare sector. Tertianum is also a member of Curaviva, the umbrella association of institutions serving people in need of support. Through these two institutions, Tertianum puts its concerns forward in the political process.

Jelmoli attaches importance to maintaining good relations with its neighbours. Among other initiatives, it is a member of the Bahnhofstrasse Association that aims to preserve and promote Bahnhofstrasse as an attractive retail thoroughfare. As a member of the nationwide Swiss Retail Federation, Jelmoli works to further the interests of the retail sector. The company is also a founding member of the IGDS (Intercontinental Group of Department Stores), established in 1947. This enables it to maintain a close dialogue with other leading department stores across the globe.

As the real estate asset manager for the Swiss Prime Investment Foundation, Swiss Prime Site Solutions is a member of the Kon-

ferenz der Geschäftsführer von Anlagestiftungen (KGAST). The company also participates in other organisations on a project basis, such as espaceSolothurn, the economic development agency of the canton of Solothurn, where Swiss Prime Site Solutions has been working on a major development for several years with the «Riverside» Zuchwil project.

102-16 Values, principles, standards and norms of behavior

Swiss Prime Site uses a set of guiding principles and supporting statements to promulgate the values of respect, integrity, responsibility, ambition and innovation. All employees are expected to be respectful in their dealings with other people, to make integrity central to their actions, to act responsibly, to lead by example, to set themselves ambitious goals, to engage in continuous self-improvement and to put innovation into tangible effect. The Code of Conduct published in 2015 is based on these corporate values and all employees in all group companies are expected to adhere to it. Each group company has formulated specific directives to complement the principles set out in the Code of Conduct.

Thanks to a clear set of rules, all employees are sufficiently aware of what behaviour is appropriate and can therefore make decisions more easily. In 2016, the corporate values and the Code of Conduct were introduced in the individual group companies, where they have since been embedded in the corporate culture through regular information events and ad hoc advice sessions. In addition, new management staff are made aware of the values and the Code of Conduct at the «Welcome Days». As a further measure in 2019, the entire policies and procedures system was revised at group level and prepared for the group companies to implement individually. All employees were thereby made even more familiar with the rules, the Code of Conduct and how to apply them in their day-to-day work.

102-40 List of stakeholder groups

102-42 Identifying and selecting stakeholders

102-43 Approach to stakeholder engagement

102-44 Key topics and concerns raised

Swiss Prime Site Group

Credibility, reliability, integrity, trustworthiness and responsibility are the pillars on which Swiss Prime Site's reputation is founded. In order to maintain the excellent image it enjoys in the market and among all interested parties, the Company maintains a regular dialogue with all its stakeholders, communicating in a timely and appropriate fashion with all parties concerned. The most important stakeholders are its shareholders, given their key role as owners of the Company, and other capital-market participants. Relations with analysts, investors and shareholder voting representatives are intensively maintained.

Swiss Prime Site takes part in conferences worldwide and regularly organises roadshows as well as analyst meetings with the Board of Directors, the management and investor relations. Capital Markets Day, which takes place in autumn each year, always includes an extensive property tour. Shareholders receive up-to-date information at the Annual General Meeting and through the website and social media channels. On LinkedIn, for example, Swiss Prime Site has almost 3 000 followers. Both the annual and semi-annual results are accompanied by a short report in printed format that focuses on current topics relevant to the Company and provides a compact summary of the key financial metrics.

Analysts and investors are attaching ever more importance to sustainability aspects in order to ensure that invested capital is secure in the long term. Swiss Prime Site has responded to this by defining sustainability goals across the group. The second stakeholder panel was held in the reporting year. Among other things, it provides a platform for discussing the topic of corporate responsibility with important internal and external stakeholder groups. It will be held every two years, with a different panel each time.

In addition to the activities of the Swiss Prime Site Group, which are aimed primarily at shareholders and financial market participants, the group companies maintain continuous dialogue with their most important stakeholder groups, especially customers.

Swiss Prime Site Immobilien

At Swiss Prime Site Immobilien, the dialogue is focused especially on tenants, whose principal interests are the premises they occupy, the services they receive, the efficiency with which their buildings are managed and the ancillary local offerings available to them. Internationally active companies continue to expect particularly sustainable constructions and request certification to document that their properties meet their required standards. Particularly in its commercial properties, Swiss Prime Site is keen to achieve mutual advantages for its tenants. In the retail sector, for example, a balanced mix of tenants whose offerings mutually complement each other can give rise to synergies.

Swiss Prime Site Immobilien offers its existing tenants and other interested parties property-specific information meetings, property viewings and joint events attended by its construction project partners. This regular dialogue with potential tenants helps the company to be better prepared to meet the wishes of tomorrow's clients. The company ensures this by regularly asking questions about preferred locations, floorspace requirements, moving-in dates and specifications for possible extensions. Satisfaction surveys are conducted regularly with existing tenants.

On each new building project, Swiss Prime Site Immobilien maintains close dialogue with local and cantonal authorities, as well as other stakeholders in the area such as associations, political bodies and residents. This allows the company to consider the local conditions and requirements at an early stage when planning developments.

Wincasa

Besides major commercial tenants such as Coop, Migros and Swisscom, Wincasa also has some 68 000 apartment tenants as clients. Among both groups of customers, the most frequent concerns relate to commercial and infrastructural building management. Wincasa's dialogue with its major clients comprises regular exchanges on day-to-day matters and separate coordination meetings at management level, where strategic issues are discussed. In addition, the CEO meets the management personnel of the client companies once a year to discuss whether they are satisfied with the services offered and to identify any future requirements. The results are systematically used to improve business processes and expand the range of products and services.

The company is finding that the requirements of the tenants and owners it serves are changing at a rapid pace. Customers expect comprehensive specialist expertise in all service areas. Due to ongoing digitalisation, they also expect greater efficiency and constant availability of all services. As property owners are also becoming increasingly aware of their responsibility to operate buildings sustainably, Wincasa is helping its clients to implement their sustainability strategies and has launched a range of consultancy services in this area.

To be able to keep pace with these rapid developments and offer services that are optimally tailored to each client, the «Transformation» department is continuously addressing new market trends and customer requirements. This is aimed at ensuring that the increasingly complex and demanding processes and regulations in the area of building operations can be managed and adhered to as efficiently as possible. In addition, customer proximity is facilitated by a dedicated Customer Value Center, along with portals for both owners and tenants.

Tertianum

In addition to its guests and their friends and relations, Tertianum's stakeholders include doctors and medical practices, hospitals, health insurers, suppliers, local authorities, elected politicians and the local populations in the locations in which it operates. To maintain its dialogue with these various groups and to promote a sense of community, Tertianum regularly hosts public information meetings, panel discussions and cultural events.

The services it offers must be geared towards meeting the needs and expectations of the guests. With regular market analyses and surveys as well as the annual strategy meeting, Tertianum ensures that the services it provides to its target clientèle properly reflect current and local requirements. Every three years, Tertianum carries out a survey to gauge the satisfaction of its guests, suppliers and employees. The insights gained during this assist the company's ongoing development and optimisation process.

In 2019, the company conducted a satisfaction survey among guests and their relatives. The results show that many establishments are performing significantly better than the industry benchmark. The odd exceptions falling below this standard are mainly due to the decentralised structure of the Tertianum Group. A need for improvement was identified for care services in particular. By embedding a standardised management culture more firmly within the group, it is hoped that quality will rise to an above-average level across all companies.

Jelmoli

For Jelmoli, customers are the most important stakeholder group. The company offers them high product quality and a comprehensive range of services. Should they have any questions or concerns, customers can visit the guest relations desk close to the entrance area. By means of regular mystery testing, Jelmoli identifies potential ways to improve customer relations, which are then incorporated into the staff training. Language and intercultural skills in particular are becoming increasingly important for serving international guests in an optimum way. With the expansion to Zurich Airport, these requirements are even more important as a greater number of tourists from Asia and the Arab world should be served there in their native languages.

By collaborating with exclusive brands, Jelmoli can offer its customers a curated range of products at all times. Furthermore, the company always strives to be perceived by its key brands as a high-revenue partner with an excellent image. Jelmoli's tenants, who occupy roughly half its overall retail floorspace, are another important stakeholder group. The challenge is to combine the rental space with the proprietary-managed floor space in an optimum way so that they complement each other and offer the customer a cohesive shopping experience. In order to make the retail floor space even more flexible and react more quickly to changes in supply, Jelmoli began standardising the rental spaces in 2019. This also enables the company to set up temporary pop-up stores quickly without impairing the customer experience. In regular meetings with tenants, Jelmoli discusses issues such as profitability or declaration requirements for sensitive products. The findings go towards identifying potential improvements. At the

beginning of 2019, for example, Jelmoli decided to stop selling real fur. The company has now been completely fur-free since March 2019.

Swiss Prime Site Solutions

Swiss Prime Site Solution's most important stakeholder is the independent Swiss Prime Investment Foundation (SPIF) as the real estate asset manager's sole customer at present. Swiss Prime Site Solutions maintains very close dialogue with the SPIF's management and foundation board. This includes a weekly meeting with the management of SPIF and a monthly one with the foundation board, which approves all larger investment decisions. Swiss Prime Site Solutions is also in constant dialogue with the pension funds invested in the existing investment vehicle, as well as with employees, business partners and the supervisory authorities (Occupational Pension Supervisory Commission). Investors are mainly interested in the range of services, current project developments and acquisitions, as well as the organisation of the company and the skills of key personnel.

Communication with stakeholder groups takes place via various channels, including events, roadshows and individual portfolio meetings. The company also provides information on current developments and the course of business at the annual investors' meeting, in its reporting and on its website.

102-41 Collective bargaining agreements

As regards collective bargaining agreements, the employment terms of employees differ from one group company to another. At Wincasa, only a small number of employees are subject to a collective employment contract. This concerns individual positions in the hotel business. At Tertianum, most centres have established individual employment contracts that are recognised as equivalent to the relevant collective employment contracts applied throughout Switzerland. In a few companies in French-speaking Switzerland, the valid collective employment contract is used.

The employees of Swiss Prime Site, Swiss Prime Site Immobilien, Jelmoli and Swiss Prime Site Solutions are not subject to any collective employment contracts. All employees of the Swiss Prime Site Group have access to an Integrity Platform that is operated by an independent partner. The platform serves as a channel for all employees to report violations of the Code of Conduct or other issues concerning employment law, such as complaints relating to freedom of association and collective bargaining. In cooperation with an external service provider, Jelmoli also offers a contact point that employees can turn to in the event of difficult situations at work or in their personal lives.

Topic-specific Standards

Economic topics

201 Economic performance

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

With a comprehensive approach to sustainable value creation, Swiss Prime Site is convinced it will be able to achieve long-term growth that will be of economic benefit to its various stakeholders and will enable it to continue providing its shareholders with adequate dividends. The principles of sustainable company management are defined in concrete terms in the business plan, in which the opportunities, challenges and objectives for the next three-year and five-year periods are considered. The business plan is revised each year. Since 2018, it has also included a scenario analysis that examines the potential development of the business in light of economic and regulatory changes. The business plan and outlook must be approved by the Board of Directors.

In order to remain competitive and maintain a high level of performance across all group companies, Swiss Prime Site uses clearly defined processes, the efficiency of which are regularly measured against key figures. Resource and headcount requirements, as well as third-party costs and general costs, are continuously monitored and the process landscape is optimised accordingly.

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien focuses in particular on reducing operating costs and vacancies, as well as on optimising project management. For example, the new building project YOND was developed and implemented according to the principles of lean. Resources are planned in such a way that each work stage is always carried out at the best possible time in order to avoid redundancy. The method promises shorter planning phases and greater cost transparency. It does, however, require forward planning and partners who are willing to embrace the concept. For the purpose of further reducing operating costs, Swiss Prime Site Immobilien created a new Asset Management position with the task of standardising and optimising the various processes (e.g. contract management).

In the reporting year, the attractive range of space in the portfolio was further enhanced with several completed construction projects, such as the new YOND development in Zurich Albisrieden and the redevelopment of Stücki Park in Basel. In addition, some innovative solutions were developed, including the co-working spaces of Flex Office that can already be found in four locations

in Switzerland. The non-controlling interest at the Sihlcity site was exchanged for three promising properties in 2018 and is therefore no longer part of the portfolio.

Proactive vacancy management is a further key factor in ensuring a high occupancy rate. Swiss Prime Site Immobilien therefore attaches importance to actively marketing the properties and meeting the requirements of the market in the best possible way – in other words, by having the right properties on the market at the right time. The company also reviews existing rental agreements in a timely manner before the end of the tenancy and extends them wherever possible. Renovation and refitting work is scheduled to match current leases so that it can be carried out when premises are not in use.

For example, the retail floor space of the bankrupt fashion company OVS was successfully re-let in 2019. Where potential is identified, Swiss Prime Site Immobilien also transforms existing properties to create new offerings. With these measures, Swiss Prime Site Immobilien was able to bring the vacancy rate back down to 4.7%. There will continue to be a focus on reducing vacancies in the future.

Wincasa

For Wincasa, it is essential that the company stays competitive in the challenging service sector and maintains the high quality of its services. To that end, the company relies on clearly structured processes, the efficiency of which are constantly monitored and improved. In 2019, the company introduced several new IT systems during the course of changing its ERP system. Wincasa also acquired the tenant platform streamnow AG at the end of 2018. In a similar way to online banking and insurance apps, the portal solution allows users to handle all issues relating to the property and tenancy quickly, easily and at any time, wherever they happen to be. This improves tenant satisfaction, which in turn also benefits property owners. It also enables Wincasa to further increase the quality and efficiency of its processes. With the aim of becoming even more customer centric, the Wincasa Customer Value Center was further developed in 2019 as a central point of contact for issues relating to the management of properties.

In addition to making process improvements, Wincasa also won new contracts in 2019. In May, the company took over the site management, including technical and commercial management, for the Altenrhein site in St. Gallen. Integrated management of an industrial site was the logical consequence of the consistent development of the Mixed-Use Site Management division, where «Power-BI»-based dashboards with comprehensive KPIs were developed and rolled out for the managers.

Tertianum

Tertianum's objective is to maintain its position as Switzerland's leading provider of assisted-living services. The group expanded again in 2019, opening two new locations in Chiasso and Liestal and acquiring three existing sites in French-speaking Switzerland. Tertianum also improved its process landscape by introducing a quality management system in which all central processes are mapped and relevant documentation is stored for the corporate divisions, including Care, Purchasing, Gastronomy, Finance, Marketing and Controlling. The tool has an indirect impact on economic success, in contrast to the care requirements of guests and the structure of cantonal residual financing that have a direct influence.

To further develop the Ambient Assisted Living strategy, Tertianum held discussions with providers of innovative solutions that allow elderly people to live at home independently for longer. Intelligent sensors can be used to detect and report falls, monitor lavatory use or record food consumption. However, although there are many good ideas on the market, it was found that many have not been thought through enough or are not compatible with existing security systems. The search for suitable partnerships will therefore continue in the coming years.

Jelmoli

In the reporting year, Jelmoli's main focus was on further improving its range of products and services. In a challenging market environment marked by strong competition from online retailers, it is even more important to offer customers in bricks-and-mortar retail a special shopping experience. In 2019, Jelmoli rebuilt almost the entire ground floor area, which makes a lasting, positive impression upon first entering the building. Attractive brands such as Hublot and Breitling, which ideally complement the range of high-quality watches, were also added. Jelmoli also opened a new beauty department and travel section and started a partnership with Pallas Kliniken, which has implemented its lifestyle medicine concept on the fourth floor. In 2019, the range of products in the home living category was also expanded with attractive brands in the upper price segment.

The new partnerships show the effectiveness of the differentiation strategy and the positioning as a luxury department store that prioritises profitability ahead of high sales figures. The planned expansion to Zurich Airport in 2020 offers further possibilities to boost profits. With different formats, Jelmoli will move into two attractive areas of Zurich airport in separate stages: the Airside Center, located after the security check, and «The Circle» that can also be accessed by non-passengers. The opening of a further location in the Zurich area will give rise to economies of scale and synergy effects. At the same time, the ever-increasing use of Zurich Airport can be used to strengthen Jelmoli's market presence

and brand positioning among international and Swiss customers. However, this branch expansion calls for system-related improvements within the process landscape. Jelmoli is therefore planning to release a new ERP system so that any synergy effects can actually be leveraged.

Swiss Prime Site Solutions

Swiss Prime Site Solutions has been the real estate asset manager for the Swiss Prime Investment Foundation (SPIF) since 2017. In this period, the property assets of the Swiss Prime Investment Foundation have grown from CHF 1.4 billion to CHF 2.3 billion. On the back of this success, Swiss Prime Investment Foundation decided in 2019 to carry out an early extension to its asset management contract with Swiss Prime Site Solutions until 2023. This is an expression of confidence in the tailor-made services and the extensive market knowledge of Swiss Prime Site Solutions, which enable the investment foundation to offer its investors an attractive return and further growth.

In 2019, there was a particular focus on completing two share issues for the SPIF. This made it possible to acquire 25 more properties with a total value of approximately CHF 540 million. The project pipeline was enhanced by a further CHF 0.5 billion and Swiss Prime Site Solutions also optimised its portfolio management and won new major tenants.

The company also pressed ahead with preparing new investment vehicles as well as forming and developing a strong team. The aim is to professionalise the services even more and broaden the customer base in the medium term.

201-1 Direct economic value generated and distributed

See Financial Report for detailed financial figures.

201-2 Financial implications and other risks and opportunities due to climate change

In 2019, Swiss Prime Site carried out a first detailed analysis of climate-related financial risks in line with the recommendations of the «Task Force on Climate-related Financial Disclosures» (TCFD). Detailed information on this can be found in the TCFD Report.

201-4 Financial assistance received from government

In 2019, Swiss Prime Site received one-off subsidies from the federal government and the cantons. In the case of Swiss Prime Site Immobilien, these were mostly contributions from the buildings programme for construction measures that reduce energy consumption or CO₂ emissions, as well as one-off payments for the installation of photovoltaic systems. Tertianum received the residual financing contributions from the cantons that are typically available to the industry.

203 Indirect economic impacts

103-1 Management approach

103-2

103-3

As a real estate owner and investor, Swiss Prime Site is conscious of its responsibility for the social, ecological and economic framework surrounding its properties. Thus, the Company does not see real estate projects from a narrow perspective of individual properties but as part of urban and district development as a whole. The bigger the project, the more important it becomes to consider spatial planning and urban development aspects. The effect that new buildings have on local job opportunities should also not be overlooked: the value chain created by a building project helps to maintain local and regional jobs and trainee positions in the construction and service sectors.

In order to ensure that each construction project creates added value for the future users, residents and the local economy, every project begins with an analysis of the specific characteristics of the location in dialogue with residents, interested users, local authorities and representatives of the business community, from which further measures are then derived. Depending on the project and the requirements, this may also include a consultation on environmental, health and safety aspects. These discussions are initiated by staff in the development, asset management and communication departments of the Swiss Prime Site Group. Open dialogue provides important insights into the needs of a community, thus helping to ensure that new projects meet local requirements and deliver genuine innovation.

Swiss Prime Site is aware that the tenant mix of a building will always have an influence on the immediate surroundings. The primary aim is therefore to create as much added value as possible for all stakeholders, such as by ensuring an attractive range of food services or having a daycare centre in the building. For the new building project YOND in Zurich Albisrieden, for example, there was a special focus on making the building and the tenant mix attractive for small businesses. The rental space for the JED project in Schlieren, on the other hand, is primarily aimed at innovative companies. By creating a heterogeneous tenant structure, Swiss Prime Site also ensures that risks are diversified and long-term rental income is secured.

In addition to designing the buildings in accordance with requirements, Swiss Prime Site always contributes to the design of public spaces, green areas and mobility services and comes up with creative ways to make temporary use of vacant properties. In 2019, for example, the Company supported the launch of a pilot project for establishing a shuttle bus service from Basel railway station to Stücki Park, intended for use primarily by employees of the

laboratories based there. For the YOND project, Swiss Prime Site has also designed a comprehensive mobility concept that, among other things, is aimed at reducing the environmental impact of commuter traffic. Further contributions to the public infrastructure are developed on a project-specific basis in collaboration with the involved authorities, tenants and residents.

With its 80 centres throughout Switzerland, Tertianum provides an important part of the local and regional health infrastructure and thereby also adds value to society. Experience has shown that Tertianum provides high-quality services at lower costs than its peers. This enables the company to generate genuine economic added value for the different municipalities in which it operates. Furthermore, as a private service provider, Tertianum further eases the burden on the public purse as no deficit guarantees have to be provided by the authorities. An additional benefit to society is that, by living in accommodation which also offers ancillary services, elderly people are able to live at home for longer and postpone their potential future admission to a costly care institution.

203-1 Infrastructure investments and services supported

With its business activities, Swiss Prime Site contributes to economic and social development in many different ways. The Company is committed to training young people and also supports social and cultural organisations and projects as part of its sponsorship activities. In accordance with the core-satellite approach defined in the sponsorship concept, Swiss Prime Site makes important contributions to projects that are closely related to its core business of real estate. The core initiatives have a maximum annual budget of CHF 500 000 that is devoted to innovation, research and teaching. The satellite initiatives have an annual budget of CHF 400 000 that supports smaller-scale projects in the areas of youth initiatives, sport and culture.

In 2019, Swiss Prime Site supported events such as the NZZ Real Estate Days, CE2 Day of Circular Economy Switzerland, and the Top 100 Startup Award. Further contributions were made to Avenir Suisse and the Greater Zurich Area, both of which promote Switzerland's role as a centre of economic activity, and to YES Young Enterprise Switzerland and the Tonhalle Orchestra. By making grants to a number of institutions in the Olten region, the Company also strengthened its ties to the area in which its head office is located. With its social commitments, Swiss Prime Site also pursues the goal of increasing awareness of the brand among relevant target groups and making the Company more attractive as an employer.

To further strengthen the ties with the local community, all Swiss Prime Site employees are given one day off per year to volunteer in the local community. In 2020, these days can be used to provide

specific support to institutions suggested by the Company. In addition to increasing the sense of responsibility towards the community, this initiative should also foster a sense of togetherness within the Company.

Innovation culture and partnerships

103-1 Management approach

103-2

103-3

Innovation is one of the key values of Swiss Prime Site. The Company continuously ensures that it offers its stakeholders optimal added value through sustainable and innovative products and services. To do so, it relies on interdisciplinary knowledge sharing, as well as the creativity of employees at all levels. Each phase of the real estate life cycle – from scouting and acquisition, development and construction, and asset and portfolio management through to management, conversion and divestment – offers room to innovate and develop new business models.

For Swiss Prime Site, innovation is about much more than just technology. Technology is not an end in itself but serves as a tool for those at the centre of the innovation process. In particular, there is not always a technological solution to social or ecological questions, such as ones relating to intergenerationality or biodiversity. Interdisciplinary collaboration and the development of scenarios are therefore much more important than focusing purely on technology if the aim is to react as flexibly as possible to changes and requirements in the market.

The innovation strategy of Swiss Prime Site is embedded in the corporate strategy. Like the sustainability strategy, this falls under the remit of a central staff unit of the CEO. A structured process helps to organise and prioritise relevant topics and trends. A group-wide trend survey forms the basis for the innovative activities of Swiss Prime Site. Early signals and market trends are systematically documented and analysed on the Future Board and the Retail Board. In addition, Swiss Prime Site organises regular interdisciplinary workshops on megatrends and future-relevant issues. In 2019, these included climate change and changing social values. The aim here is to develop specific ideas and establish innovative thinking in the corporate culture of Swiss Prime Site.

Innovation partnerships

In addition to fostering a culture of innovation, partnerships are also seen as very important. As part of the activities of Corporate Ventures, Swiss Prime Site looks to develop scalable business models and expedite technological progress. To this end, the Company collaborates with Venture Lab, a Swiss institution for the promotion of start-ups. The aim of the partnership is to develop specific application scenarios together with the different start-ups

that can then be applied to the operations of the group companies. The resulting projects (proof of concept, or POC for short) cover a wide range of products and services. Since 2017, for example, a data preparation program for optimising vacancy rates, a project for drone airspace protection, and the application of a newly developed paint to improve indoor climate have all been tested and implemented.

Climate-adapted construction

Innovation plays an important role in making buildings and settlements resilient in the context of climate change. Swiss Prime Site Immobilien therefore devotes considerable effort to finding new approaches to climate-adapted construction. For example, the company is intending to assess a development project based on the urban planning concept of «Biotop City». The concept combines building densification with the creation of extensive outdoor green space that is intended to contribute towards a good standard of living and provide resistance against weather extremes in urban areas.

Another example of climate-friendly construction is the «JED» project in Schlieren that can be seen as a counter-concept to high-tech real estate development. The new «JED» development is being completed using a solid construction method and has a particularly large exterior wall diameter. The surfaces and natural ventilation mechanism are designed in a way that optimally compensates outside temperatures, ensuring a pleasant indoor temperature between 22 and 26°C without heating energy in winter and without mechanical cooling in summer.

205 Anti-corruption

206 Anti-competitive behaviour

103-1 Management approach

103-2

103-3

Given Switzerland's stable political and regulatory environment, corruption is not a pre-eminent concern. Nevertheless, where large real estate transactions or substantial purchasing volumes are involved, the possibility of specific operational units within Swiss Prime Site being confronted with this issue cannot be ruled out. Swiss Prime Site condemns all forms of bribery and corruption, fosters an anti-fraud culture and pursues a zero tolerance approach in this respect.

Measures to prevent corruption have been defined at various levels. These include voluntary commitments and specific group-company directives. When signing their employment contract, all employees also commit to the Code of Conduct that governs the treatment of bribery and corruption. Should an actual attempt at bribery occur, employees can call the independent integrity line at any time, maintaining anonymity should they so wish. In serious individual cases, specialist lawyers are also engaged.

The Company has a strict set of rules on favours and gifts. In connection with their work for the business, employees are not allowed to accept gifts or other benefits from third parties, except minor or common ones, either for themselves or others, nor may they accept promises of such gifts or advantages. Employees must decline invitations if accepting them could impair their impartiality or their work. Employees involved in a procurement or decision-making process are also prohibited from accepting minor or common benefits or invitations if the benefit or invitation is being offered by a current or potential supplier. The same rule applies if the benefit or invitation is offered by a person who is involved in or affected by a decision-making process, or if a link between offering the benefit or invitation and the procurement or decision-making process cannot be ruled out.

If in doubt, employees must clarify whether they are allowed to accept the benefit or invitation with their manager or the relevant Compliance Officer. This applies in the same way to the provision of gifts or other benefits, as well as to invitations by employees.

Anti-competitive practices are avoided through clear responsibilities and powers. For example, all contracts must be reviewed by the relevant legal department. In addition, the group-wide requirement for documents to be signed by two people serves as an effective dual control system. To prevent insider trading, all employees are informed of trading suspensions and windows for

Swiss Prime Site shares. In addition, all employees must sign an insider declaration, in which they are made expressly aware of potential criminal offences on projects subject to securities trading laws.

The Code of Conduct also stipulates that situations potentially leading to conflicts of interest must be avoided. If there is a conflict of interest, employees must inform their manager and, if necessary, the Compliance Officer. The rules of abstention set out in the Code of Conduct apply.

205-2 Communication and training about anti-corruption policies and procedures

In 2019, the Code of Conduct was presented to new Swiss Prime Site managers by the Head Group Legal & Compliance during the Welcome Days. In addition to corruption and bribery, other topics addressed included how to deal with conflicts of interest. In addition, the new General Terms of Employment (GTE) were presented by the CEO and Head Group Human Resources. The GTE also contain provisions on the topics of corruption and bribery.

205-3 Confirmed incidents of corruption and actions taken

No cases of corruption have been observed since Swiss Prime Site was founded.

206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices

There were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2019.

Environmental topics

302 Energy

305 Emissions

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Swiss Prime Site is committed to protecting the environment and conserving resources, be it in relation to investments in real estate, the management and use of properties, or any other associated services. The Company gathers detailed key figures on energy consumption and greenhouse gas emissions throughout the group and uses these as a basis for continuously improving its environmental performance. Alongside the goals of the Paris Agreement and the Federal Council's additional objective of becoming climate-neutral by 2050, Swiss Prime Site is pursuing its own ambitious energy consumption and emission targets. Detailed information on this can be found in the section «Reduction pathway».

Swiss Prime Site Immobilien

At present, the principal operational focus is on enhancing the sustainability performance of the property portfolio as defined in scope 1 and 2 of the GRI standards. Here, Swiss Prime Site's actions are based on an integral energy concept. Under the responsibility of the Portfolio Management department, energy consumption and CO₂ emissions in existing properties are being significantly reduced through continuous optimisation of heating, cooling, ventilation and lighting. In order to identify opportunities for increasing efficiency, it is essential to have comprehensive energy consumption data. Swiss Prime Site Immobilien's EC/BO system (Energy Control and Operational Optimisation) is an online system that continuously records the energy consumption of 115 properties. This corresponds to 74% of the total area of the property portfolio. On the basis of this data, Swiss Prime Site Immobilien identifies further optimisation potential and implements appropriate measures.

Swiss Prime Site Immobilien also strives to reduce energy consumption in every new building and every conversion, where technically possible. On the YOND project, for example, the company decided against comprehensive cooling and mechanical ventilation in the interest of simplicity. The JED project in Schlieren is a further example of energy optimisation. As a counter-concept to high-tech real estate development, the new building on the development site will optimally compensate for temperature fluctuations thanks to the solid construction method and the optimised proportion of windows on the façade. The innovative concept is intended to completely remove the need for mechanical heating, ventilation and cooling.

Across all its operations, the company has made greater use of renewable energy and higher levels of energy efficiency a key priority. In a portfolio analysis completed in 2019, the replacement of fossil-fuel heating systems in more than 40 properties was checked against the planned refit schedules on the basis of various building parameters. In the reporting year, CHF 1.5 million was spent on replacement energy systems. The multi-year plans to renovate the building shells are only at the development stage. These measures will make a major contribution to achieving the goals of the reduction pathway.

In 2019, Swiss Prime Site Immobilien assessed the entire property portfolio to determine its suitability for the installation of photovoltaic systems, with the aim of increasing its own production of renewable electricity in the future. During this process, 18 properties were identified where photovoltaic systems can be installed over the next two years. The company is also clarifying the extent to which tenants can be made to use a mix of renewable energy in future within the context of «green leasing».

In order to achieve the ambitious goals of increasing energy efficiency and cutting greenhouse gas emissions, it is essential that real estate is not optimised as individual properties but is seen as part of a system that needs to be improved as a whole. Thus, when designing properties, Swiss Prime Site Immobilien is increasingly thinking about how they can be made compatible with climate-friendly mobility services. For example, the company worked with two start-ups in 2019 to carry out pilot projects for the installation and operation of electric charging stations.

In collaboration with Wincasa, a mobility concept was developed for the YOND project in Zurich Albisrieden, which specifically takes account of non-motorised traffic and will be applied in future for operating the spaces rented by Wincasa on this project. A group-wide mobility survey conducted in 2019 forms the basis for this. Regular information events also help to reduce energy consumption in own operations.

Wincasa

In executing its energy-control and operational-optimisation mandates, the company assumes a business-coordination role, advising property owners on the design and implementation of the relevant measures. To this end, all key energy-consumption data of the portfolio properties is usually collected and analysed in an energy management tool specifically designed for this purpose. In this way, Wincasa plays an important part in improving the energy efficiency of the buildings in the different client portfolios and cutting their CO₂ emissions. In addition, more consultations are being provided on owner-specific sustainability requirements. This includes advice on how to meet a long-term CO₂ reduction target for a property portfolio. Due to the different levels of ambition among owners, the recommended measures can differ considerably in each case.

For its own office floor space, Wincasa does not have a strategy for reducing energy consumption. This is partly because Wincasa, as a tenant, has little influence on owner-specific sustainability strategies (e.g. building automation, heating, ventilation, cooling systems, lighting, procurement of plant and equipment). However, where Wincasa manages the properties, the company offers its clients various services to increase energy efficiency. Wincasa thereby influences the ecological footprint of its own operations indirectly. In addition, as part of the site consolidation in Zurich, a new building was specifically chosen that meets the latest technical standards and is therefore much more efficient than the previous premises in Winterthur. Further goals and measures will be defined during the revision of the internal sustainability policy, which is planned for 2020. This will also include further measures to raise awareness among employees.

As about 50% of the operational CO₂ emissions of Wincasa are related to the mobility behaviour of its own employees, the company has developed a comprehensive mobility concept. The concept was created on the basis of a mobility survey and includes measures to promote mobile working and non-motorised traffic. Once the concept has been tested at the new YOND headquarters in Zurich Albisrieden, it will also be used at the Zurich Reitergasse office before being rolled out to all locations in Switzerland at a later stage.

In addition to optimising its own environmental performance, the Project Management & Sustainability department also plays an important role in monitoring the ecological footprint of the entire Swiss Prime Site Group. It collects data on energy, water and material consumption each year and uses it to calculate the corresponding CO₂ emissions. For the calculation, Wincasa uses the methodology of the Coordination Conference for Public Sector Construction and Property Services (KBOB). Where possible, the data is structured according to the criteria of the GHG protocol.

Tertianum

As far as its status as a tenant permits, Tertianum implements all requisite measures to reduce energy consumption and CO₂ emissions. Examples of such initiatives include recycling the heat generated by air-conditioning and ventilation systems, installing LED lighting and optimising the operating schedules of its technical infrastructure. For new houses, the use of alternative energy sources is encouraged wherever possible. However, the final decision rests with the owner of the respective property. Tertianum has found that they are becoming more aware of the issue of sustainability and are therefore willing to implement measures to increase energy efficiency and cut CO₂ emissions.

Jelmoli

As a tenant of the retail property on Bahnhofstrasse, Jelmoli also has limited influence on energy consumption and CO₂ emissions. However, in Swiss Prime Site Immobilien, the company can count on an owner that actively drives energy improvements. The owner has a ten-year plan for the property, which includes making improvements to building shells and air conditioning systems. In addition to the retail floor spaces, storage facilities are also being continuously improved. In 2019, Jelmoli worked with Swiss Prime Site Immobilien to assess the possibility of switching to LED lighting in the warehouse building in Otelfingen.

Swiss Prime Site Solutions

As a service company, Swiss Prime Site Solutions follows the guidelines of the Swiss Prime Investment Foundation when optimising energy consumption and reducing CO₂ emissions. The company is planning to propose further measures in the area of energy controlling/operational optimisation (EC/BO) as part of a

sustainability strategy. Among other things, these will take into account the expectations of investors, who are now clearly attaching more importance to sustainability and corresponding certifications. Investments always have to be justified from an economic perspective as well. On the Riverside project in Zuchwil, for example, Swiss Prime Site Solutions is operating a photovoltaic system that, in addition to renewable electricity, will generate around CHF 1 million in additional income for the owner. For the same project, it is also being assessed whether the River Aare in the immediate vicinity can be used as a sustainable source of energy.

302-1 Energy consumption within the organisation

302-3 Energy intensity

302-4 Reduction of energy consumption

305-1 Direct (Scope 1) GHG emissions

305-2 Energy indirect (Scope 2) GHG emissions

305-4 GHG emissions intensity

305-5 Reduction of GHG emissions

Swiss Prime Site used the Greenhouse Gas Protocol (online: <http://www.ghgprotocol.org/sites/default/files/ghgp/standards/ghg-protocol-revised.pdf>) to calculate its emissions values.

Information on energy values was taken from the energy controlling system and accounting receipts. In a few cases, consumption was estimated where there were no year-end invoices available. The total energy consumption calculated includes all the energy consumed both inside and outside the organisation, including consumption by third-party tenants (resulting in scope 3 emissions). The energy values were then converted using emissions factors.

A list of emissions factors taken from treeze.ch was used to calculate the emissions for the Portfolio and Services areas. Depending on the type of property, Swiss Prime Site used either the location-based or market-based method of calculating scope 2 emissions.

In 2019, Swiss Prime Site started evaluating emissions generated by third-party tenants and published them in scope 3. The methods used were the same as those for other emissions. Only emissions directly attributable to third-party tenants were established as scope 3 emissions.

See environmental key performance indicators.

303 Water

306 Effluents and waste

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

The efficient use of resources is an integral part of Swiss Prime Site's corporate culture. For the investment in and use of real estate, sustainable materials are always used where possible. The Company also takes care to reduce water consumption and keep waste to a minimum. This not only gives rise to ecological benefits but also economic ones. During the disposal of waste and the recycling of materials, all relevant legal requirements are met. The group companies implement business-specific measures in this area. For example, no plastic products or hardcopy documents are used. Wherever possible, waste products are recycled.

Swiss Prime Site Immobilien

In order to reduce water consumption in the properties, Swiss Prime Site Immobilien regularly collects and analyses consumption data. The company uses this data as a basis for technical measures to reduce the consumption of fresh water, such as by installing aerators, dual-button lavatory flushes and smart used-water pumps. New constructions and transformation projects apply the standards required by the relevant certification bodies. The production of building materials also consumes large quantities of water. Swiss Prime Site Immobilien is currently evaluating the feasibility of modifying its contracts with manufacturers and suppliers to reflect these concerns.

Wincasa

As Wincasa manages properties as a service provider on behalf of the owners, the company only has limited influence on resource use and sustainability certifications. At the same time, Wincasa has noticed a growing interest in sustainability labels among institutional investors. For example, the Project Management & Sustainability department is supporting more and more SNBS certifications.

To reduce water consumption and waste, Wincasa raises awareness among both owners and tenants. For instance, a campaign for the installation of water-saving shower heads was launched to save water and energy.

The environmental management activities are coordinated and handled by the Project Management & Sustainability team. Environmental programmes are being evaluated during the course of the current revision of the sustainability policy.

Tertianum

Tertianum also strives to further reduce the amount of water used in the cleaning of properties, for laundry and by guests for their personal use. The use of water-saving shower heads helps to achieve this latter objective, as do aerators and flow-limiting devices on taps. However, Tertianum can only reduce its water consumption to the extent consistent with maintaining the high standards of hygiene it practises.

Jelmoli

At Jelmoli, recycling is a major topic. It includes reducing waste and recycling any waste as usefully as possible. With the food-waste concept, Jelmoli has laid down foundations for reducing food waste. In the company's own restaurants, food from the FOOD MARKET that is still fresh but no longer looks perfect enough to be sold is used for other purposes. As well as reducing the amount of food thrown away, this also helps to cut costs. In addition, on the «Too Good To Go» portal between 7:00 and 7:30 pm, people can place orders at reduced prices for a variety of dishes that would otherwise have to be thrown away at closing time. Since the start of the campaign, 1 000 portions have already gone to good use and the equivalent of 2.5 tonnes of CO₂ has been saved.

Under the new waste management concept, the reusable materials and waste generated in sales and logistics and the corresponding processes are continuously checked and optimised in line with current recovery, recycling and waste-disposal practices. All reusable material is collected and recycled daily. To make the packaging used in the department store more sustainable, all plastic carrier bags were replaced with their more sustainable paper counterparts in 2019.

Swiss Prime Site Solutions

For Swiss Prime Site Solutions, resource conservation means, among other things, being able to offer its customers optimum real estate solutions. For each project, the company checks whether any contamination or pollutants are present and calculates the corresponding clean-up costs. Water consumption is optimised by means of technical measures in order to reduce the cost of operating the properties. However, because the portfolio of the Swiss Prime Investment Foundation consists mostly of residential space, consumption by the tenants can only be influenced to a limited extent.

303-1 Water withdrawal by source

See environmental key performance indicators.

306-2 Waste by type and disposal method

See environmental key performance indicators.

CRE5 Land degradation, contamination and remediation

Swiss Prime Site Immobilien

Checking land and buildings for hazardous materials and, if necessary, safely removing them is a routine procedure for Swiss Prime Site Immobilien. If there appears to be a potential danger to tenants, immediate measures are taken to eliminate the risk.

In 2016, Swiss Prime Site Immobilien carried out building and soil pollution checks on the 184 properties it then owned as well as on its building land. The total surface area analysed was 121.04 hectares. The individual surveys showed that the 27 properties (15% of the total) and 32.35 hectares (27%) had some degree of soil contamination. These provided the basis for formulating appropriate decontamination concepts and carrying out decontamination work which was monitored by the relevant cantonal authorities. As part of construction work in 2019, services were charged to the value of CHF 1.1 million.

Swiss Prime Site Solutions

The same approach applies at Swiss Prime Site Solutions. For the Riverside project in Zuchwil, clean-up work was carried out in accordance with cantonal requirements in 2019 so that the former industrial site can be removed from the register of contaminated sites and classified as contamination-free in order to be suitable for future residential use.

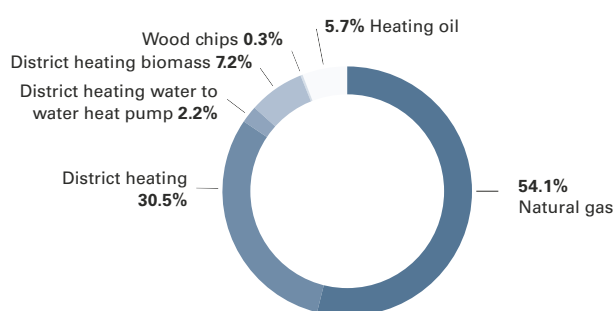
Environmental key performance indicators

Environmental key performance indicators Swiss Prime Site real estate portfolio

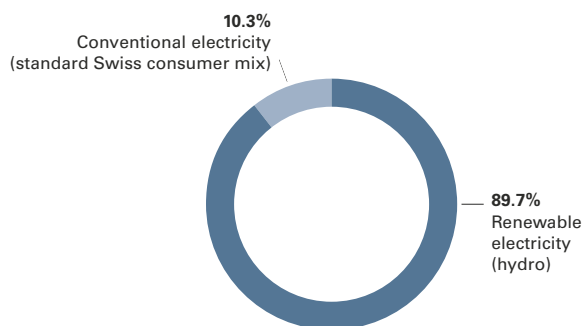
	Unit	2017	2018	2019
Properties	number	166	165	164
Usable floor space	m ²	1 495 880	1 498 155	1 377 921
Total energy consumption (excl. Services)	MWh	211 833	216 476	192 912
Building heating energy consumption ¹	MWh	120 600	123 596	115 642
Heating oil	MWh	8 495	5 497	6 611
Natural gas	MWh	66 082	74 597	62 590
District heating consumption	MWh	45 301	32 516	35 237
District heating water/water heatpump	MWh	416	611	2 561
District heating biomass	MWh	-	10 052	8 353
Wood chips	MWh	307	322	290
Total electricity consumption	MWh	91 233	92 880	77 270
Renewable electricity (hydro)	MWh	53 713	72 263	69 305
Conventional electricity (standard Swiss consumer mix)	MWh	37 520	20 618	7 965
Building total energy intensity	kWh/m ²	141.6	144.5	140.0
Total CO ₂ emissions	tCO ₂ e	38 372	39 074	31 229
Scope 1 emissions	tCO ₂ e	15 352	16 234	-
Scope 2 emissions	tCO ₂ e	23 020	22 840	2 863
Scope 3 emissions	tCO ₂ e	n.a.	n.a.	28 366
Total water use	m ³	888 586	874 334	722 407

¹ Heating energy consumption is weather-adjusted on the basis of heating degree days (HDD).

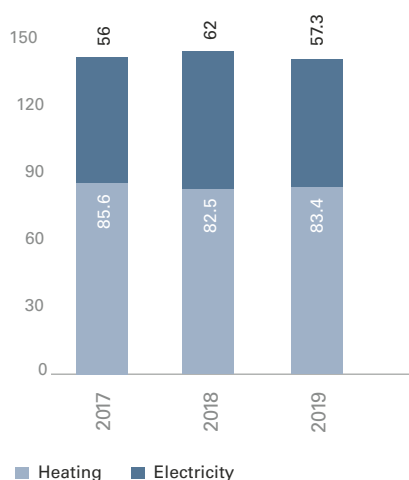
Breakdown by heating energy source



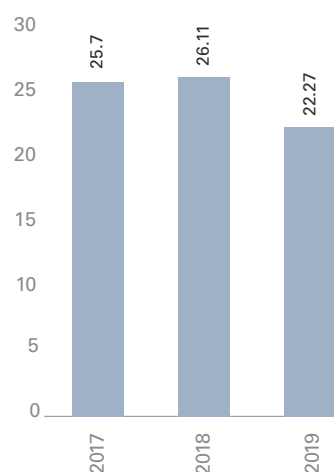
Breakdown by electricity source



Overall portfolio energy intensity
(including services in properties of the Swiss
Prime Site portfolio) (weather-adjusted)^{1,2}
kWh/m²



Overall portfolio CO₂ intensity
(including services in properties of the Swiss
Prime Site portfolio) (weather-adjusted)^{1,3}
in kg CO₂e/m²



Operational resource consumption Swiss Prime Site Immobilien¹

	Unit	2017	2018	2019
Operational energy consumption in buildings	kWh	395 143	373 466	381 469
Renewable electricity	kWh	247 635	235 745	231 338
Conventional electricity	kWh	–	–	–
Heating oil (HDD-adjusted)	kWh	–	–	–
Natural gas (HDD-adjusted)	kWh	142 720	133 845	135 716
Wood chips (HDD-adjusted)	kWh	–	–	–
Wood pellets (HDD-adjusted)	kWh	–	–	–
District heating (from waste incineration, HDD-adjusted)	kWh	4 788	3 876	14 415
Energy intensity ⁴	kWh/m ²	172.2	182.0	184.6
Total CO ₂ emissions	tCO ₂ e	36	33.8	38.1
Scope 1 emissions	tCO ₂ e	32.5	30.5	24.7
Scope 2 emissions	tCO ₂ e	3.5	3.3	3.3
Scope 3 emissions	tCO ₂ e	n.a.	n.a.	10.1
Consumables				
Fresh-fibre paper	t	–	–	–
Recycled paper	t	2.49	1.63	0.93
Toner cartridges	number	174	77	63
Fresh-fibre paper printed matter	t	–	–	–
Recycled paper printed matter	t	0.36	3.41	3.57
Water use	m ³	1 497	945	912

¹ The weather adjustments are based on heating degree days (HDD). For each property, outside air temperature data was obtained from the nearest available meteorological measurement station. No heating degree day adjustments were applied to consumption which was not attributable to weather conditions, nor were any property-specific regression models established to measure sensitivity to heating degree days and sunshine.

² Energy intensity 2019 refers to a total energy consumption of 214 21 917.4 kWh (heating energy: 126 937 312.3 kWh; electricity: 87 280 605.1 kWh) and a floor space of 1 522 650 m².

³ The CO₂ intensity 2019 refers to total emissions of 33 903.8 tCO₂e and a floor space of 1 522 650 m².

⁴ The energy intensity 2019 refers to a floor space of 2 067 m².

Operational resource consumption Wincasa

	Unit	2017	2018	2019
Operational energy consumption in buildings	kWh	3 328 773	3 776 403	3 890 917
Renewable electricity	kWh	823 092	1 229 054	1 174 846
Conventional electricity	kWh	544 445	325 979	337 204
Heating oil (HDD-adjusted)	kWh	153 780	88 986	92 051
Natural gas (HDD-adjusted)	kWh	1 547 113	1 642 259	1 722 269
Wood chips (HDD-adjusted)	kWh	–	–	–
Wood pellets (HDD-adjusted)	kWh	–	–	–
District heating (from waste incineration, HDD-adjusted)	kWh	260 343	490 125	564 547
Energy intensity ¹	kWh/m ²	143.5	156.4	159.4
Total CO ₂ emissions	tCO ₂ e	493	502	672
Scope 1 emissions	tCO ₂ e	399	401	337
Scope 2 emissions	tCO ₂ e	94	101	175
Scope 3 emissions	tCO ₂ e	n.a.	n.a.	160
Consumables				
Fresh-fibre paper	t	33.37	30.09	24.04
Recycled paper	t	–	–	–
Toner cartridges	number	595	389	292
Fresh-fibre paper printed matter	t	8.83	6.33	5.13
Recycled paper printed matter	t	–	–	–
Water use	m ³	15 558	17 465	17 801

¹ The energy intensity 2019 refers to a floor space of 24 411 m².

Operational resource consumption Tertianum

	Unit	2017	2018	2019
Operational energy consumption in buildings ¹	kWh	50 649 341	49 261 204	71 234 466
Renewable electricity	kWh	20 202 939	21 295 215	22 838 931
Conventional electricity	kWh	–	–	–
Heating oil (HDD-adjusted)	kWh	7 881 983	4 806 519	8 433 415
Natural gas (HDD-adjusted)	kWh	16 730 489	15 462 985	32 328 693
Wood chips (HDD-adjusted)	kWh	857 104	804 607	708 474
Wood pellets (HDD-adjusted)	kWh	536 779	896 970	909 930
District heating (from waste incineration, HDD-adjusted)	kWh	4 440 047	5 994 909	6 015 023
Energy intensity ²	kWh/m ²	111.6	113.0	168.5
Total CO ₂ emissions	tCO ₂ e	6 933	5 908	11 984
Scope 1 emissions	tCO ₂ e	6 211	5 005	7 999
Scope 2 emissions	tCO ₂ e	722	903	1 277
Scope 3 emissions	tCO ₂ e	n.a.	n.a.	2 708
Consumables				
Fresh-fibre paper	t	4	22.0	20.2
Recycled paper	t	0.03	1.0	0.6
Toner cartridges	number	1 314	1 493	1 585
Fresh-fibre paper printed matter	t	46	17.3	19
Recycled paper printed matter	t	–	–	–
Water use	m ³	429 218	499 961	478 981

¹ The energy consumption of several properties in French-speaking Switzerland was measured for the first time in 2019. Previously, the energy consumption of these properties was estimated on the basis of assumptions that proved to be too optimistic. For this reason, the total energy consumption increased significantly compared to 2018.

² The energy intensity 2019 refers to a floor space of 422 669 m².

Operational resource consumption Jelmolli

	Unit	2017	2018	2019
Operational energy consumption in buildings	kWh	12 663 691	9 397 242	3 579 840
Renewable electricity	kWh	8 295 249	8 044 918	3 110 241
Conventional electricity	kWh	–	–	–
Heating oil (HDD-adjusted)	kWh	3 923 915	154 612	–
Natural gas (HDD-adjusted)	kWh	444 527	1 197 712	469 598
Wood chips (HDD-adjusted)	kWh	–	–	–
Wood pellets (HDD-adjusted)	kWh	–	–	–
District heating (from waste incineration, HDD-adjusted)	kWh	–	–	–
Energy intensity ¹	kWh/m ²	344.4	255.6	243.4
Total CO ₂ emissions	tCO ₂ e	1'382	440	149
Scope 1 emissions	tCO ₂ e	1 282	320	86
Scope 2 emissions	tCO ₂ e	100	121	4
Scope 3 emissions	tCO ₂ e	n.a.	n.a.	59
Consumables				
Fresh-fibre paper	t	6.72	6.72	5.35
Recycled paper	t	0.58	0.58	0.87
Toner cartridges	number	175	175	168
Fresh-fibre paper printed matter	t	–	–	–
Recycled paper printed matter	t	–	–	–
Water use	m ³	39 775	33 448	34 750

¹ The energy intensity 2019 refers to a floor space of 14 708 m².

Operational resource consumption Swiss Prime Site Solutions

	Unit	2018	2019
Operational energy consumption in buildings	kWh	44 310	41 854
Renewable electricity	kWh	27 970	25 382
Conventional electricity	kWh	–	–
Heating oil (HDD-adjusted)	kWh	–	–
Natural gas (HDD-adjusted)	kWh	15 880	14 891
Wood chips (HDD-adjusted)	kWh	–	–
Wood pellets (HDD-adjusted)	kWh	–	–
District heating (from waste incineration, HDD-adjusted)	kWh	460	1 582
Energy intensity ¹	kWh/m ²	182.0	184.6
Total CO ₂ emissions	tCO ₂ e	4	4.2
Scope 1 emissions	tCO ₂ e	3.6	2.7
Scope 2 emissions	tCO ₂ e	0.4	0.4
Scope 3 emissions	tCO ₂ e	n.a.	1.1
Consumables			
Fresh-fibre paper	t	–	–
Recycled paper	t	0.22	0.22
Toner cartridges	number	10	10
Fresh-fibre paper printed matter	t	–	–
Recycled paper printed matter	t	0.46	0.46
Water use	m ³	127	100

¹ The energy intensity 2019 refers to a floor space of 227 m².

Social topics

401 Employment

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Competent and committed employees are key to mastering future challenges. Over the medium and long term, the success of all group companies depends on how effectively they can recruit and retain qualified staff, foster the development of their skills, entrust them with responsibilities and encourage their commitment to their day-to-day duties and the objectives they share with their colleagues.

Since it is becoming ever harder to recruit qualified ambitious staff, all group companies make a special effort to design an attractive working environment. Swiss Prime Site encourages a positive work-life balance by offering flexible, independent working hours. Flexible work models include flexitime and part-time, home working and mobile working. Roles across all levels may also be less than full-time or job shares. At Wincasa, these models are supported as part of the #weworksmart initiative.

In order to foster the development of the next generation of managers, Swiss Prime Site trains apprentices and offers specific vocational courses and career planning to its talented and promising employees. Initiatives to encourage a culture of appreciation and to ensure employees remain healthy also help to create a positive working atmosphere. In the reporting year, personnel regulations were modernised, including the aforementioned aspects, and implemented at both Swiss Prime Site Immobilien and Swiss Prime Site Solutions.

Regular discussions between the group companies and Swiss Prime Site ensures that the strategic focus and measures are productive. Employee surveys are conducted annually to check that the management approach is effective. The 2019 survey showed that the cooperation within the Company and the performance appraisals are highly valued. Further potential for optimisation was also recognised in the area of streamlining processes.

Wincasa

After introducing seven new cultural dimensions (customer-focused, entrepreneurial, independent, solution-focused, courageous, encouraging, cooperative) in 2018, Wincasa hosted regular workshops in 2019 to embed them within the organisation. They also conducted a satisfaction survey of all senior employees. These activities were also complemented by regular management meetings and site visits by the CEO.

Tertianum

At Tertianum, the Employee Council (PEKO) represented the interests of employees to management, thus ensuring that the company's staff are involved in Tertianum's operations and decision-making. The Council's mission is to ensure that working conditions, the working environment and the range of benefits offered are attractive to employees. It is currently working on harmonising pay levels within a new salary system which Tertianum plans to introduce in stages from 2020.

Jelmoli

In the reporting year, Jelmoli made further progress in digitalising administrative tasks and improving the flow of information to employees. The app that is now available to employees enables them to access news and information quickly and easily on their mobiles. This ensures that all employees have access to the same level of information. The app was enhanced in 2019, so employees can now digitally submit notifications of absence – including a doctor's certificate.

401-1 New employee hires and employee turnover

By focusing on long-term corporate goals, Swiss Prime Site strives to ensure job security and create attractive working conditions. The Company regularly assesses which measures could be implemented to lower the employee turnover rate. High rates of employee turnover are a particular challenge for Jelmoli, Wincasa and Tertianum. At Jelmoli, reducing employee turnover is therefore part of sales managers' agreed targets.

Reorganisations are planned and carried out with a significant sense of responsibility and duty of care and an awareness of individual employees' situations. Temporary contracts are used in the training programme or as transitional solutions in the event of unexpected staff shortages. Tertianum and Wincasa strive to convert temporary contracts into permanent positions.

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

With its attractive salary models and fringe benefits, Swiss Prime Site offers above-average conditions of employment. All staff, whether employed on a full-time or part-time basis, receive benefits over and above the statutory minimum. Contrary to widespread practice, company pension benefits, for example, are not reduced to reflect state pension entitlements.

Additional benefits for Swiss Prime Site employees include discounts at Jelmoli, discounts on insurance and restaurants and reduced prices on public transport. There are also programmes for variable salary components, share option schemes, pension contributions, company celebration days and additional holiday over Christmas. Daily sickness allowance insurance is also provided. In 2019, Swiss Prime Site also updated its policy on paternity leave to provide more benefits to employees.

Jelmoli offers its employees access to external specialists to assist with personal problems. These could include sorting out childcare or caring for relatives. In such cases, employees can make use of up to three days of special leave. Should circumstances make this necessary, employees can anonymously discuss any concerns they may have by calling the integrity line.

In the reporting year, Wincasa introduced the option of buying additional holiday leave. This was taken up by a total of 112 employees.

403 Occupational health and safety

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Swiss Prime Site place significant value on employees' health and their safety at work, as individual skills are very hard to replace, particularly in small teams. Jelmoli has defined a set of internal directives to complement and elaborate the rules and regulations generally applied in the retail sector. In order to improve occupational health and safety, training is offered to raise employees' awareness of the behavioural aspects of safety at work. Practice evacuations are also conducted to increase awareness of the issue. All roles at Swiss Prime Site are designed to be as positive for their employees' health as possible. For example, employees can receive free flu vaccinations.

Should any employee have a grievance regarding health and safety at work, they can approach an internal contact, report the matter to an independent ombudsman service or contact the integrity

line. Tertianum staff can also avail themselves of the services of AXA Care Management. Line managers, the Human Resources department and Health & Safety officers within the Company are responsible for protecting employees' health at work. Regular discussions with employees and monitoring of the absentee rate enable the Company to assess whether measures are appropriate.

Tertianum

For Tertianum employees, the topic is especially important as care work is particularly demanding. Since 2017, all members of the executive management team have also been official in-house Health & Safety officers. They have been trained and audited by an internal «Occupational Health & Safety specialist» who has been certified by the Swiss Federal Office of Public Health. These persons also coordinate the implementation of guidelines issued by the Federal Coordination Commission for Occupational Safety (EKAS).

Tertianum defines annual safety objectives. In the reporting year, each business area updated their evacuation policy and trained employees accordingly. Safety audits are conducted every two years by the Swiss Prime Site Group Health & Safety officer. Additional audits take place regularly in accordance with EKAS 6508 requirements. So far, 18 business areas have been audited by the cantonal labour inspectorates and received very good evaluations. All suppliers and contractors are also integrated into Tertianum's Health & Safety system.

Wincasa

Wincasa also bases its approach on EKAS guidelines and aims for an absentee rate of under 3%. As part of achieving this goal, return-to-work and health discussions are conducted. In the reporting year, all new managers also attended a workshop on health-focused leadership. Employees completed online learning courses on Health & Safety at work. Wincasa also supports employees' health by creating break rooms, providing expert advice on nutrition and metabolism, health campaigns such as the bike2work programme and contributions to gym membership fees.

Jelmoli

At Jelmoli, occupational health & safety is regularly assessed by the City of Zurich Labour Inspectorate. These assessments include fire safety, evacuation plans, emergency policies and escape routes.

403-2 Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities

See employee figures.

403-3 Workers with high incidence or high risk of diseases related to their occupation

Tertianum

The long working hours, the physical effort required by daily care activities and the emotional stress arising from the death of guests result in the high absence and employee turnover rates at Tertianum that are typical for this sector. That is why it is essential for the company to observe good standards of health management in its operations. Tertianum provides its employees with the best possible support by monitoring their working hours, conducting return-to-work discussions, providing care management support and offering health checks and vaccinations. Additional systematic measures are planned. In particular, there will be increased focus on managing employees cooperatively in order to reduce the employee turnover rate.

404 Training and development

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Employees' training and development is fundamental to Swiss Prime Site's strategic development and the strength of its employer brand. The constantly changing world of work and shifting requirements require a wide range of training and development offerings. Swiss Prime Site therefore invests heavily in the systematic development of its employees.

Employee training and development programmes are created based on corporate goals and requirements as well as existing and future skills needs. Employees' individual objectives are also taken into consideration. Annual appraisals and meetings about target agreements help Swiss Prime Site to ensure that the training content is appropriate for individual employees' needs and their role. Employees benefit from at least three days of paid leave each year for training and development. Most training and development costs are covered by the Company. The Human Resources department and line managers are responsible for training and development.

All internal courses are systematically evaluated and assessed using the Learning Management System and Excel reports. Instructors receive feedback and are contacted if the concept needs to be adjusted or improved. External courses are also reviewed using ongoing feedback and discussions with course participants.

Wincasa

Employees at Wincasa can find information on current training programmes via the Learning Management System and sign themselves up. Occasionally, individual coaching sessions are organised jointly with line managers. Some areas also benefit from bespoke training programmes in the reporting year. Construction, for example, conducted a leadership workshop on department-specific topics. In addition, individually tailored training was offered as part of the Talent Pool programme, looking at transformation and cultural dimensions. Absence management training was developed for managers to help them provide support for sickness- or accident-related absences.

Tertianum

In order to meet its growing need for qualified staff, Tertianum sets particular store on employee retention and training and development. In the reporting year, Tertianum continued its successful collaboration with Careum. Careum, an institution specialising in health and social care training, organises, administers and supports the development and concept planning of Tertianum's training packages. This covers care, employee leadership, occupation training, guest care, gastronomy, IT, administration and technology. The training packages are aimed at specialists and managers across all areas. A new post has also been created to coordinate the training packages. The aim is to further professionalise the range of training packages and their organisation.

404-1 Average hours of training per year per employee

See key figures of group companies.

404-2 Programmes for upgrading employee skills and transition assistance programmes

Swiss Prime Site Group

Each year, two Welcome Days are held for new senior employees. Swiss Prime Site also organises a Management Day once a year for all managers. These events give the group companies the opportunity to introduce themselves to new employees. They also promote awareness of the group's diversity and help participants to establish informal networks. The courses «The first 100 days in a new job» and «The first 100 days as a manager» help managers to settle into their new position. Swiss Prime Site also offers older employees retirement preparation courses to help them with the transition from their professional life into retirement.

Since 2017, there has been a group-wide leadership programme to establish common understandings of leadership and promote mutual exchanges of knowledge and support. This programme communicates and embeds corporate values and positive leadership styles as well as practical leadership tools. In the reporting year, a «Change Management» module was added to the pro-

gramme. More than 80 managers have already completed the first three modules in the leadership programme. Further additions are planned for 2020. These will look at Learning with New Media, Working from Home and Recruitment. There are also plans to provide employees with access to the LinkedIn learning platform.

Wincasa

In the reporting year, Wincasa focused on training in relation to digitalisation and handling new technology. Training also covered project development, transformation and cultural development. As part of the Mentoring@Transition programme, 14 mentors were trained in two sessions in the reporting year. Training was also conducted on a range of legal topics including tenant law.

Wincasa aims to increase the number of annual training hours to a minimum of eight hours per FTE by 2020.

Tertianum

In 2019, Tertianum offered a large number of training sessions for nursing and care specialists as well as for employees working in housekeeping, service, catering and facility management. A camp was also held for apprentices in the reporting year.

Jelmoli

At Jelmoli, the focus in 2019 was on sales training and language courses. These aim to ensure that customers' exacting demands can always be met. The specific aim is for tourist to be served expertly in their first language.

Swiss Prime Site Solutions

Swiss Prime Site Solutions supports their employees' training objectives with the aim of further improving the quality of service. Measures focused particularly on specialist and management skills as well as language skills, with individual interests taken into consideration.

404-3 Percentage of employees receiving regular performance and career development reviews

At Swiss Prime Site, individual training and development goals are defined as part of the annual appraisal.

405 Diversity and equal opportunity

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Equal treatment and equality of opportunity form the basis of a respectful and productive working environment. Diversity – of people, opinions and experience – is actively supported throughout the group. The guiding principles for interaction between employ-

ees are defined by the group-wide corporate values and the Code of Conduct. Swiss Prime Site also supports the United Nations' «Women's Empowerment Principles» and details its activities relating to the different principles in the GRI report (see GRI 401, 404, 405 and 406).

In the reporting year, Swiss Prime Site Immobilien and Wincasa's level of equal pay between men and women was assessed using the Swiss federal government's Logib tool. Levels of equal pay will continue to be assessed over the next few years and – where necessary – appropriate measures introduced. In order to ensure full equality of opportunity, however, there are other key factors such as fair recruitment processes and the provision of flexible working models (see GRI 401 Employment).

While every individual employee bears personal responsibility for his or her work, overall responsibility rests with the Executive Board and the Human Resources department. Should employees have a grievance or wish to report an irregularity, they can make an anonymous call to the integrity line.

Wincasa

The pay analysis at Wincasa showed that the company is paying salaries in line with the industry benchmark. In some roles, however, including specialist roles (e.g. IT, construction management, processing), some regional, structural salary adjustments will be needed in 2020. Another reason for these adjustments is the planned move of Wincasa's headquarters from Winterthur to Zurich.

Wincasa aims to increase the proportion of women in leadership roles to at least 50% by 2020.

Tertianum

In the reporting year, Tertianum created a new pay system, which will be introduced in 2020. The new pay scales will be compared over time using an internal benchmark and adjusted as necessary. This should help to standardise pay and create more fairness and transparency.

405-1 Diversity of governance bodies and among employees

See employee figures.

406 Non-discrimination

103-1 Management approach

103-2

103-3

Swiss Prime Site considers that open and respectful interactions with each other is fundamental to successful collaboration, both within the Company and with third parties. The principle of non-discrimination is defined in the group-wide Code of Conduct, which is more than just laws and regulations.

Swiss Prime Site understands the principle of non-discrimination to mean that all employees should have equal access to opportunities. This includes a ban on discriminating against or disparaging groups or individuals because of their gender, nationality, sexual orientation, religion, age, marital status, beliefs, social background or physical or mental impairment. This applies to all areas, including recruitment, promotion, training and development and equal pay.

In the new, group-wide General Terms of Employment and in the Code of Conduct, Swiss Prime Site commits to the protection of employees' individuality and integrity. This includes recognising and having consideration for each employee's personality, health and integrity. The Swiss Prime Site Group condemns and prohibits unjust treatment, bullying, sexual harassment or discrimination of any kind. It supports employees defending themselves without suffering any resulting disadvantages. Should employees have a grievance or wish to report an irregularity, they can make an anonymous call to the integrity line.

406-1 Incidents of discrimination and corrective actions taken

No cases of discrimination were identified in 2019.

308 Supplier environmental assessment

414 Supplier social assessment

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Swiss Prime Site appreciates that procurement must also be conducted sustainably as part of a comprehensive, company-wide approach to the issue. By carefully selecting suppliers and through contractual obligations, Swiss Prime Site can ensure that social and environmental aspects are factored in throughout the supply chain. Swiss Prime Site Immobilien's general business terms for

suppliers include requirements relating to quality management, safety at work and working conditions. Swiss Prime Site also bases these on internationally recognised human rights principles including the Universal Declaration of Human Rights (see also GRI 102-9 Supply Chain).

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien transfers the obligation to comply with statutory safety-at-work requirements fully to all general contractors and the latter's subcontractors. Before construction commences, an accident prevention safety concept must be drawn up, which Swiss Prime Site Immobilien has to approve. No complaints regarding infringements of statutory requirements have been recorded at any Swiss Prime Site Immobilien site in the last ten years.

The origin of all materials used in a project, such as carpets, façade coverings and premium-wood panelling must be certified, and Swiss Prime Site Immobilien takes particular care to ensure that all materials are produced in accordance with human rights conventions and its Code of Conduct. In order to raise its suppliers' awareness of these issues, the company requires them to submit appropriate certificates and self-declaration forms. Suppliers must also provide evidence that there is no unethical behaviour such as child labour or forced labour, harassment, abusive behaviour or exploitation anywhere in the production and procurement chain. Where possible, raw materials are procured from local or domestic production.

Wincasa

Wincasa places great importance on working with business partners and suppliers who share its values, including current sustainability criteria. In individual cases, the application of these values depends on owners' needs and requirements. If requested, appropriate clauses on social or environmental topics can be added to the standard contract. An example of this was the drafting of a framework agreement for painters and flooring installers for a building owner's entire portfolio. Significant emphasis was placed on environmental and social aspects, including a preference for using regional products containing low concentrations of solvents. Unless additional requirements are stipulated, Wincasa works within the limits required by law.

In the reporting year, the new quality management system for manual and construction work was introduced; in future, this will also contain sustainability criteria. These criteria require standard quality management certifications (ISO 9001), environmental management (ISO 14000) or occupational health & safety management (OHSAS 18001). Depending on the activity, there are also specific certifications for fire safety, lift systems and refrigeration systems.

Jelmoli

Jelmoli's food procurement policies are primarily focused on environmental considerations, while its purchases of textiles and products for use in the home are mainly guided by its social priorities. This latter policy reflects the fact that working conditions in textile-producing countries are often problematic. Its position at the higher end of the textiles market enables Jelmoli to be in contact with both suppliers and their manufacturers based in Europe. In 2019, this enabled Jelmoli to harmonise and streamline its purchasing negotiations and to factor in sustainability and ethical considerations. All suppliers are now routinely questioned on their partnerships with NGOs and their sustainability and ethics policies. Jelmoli regularly gathers data about which labels are used by the individual brands, such as «Fair Trade» or «FSC».

Tertianum

Tertianum follows a similar approach. Their purchasing strategy stipulates that when the company buys goods and products for the first time, it will prioritise those which meet specific ethical and environmental standards and can be delivered and disposed of with minimal environmental impact. In addition, a Code of Conduct will be implemented in 2020 for all contractual partners. This includes topics such as the ban on child labour and forced labour, freedom of association and tariff negotiations, non-discrimination and fair pay and working hours for suppliers' employees.

308-1 New suppliers that were screened using environmental criteria

414-1 New suppliers that were screened using social criteria

At Wincasa, around 30% of suppliers are assessed based on social and environmental criteria in centrally administered framework agreements. The new quality management system can help raise this quota to over 50% of suppliers. The rest of procurement is not carried out centrally and so cannot be checked by the Purchasing department.

416 Customer health and safety

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

The needs and well-being of clients are at the heart of Swiss Prime Site's actions. Swiss Prime Site monitors physical health risks by complying with legal regulations and checks by the relevant authorities and governing bodies (including the Occupational Health & Safety Inspectorate, the Fire Safety Inspectorate, SUVA, etc.).

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien and Swiss Prime Site Solutions adhere strictly to all building regulations and requirements, safety-at-work directives and guidelines on barrier-free building design. Where relevant, the criteria for the various types of building certification are also observed. Requirements forbidding the use of hazardous materials are met by appropriate provisions in contracts with suppliers.

In addition to carrying out preventive measures such as evacuation exercises and fire-alarm tests, Wincasa also develops property-specific safety concepts for Swiss Prime Site Immobilien for properties exposed to greater levels of risk. Tenant-specific requirements regarding access controls or technical redundancy systems, such as the installation of backup generators, are also taken into consideration.

Safety also encompasses natural and environmental risks. These are assessed by region and property and covered by appropriate insurance policies. The changing climate requires that building envelopes and technologies be adapted to withstand more extreme meteorological and climatic conditions. When purchasing properties, the company assesses their environmental risks as part of its due diligence process. Existing properties are checked for their level of protection against earthquakes.

Wincasa

Depending on the mandate and requirements of each real estate owner, Wincasa fulfils a range of tasks, including formulating safety and security concepts, reporting on the performance, safety and condition of buildings and earthquake-resilience projects. All properties are managed by fully-trained property managers. They ensure compliance with all applicable safety regulations (relating to hygiene, noise, light, emissions, use of chemicals, etc.).

Tertianum

The health and safety of its guests is Tertianum's number one priority. Robust security procedures and continuous monitoring of guests' health are important duties for the company's staff. Employees attend regular training courses to learn the skills they need to avoid individual mistakes and to correct them should they occur. Every Tertianum centre also has its own security manager, who works with staff to ensure that hygiene and security directives are observed.

Jelmoli

Jelmoli places enormous emphasis on the health and safety of its customers. The design of the building itself and the quality of their products both reflect this priority. Responsibility for security at Jelmoli does not rest solely with its six internally trained paramed-

ics and the security staff on each floor; all employees accept responsibility for looking after their customers and are fully trained in the company's safety policy. Jelmoli has annual spot checks by the local authorities, who also review individual products. Jelmoli also carries out its own review of the quality, health and safety of products using their supplier code.

416-1 Assessment of the health and safety impacts of product and service categories

Wincasa

As part of its internal control system, Wincasa checks its properties each year against a list of safety points. An annual check is also conducted to ascertain whether centres are carrying out the required safety exercises and training, with announced checks performed on large centres and spot checks on smaller centres. Wincasa has its own in-house emergency handbook.

In 2019, Wincasa carried out a joint workshop with its building insurers to help improve the safety of commercial tenants and their customers by means of transparent communication between owners, owner representatives, facility managers and tenants.

Tertianum

Tertianum applies ISO 9001 to help further improve its service quality. ISO certification has already been carried out in Western Switzerland and in the canton of Graubünden. All processes are regularly evaluated in the course of internal audits and external checks carried out by regulators and insurers. All interventions relating to health and safety are monitored in accordance with Critical Incident Reporting System (CIRS) criteria and other established protection protocols.

Jelmoli

Two successful practice evacuations were carried out at Jelmo li in the reporting year. Employees who are responsible for a specific area in the event of an evacuation are trained and tested four times a year.

417 Marketing and labelling

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

It is essential that the Swiss Prime Site Group provides transparent information for customers and tenants to ensure the group's credibility and trustworthiness on the market.

Jelmoli

It is particularly important for Jelmo li to provide accurate product declarations and comprehensive information for their customers. Providing erroneous or insufficient product information would negatively impact customers and thus have a serious effect on Jelmo li's reputation. In addition, the plethora of information now available, particularly on social media, has created a highly transparent world, in which inadequate products or services can rapidly attract public attention. Correct labelling is regularly checked as part of checks by local authorities.

Tertianum

In providing services to its guests, some of whom have specific care needs, Tertianum is assuming a substantial responsibility. For that reason, the services, risks and risk-mitigation measures involved all need to be precisely defined. These aspects are covered in binding agreements concluded between Tertianum and its guests. In recent years, demand for individually configured services has increased. Tertianum has responded to this by developing a modular catalogue of services from which it can tailor individualised service offerings. The company regularly evaluates, adapts and expands its service catalogue. Caring for and supporting older people requires a wide range of permissions and strict compliance with numerous regulatory requirements.

Swiss Prime Site Solutions

Swiss Prime Site Solutions ensures that its customers always have sufficient information to make sound investment decisions. Information is provided on its website, in presentations, through brochures and in reports, all with aim of maximising transparency.

417-1 Requirements for product and service information and labelling

Jelmoli

At Jelmo li, articles subject to declaration requirements include food, bodycare products and household equipment. Typically, these declarations must provide details of a product's country of origin, the substances it contains and its composition, as well as details of how to use it, dispose of it or recycle it. Jelmo li's purchasing and sales departments constantly review these requirements. Jelmo li sees the duty to provide comprehensive product descriptions as resting primarily with manufacturers and suppliers. Where declarations are incomplete or implausible, Jelmo li does everything in its power either to obtain the missing information or, in the case of sensitive products, to take appropriate preventive measures. As a last resort, the company is prepared to consider cancelling its supply contracts.

Tertianum

Adult guardianship law is particularly important for Tertianum. This legislation determines who is permitted to represent the interests of an adult in the event of his or her mental capacity becoming impaired and what medical procedures can be carried out. The way in which food and medicines are described and labelled is also subject to specific legislation. Besides requiring disclosure of the origin of these products and the substances they contain, these laws also lay down safe procedures for storing and disposing of them. The relevant authorities verify compliance with these various duties on a regular basis.

When investing in socially beneficial and environmentally friendly products and services, Swiss Prime Site Solutions follows the guidelines issued by the Swiss Prime Investment Foundation as well as the demands of the market. For larger residential construction projects such as the Riverside superstructure in Zuchwil in Solothurn, the company aims for a good mix of tenants and therefore offers residential properties for people and families with lower incomes. Swiss Prime Site Solutions also sees itself as an urban catalyst and strives to invest in a variety of property uses. This may include, for example, properties for student living or in the educational sector.

CRE8 Product and service labelling

Swiss Prime Site Immobilien

The demand for energy-efficient, environmentally sound real estate is rising, with more users prioritising environmental labels and certifications. Swiss Prime Site Immobilien therefore assesses each property to establish which labels would be appropriate. The company is focusing more strongly on the comprehensive criteria in the Swiss Sustainable Building Standard (SNBS) for future construction projects. At the end of 2019, seven properties had a sustainability label, corresponding to 15% of the space in the portfolio. Properties already certified as Minergie®, LEED or DGNB include the headquarters of Swiss Post in Berne, the Prime Tower, the SkyKey and Media Park in Zurich, Stückli Park in Basel and the Opus 1 and 2 buildings occupied by Siemens in Zug. In 2019, the Schönbürg project at the former Swiss Post headquarters in Berne was also renovated to meet SNBS criteria. For the largest development project in Geneva, Pont Rouge, the company adhered to SNBS requirements and is hoping to receive certification after completion in 2022.

Other socially beneficial and environmentally friendly products and services

The other group companies are also striving to offer products and services with specific social or environmental added value. Win-casa is working together with the Domicil Foundation, which organises housing for socially and economically disadvantaged people and acts as guarantor if necessary.

Jelmoli is also planning to expand its range of environmentally friendly products, but is restricted to the selection available from individual brands in the high-price segment of the market. There are still only a few products that fit into Jelmoli's range while also demonstrating environmental added value.

418 Customer privacy

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

As part of their business activities, all group companies record personal and confidential data relating to tenants and clients. Every group company is expected to be extremely vigilant in protecting this data and to rise to the ever greater challenges presented by data protection. Data protection encompasses all organisational and technical measures required to prevent data from being lost, falsified or accessed without proper authorisation. Swiss Prime Site's information security and data protection concept defines how protection in these two areas can be maintained and continuously improved.

With regard to employees, Swiss Prime Site explicitly affirms its commitment to data protection and the confidentiality of personal data in its General Terms of Employment. The Company has a personal file for each employee and takes all appropriate measures to protect employees' data from unauthorised disclosure or access. Swiss Prime Site also ensures that any personal data is accurate and regularly checks that it is up to date. Employees have the right to demand that any erroneous personal data is amended, and to have access to their personal file. Swiss Prime Site has also set out regulations further elaborating its commitment to data protection. Violations of data security can be reported to the integrity line at any time.

All group companies check all data processing procedures to see if they fall within the scope of the European General Data Processing Regulations (GDPR). If a group company is carrying out an activity that is subject to GDPR, it ensures compliance with the principles of the GDPR and safeguards the rights of the person involved.

Wincasa

Due to customers' increasing security requirements, Wincasa transferred its customer data to a Microsoft server in Switzerland as at 1 October 2019. Wincasa also strengthened its data security in 2019 by introducing a range of measures. The company conducted an introductory session for all new employees on the topic of information security. Additional training was offered to existing employees. Wincasa also raised employees' awareness about cyber risks by using self-triggered phishing attacks. It also published regular articles on the topic on the intranet.

In addition to raising awareness within the company and offering training, Wincasa conducted several technical security reviews to identify potential weak points in applications, systems and net-

works. Security incident response processes were defined, including escalation and notification paths and countermeasures. Wincasa also brought in an external Chief Information Security Officer (CISO) for a professional, independent assessment of its information security.

Tertianum

The protection Tertianum affords its guests not only covers their health but also includes a duty to exercise great care in protecting the fundamental rights enshrined in Switzerland's constitution, including the right to privacy. The protection of privacy firstly covers the external processing and handling of confidential health-related data. Secondly, companies must ensure that privacy is protected in residential and nursing care facilities. At Tertianum, it is not just senior management, the IT department and the data protection officer who are responsible for protecting the privacy of guests, but all employees. Tertianum has defined a set of internal principles governing the handling of confidential data which also encompass information relating to employees and business partners. When they sign their employment contracts with Tertianum, all staff also commit to a duty of care with regard to personal privacy. In addition, the company holds training courses on this topic in order to reinforce awareness of the issues involved among its staff. Sensitive data is managed using a password-protected system. Data protection is also included in the quality management, ISO and sanaCERT certifications and in audits by supervisory authorities. Furthermore, mechanisms are in place for both guests and employees to lodge complaints should they come across any infringements of data-security regulations. Guests can address their complaints to the care and support management team, the executive management, company management and, ultimately, to the cantonal ombudsman or the national data protection intervention unit.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

No breaches of data security or data protection are known to have occurred since Swiss Prime Site was founded.

- 307 Environmental compliance
- 419 Socioeconomic compliance
- 103-1 Management approach
- 103-2
- 103-3

Swiss Prime Site Group

Swiss Prime Site’s corporate values and the group-wide Code of Conduct (see GRI 102-16) form the basis of its compliance policies. Naturally, Swiss Prime Site is fully compliant with Swiss law and the requirements of the SIX Swiss Exchange. Acting in accordance with the law and its own internal directives is just as important to Swiss Prime Site’s reputation and success as transparency and open communication.

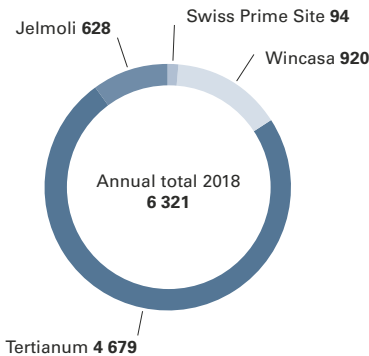
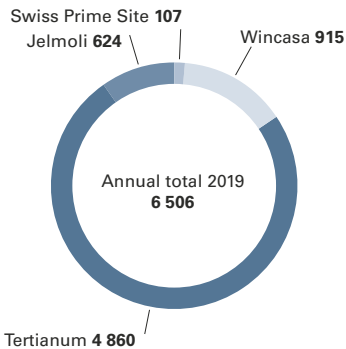
In 2019, the Swiss Prime Site Group undertook a full revision of all regulations and tailored its internal regulations to the principles set out in the Code of Conduct. Swiss Prime Site also reviewed the content of the Responsible Business Initiative and any consequences for the group companies. For Swiss Prime Site Immobilien, implementing the Initiative could have an impact on the procurement of construction materials. It could also affect purchasing regulations at Jelmoli.

Swiss Prime Site has a notification system for whistleblowing and to handle any internal grievances or breaches of the law. Employees can report incidents using the EQS Group’s external, independent integrity platform. This is not part of Swiss Prime Site. The Human Resources and Legal & Compliance departments are notified of any incidents and then report them in anonymised form to the CEO and the Board of Directors.

- 307-1 Non-compliance with environmental laws and regulations
- 419-1 Non-compliance with laws and regulations in the social and economic area

No infringements of environmental laws or other legislative provisions were identified in 2019.

Employer Figures
Employees by group company



Swiss Prime Site Group

	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees ^{1,2}	1 343	3 999	5 342	1 494	4 284	5 778	1 556	4 324	5 880
Trainees	123	355	478	149	394	543	186	440	626
Apprentices	98	300	398	115	279	394	159	373	532
Interns	25	55	80	34	115	149	27	67	94
Total	1 466	4 354	5 820	1 643	4 678	6 321	1 742	4 764	6 506
Full time/part time^{1,2}									
Full time	1 188	2 070	3 258	1 218	1 839	3 057	1 398	2 007	3 405
Part time <50%	67	488	555	122	586	708	59	490	549
Part time 50%–79%	64	842	906	87	994	1 081	89	962	1 051
Part time 80%–99%	147	954	1 101	216	1 259	1 475	196	1 305	1 501
Total	1 466	4 354	5 820	1 643	4 678	6 321	1 742	4 764	6 506
Age distribution^{1,2}									
Employees < 25 years	212	642	854	302	901	1 203	278	795	1 073
Employees 25–35 years	373	1 022	1 395	353	957	1 310	450	1 143	1 593
Employees 36–45 years	331	829	1 160	348	843	1 191	386	913	1 299
Employees 46–55 years	341	1 119	1 460	400	1 229	1 629	400	1 137	1 537
Employees > 55 years	209	742	951	240	748	988	228	776	1 004
Total	1 466	4 354	5 820	1 643	4 678	6 321	1 742	4 764	6 506
Fixed term/permanent^{1,2,3}									
Permanent staff	1 343	3 999	5 342	1 494	4 284	5 778	1 556	4 324	5 880
thereof Members of the Executive Board ⁴	26	8	34	25	12	37	18	8	26
Trainees	123	355	478	149	394	543	186	440	626
Supernumary staff	5	47	52	17	40	57	0	30	30
Janitors	13	25	38	15	17	32	5	7	12
Other temporary staff	7	11	18	n.a.	n.a.	n.a.	10	11	21
Total	1 491	4 437	5 928	1 675	4 735	6 410	1 757	4 812	6 569

¹ Members of the Board of Directors are not included.

² There are deviations from the 2017/2018 reporting due to subsequently adjusted data consolidation.

³ Year-end headcount, including janitors, supernumerary and other temporary staff.

⁴ The five members of the Group Executive Board are not included. They are reported as permanent employees.

Key occupational health and safety indicators

Rates in %	2017			2018			2019		
	Accident	Illness	Absentee	Accident	Illness	Absentee ¹	Accident	Illness	Absentee
Swiss Prime Site Immobilien	0.0	1.3	1.3	n.a.	n.a.	0.9	0.0	1.3	1.4
Swiss Prime Site Solutions	0.0	6.7	6.7	n.a.	n.a.	0.3	0.0	0.6	0.6
Wincasa	0.3	2.4	2.7	n.a.	n.a.	2.8	0.3	3.4	3.7
Tertianum	0.6	4.2	4.8	n.a.	n.a.	5.7	0.9	5.2	6.1
Jelmoli	0.4	3.3	3.7	n.a.	n.a.	4.5	0.4	2.8	3.2

¹ The absentee rate 2018 was corrected retroactively. In the Annual Report 2018, the value 2.17% was published.

Staff fluctuation rate by group company

Rates in %	2017	2018	2019
Swiss Prime Site Immobilien	2.0	8.3	6.4
Wincasa	18.6	21.5	24.1
Tertianum	22.8	26.6	28.0
Jelmoli	19.4	28.4	26.3
Swiss Prime Site Solutions	n.a.	0.0	12.1
Group average	21.7	25.9	26.9



Key figures of the group companies

Swiss Prime Site Immobilien

	Unit	2017	2018	2019
Stakeholders				
Tenants	number	approx. 2 000	approx. 2 000	approx. 2 000
Documented tenant meetings	number	approx. 40	40	40
Finance				
Operating income (segment Real Estate)	CHF million	478	509	519
Investments in training and development	% of total payroll	1.29	0.82	0.82
Portfolio value	CHF million	10 633	11 204	11 765
Real estate costs	CHF million	63	64	65
Investments in projects and development	CHF million	204	200	288
Revaluation gains	CHF million	66	68	204
Net rental income	CHF million	424	434	437
Infrastructure				
Properties	number	188	190	187
Usable floor space	m ²	1 575 102	1 567 288	1 604 451
Vacancy rate	%	5.2	4.8	4.7
Innovation				
Floorspace development projects	m ²	375 000	325 000	350 000
Ecology (Services)				
Total energy consumption	MWh	395.1	373.5	381.5
CO ₂ emissions (Scope 1, 2)	tCO ₂ e	36	33.8	n.a.
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	n.a.	n.a.	38.1
CO ₂ intensity per m ²	kg CO ₂ e/m ²	15.7	16.46	18.5
CO ₂ intensity per FTE	kg CO ₂ e/FTE	612.2	642.6	597.9
Water use	m ³	1 496.5	945	911.9
Ecology (Portfolio)				
Total energy consumption	MWh	211 833	216 476	192 912
Energy intensity	kWh/m ²	141.6	144.5	140.0
CO ₂ emissions (Scope 1, 2)	tCO ₂ e	38 372	39 074	n.a.
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	n.a.	n.a.	31 229
CO ₂ intensity per m ²	kg CO ₂ e/m ²	25.65	26.08	22.66
Water consumption	m ³	888 586	874 334	722 407
Properties with contaminated soil	ha	32.35	32.35	32.35
Decontamination measures	CHF million	2	1.3	1.1
Employees				
Employees	number	51	59	70
Fluctuation rate	%	2	8.33	6.38
Absentee rate	%	1.32	0.94	1.36
Women in executive positions	%	n.a.	41	40

Wincasa

	Unit	2017	2018	2019
Stakeholders				
Branches	number	24	27	28
Direct suppliers	number	70	70	67
Proportion of Top 10 clients	%	90.3	92.9	91
Finance				
Operating income (segment Services)	CHF million	142	144	148
Investments in training and development	% of total payroll	1.33	1.01	0.83
Assets under management	CHF million	66	68	71
Rental income for clients	CHF million	3 137	3 290	3 294
Volume of transactions advised	CHF million	500	450	440
Monetary value of Kaizen	CHF million	0.435	0.21	0.045
Infrastructure				
Properties managed	number	233 000	233 300	240350
Construction projects	number	1 670	1 766	1 634
Share of residential in portfolio	%	38.4	36.8	44
Share of office and retail in portfolio	%	61.6	63.2	56
Innovation				
Kaizen ideas put into effect	number	404	350	290
Ecology (Services)				
Total energy consumption	MWh	3 328.8	3 776.4	3890.9
Energy intensity	kWh/m ²	143.5	156.4	159.4
CO ₂ emissions (Scope 1, 2)	tCO ₂ e	493	502	n.a.
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	n.a.	n.a.	672
CO ₂ intensity per m ²	kg CO ₂ e/m ²	21.26	20.79	27.87
CO ₂ intensity per FTE	kg CO ₂ e/FTE	620.05	647.7	806.77
Water use	m ³	15 557.6	17 465	17 800.5
Employees				
Employees	number	940	920	915
Fluctuation rate	%	18.59	21.51	24.12
Absentee rate ¹	%	2.71	2.8	3.68
Women in executive positions	%	n.a.	43	37

¹ The absentee rate 2018 was corrected retroactively. In the Annual Report 2018, the value 2.17% was published.

Tertianum

	Unit	2017	2018	2019
Stakeholders				
Residential guests	number	1 637	1 658	1 759
Nursing care guests	number	2 544	2 805	3 122
Guest satisfaction	% satisfied/ very satisfied	n.a.	n.a.	82.2%
Finance				
Operating income (segment Services)	CHF million	360	397	424
Investments in training and development	% of total payroll	0.97	0.85	1.24
Costs of care supplies and medication	CHF million	3.44	3.94	4.35
Infrastructure				
Operations	number	76	77	80
Care capacity utilisation	%	89.2	85.2	91.6
Residential capacity utilisation	%	84.8	84.8	81.2
Ecology (Services)				
Total energy consumption	MWh	50 649.3	49 261.2	71 234.5
Energy intensity	kWh/m ²	111.56	112.99	168.53
CO ₂ emissions (Scope 1, 2)	tCO ₂ e	6 933	5 908	n.a.
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	n.a.	n.a.	11 984
CO ₂ intensity per m ²	kg CO ₂ e/m ²	15.27	13.55	28.35
CO ₂ intensity per FTE	kg CO ₂ e/FTE	2 001.45	1 582.8	3 032.05
Water use	m ³	429 218	499 961	478 981
Employees				
Employees	number	4 303	4 679	4 860
Fluctuation rate	%	22.84	26.64	27.97
Absentee rate	%	4.8	5.65	6.09
Women in executive positions ¹	%	n.a.	7	56.98
Proportion of care staff with secondary or tertiary educational qualifications	%	>50	>50	>50

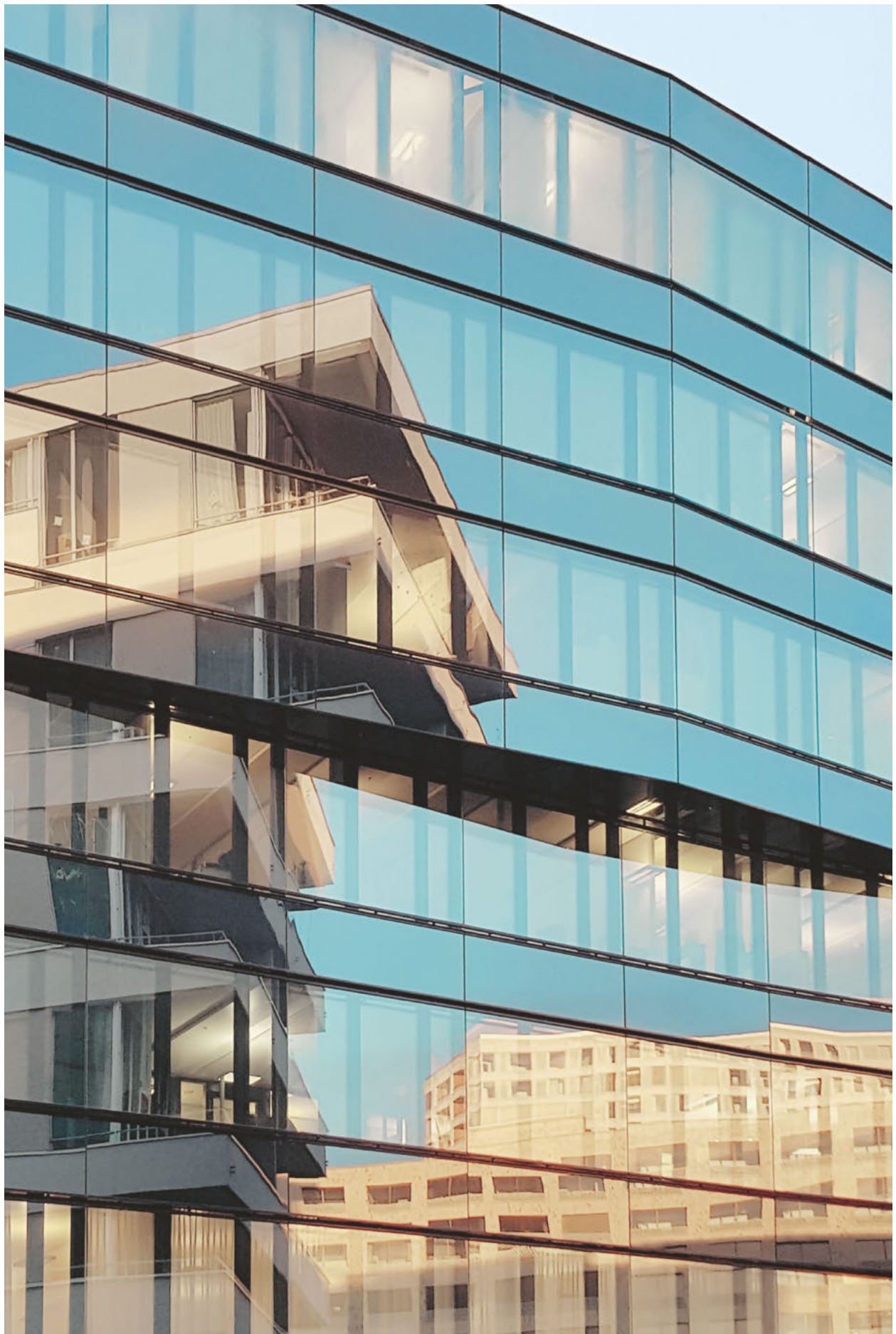
¹ The sharp increase in the proportion of women in 2019 is due to a new categorisation of management staff. In addition to the executive management and the managing directors, also the divisional managers are counted as management staff.

Jelmoli

	Unit	2017	2018	2019
Stakeholders				
Customers with J-Card	number	>250 000	281 600	300 740
Customer satisfaction (word of mouth n = 100)	Net Promoter Score (NPS), %	96	93	n.a.
Finance				
Operating income (segment Services)	CHF million	136	131	128
Investments in training and development	% of total payroll	1.06	0.99	0.51
Infrastructure				
Retail floor space (total floor space 33 000 m ²)	m ²	24 000	24 000	25 000
Items sold per sales receipt	number	1.94	1.98	2.01
Innovation				
Brands	number	approx. 1 000	approx. 1 000	approx. 1 000
Items	number	approx. 1 000 000	approx. 1 000 000	approx. 1 000 000
Ecology (Services)				
Total energy consumption	MWh	12 663.7	9 397.2	3 579.8
Energy intensity	kWh/m ²	344.40	255.57	243.39
CO ₂ emissions (Scope 1, 2)	tCO ₂ e	1 382	440	n.a.
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	n.a.	n.a.	149
CO ₂ intensity per m ²	kg CO ₂ e/m ²	38	12	10
CO ₂ intensity per FTE	kg CO ₂ e/FTE	2 760.14	887.1	300.1
Water use	m ³	39 755	33 448	13 900
Employees				
Employees	number	623	628	624
Fluctuation rate	%	19.4	28.4	26.3
Absentee rate	%	3.73	4.5	3.2
Women in executive positions	%	n.a.	46	50

Swiss Prime Site Solutions

	Unit	2018	2019
Stakeholders			
Pension funds/investors of Swiss Prime Investment Foundation	number	250	280
Finance			
Operating income (segment Services)	CHF million	8.5	13.5
Investments in training and development	% of total payroll	0.46	1.04
Infrastructure			
Assets under management	CHF billion	1.6	2.3
Acquisitions in the reporting year	number of objects	12	25
Value of the development pipeline	CHF million	122.7	161.0
Innovation			
Floor space of development projects	m ²	28 350	42 789
Ecology (Services)			
Total energy consumption	MWh	44.3	41.9
Energy intensity	kWh/m ²	182.0	184.6
CO ₂ emissions (Scope 1, 2)	tCO ₂ e	4	n.a.
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	n.a.	4.2
CO ₂ intensity per m ²	kg CO ₂ e/m ²	16.5	18.5
CO ₂ intensity per FTE	kg CO ₂ e/FTE	615.4	445.3
Water use	m ³	127.2	100.1
Employees			
Employees	number	9	10
Fluctuation rate	%	0.00	12.12
Absentee rate	%	0.33	0.58
Women in executive positions	%	0.00	16.67



GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed whether the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 accord with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was performed on the German version of the report.

This report has been prepared in accordance with the GRI Standards: «Core» option.

Universal Standards

		Page/Information
GRI 101: 2016	Foundation	
GRI 102: 2016	General disclosures	
Organizational profile		
102-1	Name of the organization	114
102-2	Activities, brands, products, and services	20–23
102-3	Location of headquarters	CH-4601 Olten
102-4	Location of operations	28
102-5	Ownership and legal form	Corporate Governance Report, p. 6
102-6	Markets served	22
102-7	Scale of the organization	20
102-8	Information on employees and other workers	97
102-9	Supply chain	70
102-10	Significant changes to the organization and its supply chain	22
102-11	Precautionary Principle or approach	24
102-12	External initiatives	70
102-13	Membership of associations	70
Strategy		
102-14	Statement from senior decision-maker	7
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	71
Governance		
102-18	Governance structure	18–19
Stakeholder engagement		
102-40	List of stakeholder groups	71
102-41	Collective bargaining agreements	73
102-42	Identifying and selecting stakeholders	71
102-43	Approach to stakeholder engagement	71
102-44	Key topics and concerns raised	71
Reporting practice		
102-45	Entities included in the consolidated financial statements	Corporate Governance Report, p. 3–5
102-46	Defining report content and topic boundaries	38
102-47	List of material topics	41

		Page/Information
102-48	Restatements of information	Are explained at the relevant place in the report.
102-49	Changes in reporting	38
102-50	Reporting period	01.01.2019–31.12.2019
102-51	Date of most recent report	February 2018
102-52	Reporting cycle	annually
102-53	Contact point for questions regarding the report	113
102-54	Claims of reporting in accordance with the GRI Standards	106
102-55	GRI content index	106
102-56	External assurance	110

Topic-specific Standards

		Page	Reason for omission
GRI 200	Economic topics		
GRI 201: 2016	Economic performance		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	74	
201-1	Direct economic value generated and distributed	75	
201-2	Financial implications and other risks and opportunities due to climate change	76	
201-4	Financial assistance received from government	76	
GRI 203: 2016	Indirect economic impacts		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	76	
203-1	Infrastructure investments and services supported	76	
Innovation culture and partnerships			
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	77	
GRI 205: 2016	Anti-corruption		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	78	
205-2	Communication and training about anti-corruption policies and procedures	78	
205-3	Confirmed incidents of corruption and actions taken	78	
GRI 206: 2016	Anti-competitive behavior		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	78	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	79	
GRI 300	Environmental topics		
GRI 302: 2016	Energy		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	79	
302-1	Energy consumption within the organization	83–86	
302-3	Energy intensity	83–86	
302-4	Reduction of energy consumption	83–86	

		Page	Reason for omission
GRI 303: 2016	Water		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	81	
303-1	Water withdrawal by source	83–86	
GRI 305: 2016	Emissions		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	79	
305-1	Direct (Scope 1) GHG emissions	83–86	
305-2	Energy indirect (Scope 2) GHG emissions	83–86	
305-4	GHG emissions intensity	84	
305-5	Reduction of GHG emissions	83–86	
GRI 306: 2016	Effluents and waste		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	81	
306-2	Waste by type and disposal method	83–86	
CRE5	Land degradation, contamination, and remediation	82	
GRI 307: 2016	Environmental compliance		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	96	
307-1	Non-compliance with environmental laws and regulations	96	
GRI 308: 2016	Supplier environmental assessment		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	91	
308-1	New suppliers that were screened using environmental criteria	92	
GRI 400	Social topics		
GRI 401: 2016	Employment		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	87	
401-1	New employee hires and employee turnover	87	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88	
GRI 403: 2016	Occupational health and safety		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	88	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	98	
403-3	Workers with high incidence or high risk of diseases related to their occupation	89	
GRI 404: 2016	Training and education		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	89	
404-1	Average hours of training per year per employee	100–104	not applicable
404-2	Programs for upgrading employee skills and transition assistance programs	89	
404-3	Percentage of employees receiving regular performance and career development reviews	90	

		Page	Reason for omission
GRI 405: 2016	Diversity and equal opportunity		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	90	
405-1	Diversity of governance bodies and among employees	97, 100–104	
GRI 406: 2016	Non-discrimination		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	91	
406-1	Incidents of discrimination and corrective actions taken	91	
GRI 414: 2016	Supplier social assessment		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	91	
414-1	New suppliers that were screened using social criteria	92	
GRI 416: 2016	Customer health and safety		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	92	
416-1	Assessment of the health and safety impacts of product and service categories	93	
GRI 417: 2016	Marketing and labeling		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	93	
417-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	93	
CRE8	Product and service labeling	94	
GRI 418: 2016	Customer privacy		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	95	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	95	
GRI 419: 2016	Socioeconomic compliance		
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	96	
419-1	Non-compliance with laws and regulations in the social and economic area	96	



Independent Limited Assurance Report on selected GRI Disclosures

To the Board of Directors of Swiss Prime Site AG, Olten

We were engaged to carry out a limited assurance engagement on the selected GRI disclosures set out below, which are disclosed in the GRI report in the appendix of the integrated annual report 2019 of Swiss Prime Site Group (hereafter "company") on the pages 70-109.

Our independent assurance engagement to obtain limited assurance covers the following GRI disclosures (hereafter "selected GRI disclosures") for the business year ended 31 December 2019:

- GRI 302:2016 Energy: 302-1 Energy consumption within the organization	page 81; 83-86
- GRI 302:2016 Energy: 302-3 Energy intensity	page 81; 83-86
- GRI 303:2016 Water: 303-1 Water withdrawal by source	page 82; 83-86
- GRI 305:2016 Emissions: 305-1 Direct (Scope 1) GHG emissions	page 81; 83-86
- GRI 305:2016 Emissions: 305-2 Energy indirect (Scope 2) GHG emissions	page 81; 83-86
- GRI 305:2016 Emissions: 305-4 GHG emissions intensity	page 81; 83-86

Our engagement neither covers GRI disclosures not set out above, nor prior-year disclosures, forward-looking information, information from external documentation sources or expert opinions.

Board of Directors' Responsibility

The Board of Directors of Swiss Prime Site AG is responsible for the preparation and presentation of the GRI disclosures 2019 in accordance with the reporting criteria. The company applies the GRI Standards of the Global Reporting Initiative (GRI Standards), option "core" as reporting criteria and publishes the report under the title „GRI Report“.

This responsibility includes the selection and application of appropriate methods for the integrated annual report (in particular the selection of material topics) as well as the use of assumptions and estimates for individual sustainability disclosures that are appropriate under the circumstances. Furthermore, the responsibility includes the design, implementation and maintenance of systems, processes and internal controls to enable the preparation and presentation of an integrated annual report that is free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to carry out a limited assurance engagement and to express a conclusion, based on our procedures performed and the evidence obtained, as to whether any matters have come to our attention that cause us to believe that the selected GRI disclosures have not been prepared, in all material respects, in accordance with the GRI Standards (option "core").

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform the engagement to obtain limited assurance about whether the selected GRI disclosures of the company are presented in accordance with the GRI Standards (option "core") in all material respects.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained is substantially lower. The procedures selected depend on the auditor's judgment. Taking into account risk and materiality considerations, we have carried out procedures in order to obtain sufficient appropriate evidence.



These procedures included amongst others:

- Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on sustainability performance, including the consolidation of the data;
- Inquiries with staff at group level responsible for the collection and consolidation as well as the performance of internal control procedures with regard to the disclosures;
- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is supported by appropriate evidence and presented in an accurate and balanced manner;
- Assessment of data collection, validation and reporting processes as well as of the reliability of the reported data on the basis of sample testing and the examination of selected calculations;
- Analytical evaluation of the quantitative data and development of the selected GRI disclosures in scope, which were submitted for consolidation at group level;
- Evaluation of the consistency of the requirements applicable to the company for the selected GRI disclosures with other disclosures and key figures in the integrated annual report 2019;
- Evaluation of the overall presentation of the disclosures by critical reading of the integrated annual report 2019.

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

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the selected GRI disclosures may occur and not be detected. Our engagement is not designed to detect all weaknesses in internal controls over the preparation and presentation of the selected GRI disclosures, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Independence and quality assurance

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies 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.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected GRI disclosures of the company for the business year ended 31 December 2019 are not presented, in all material respects, in accordance with the GRI Standards (option "core").

KPMG AG

Silvan Jurt
Licensed Audit Expert

Anna Pohle
Licensed Audit Expert

Zurich, 20 February 2020



Information policy

Swiss Prime Site complies with all legal requirements and strives to meet best practice standards. The Company fosters close relations with the financial industry and the broad public sector through all appropriate communication channels. Share-price relevant news is reported by the Company on an ad-hoc basis. Furthermore, comprehensive information about various topics and disclosure requirements is published on the group's website www.sps.swiss.

The Investor Relations and Corporate Communications department is responsible for the management of all contacts with investors, analysts and media representatives. Regular conferences with the media, institutional investors and analysts are held to report important corporate news, which can be followed by shareholders and other interest groups personally or via the Swiss Prime Site website.

24 March 2020

Annual General Meeting financial year 2019

25 August 2020

Semi-annual report as at 30 June 2020

Autumn 2020

Capital Markets Day 2020



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This report contains statements regarding future financial and operational developments and results as well as other projections that are forward-looking or contain subjective assessments that are not historical facts. In some cases, these forward-looking statements can be identified by the use of words such as «believe», «estimate», «anticipate», «expect», «intend» and similar expressions as well as their negative equivalent. Such forward-looking statements or subjective assessments (hereafter referred to as «forward-looking statements») are based on expectations, estimates and assumptions that seem to be appropriate to the Company at the time of the preparation of the report. However, the actual results may differ from these statements. A number of factors, such as the ability of the management to implement the business strategies of Swiss Prime Site AG, the future conditions and developments in the market in which Swiss Prime Site AG operates, or the market behaviour of other market players, may differ materially from the anticipated results including the actual business situation, results of operations, financial condition of the Company. In addition, past trends are not indicative of any future trends.

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