

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 cooperation 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.»