

SWISS PRIME SITE

GREEN BOND REPORT 2022

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Green Bond Report 2022

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Green Bond Report 2022

Green Bond Framework and governance

As part of its commitment to sustainability, Swiss Prime Site published a Green Bond Framework in 2020, according to which green bonds can be issued for the purpose of financing or refinancing sustainable projects. The Swiss Prime Site Green Bond Framework has received a Second Party Opinion from ISS ESG, confirming that the framework is aligned with the ICMA Green Bond Principles.

In harmony with Swiss Prime Site's sustainability goals, the framework defines how the net revenues from relevant bonds can be used to finance and/or refinance eligible green assets. Swiss Prime Site considers assets or project investments to be suitable if they meet one of the following criteria (see Green Bond Framework, page 10):

Category	Description	Example of existing eligible investments
Green Buildings	<ul style="list-style-type: none"> - Acquisition, construction or renovation of buildings that conform to recognised standards (main focus when issuing green bonds), including the following certifications: <ul style="list-style-type: none"> - Minergie - SNBS - BREEAM (Very Good and above) - LEED (Gold and above) 	<ul style="list-style-type: none"> - Current list of eligible properties (see Green Bond Framework)
Climate Protection and CO₂ Reduction Pathway	<ul style="list-style-type: none"> - Revenues are used to finance only those projects that contribute towards (1) reducing total energy consumption and/or (2) reducing CO₂ and greenhouse gas emissions. - An overall target for operating the portfolio with 50% renewable energy and no CO₂ emissions 	<ul style="list-style-type: none"> - See Chapter Sustainability in the Annual Report 2022, → Material topic of reduction of CO₂ emissions
Responsible Consumption and Production	<ul style="list-style-type: none"> - Use of low-emission and renewable materials - Buildings with low energy consumption - Possible measures include: <ul style="list-style-type: none"> - Percentage of the portfolio consisting of 100% renewable energy sources - Primary energy consumption - CO₂e caused by heating/hot water - Energy savings - Electricity (general/tenants) - CO₂e caused by electricity 	<ul style="list-style-type: none"> - Swiss Prime Site aims to use PV installations wherever possible

Allocation of green bond net revenues as at 31.12.2022

At the end of 2020 and the start of 2021, Swiss Prime Site issued two green bonds with a total nominal value of CHF 600 million. (see → <https://sps.swiss/en/group/investors/bonds>):

	Figures in	2028	2029
Issuing volume	CHF m	300	300
Interest rate	%	0.375	0.650
Term to maturity	Years	7	9
Maturity	Date	11.02.2028	18.12.2029
Securities number		58 194 781 (SPS21)	58 194 733 (SPS200)
ISIN		CH0581947816	CH0581947733

By 31 December 2022, the total available funds of CHF 600 million had been fully allocated to Category I «Green Buildings», Category II «Climate Protection and CO₂ Reduction Pathway» and Category III «Responsible Consumption and Production» in accordance with the general conditions set out in the Green Bond Framework. The tables below show which projects the funds were allocated to.

In **Category I «Green Buildings»**, CHF 587.65 million had been allocated as at 31 December 2022; the total refers to the total amount invested after deduction of any subsidies. PLO Building B, Chemin des Aulx of the Espace Tourbillon project in Plan-les-Ouates was sold in the reporting year. The funds released were reallocated to the existing project portfolio. With regard to certification, definitive certificates were issued for the Tertianum La Vernise project at Rue de Venise 5–7/Avenue de la Plantaud 44 in Monthey (see Notes). The status of the other projects did not change in the reporting year (see table).

Property	Project category	Mortgages	Planned investments (incl. land) in CHF m	Allocated investments in Category I (cumulative) up to 31.12.2021 in CHF m	Allocated investments in Category I (cumulative) up to 31.12.2022 in CHF m	Desired building label	Label status
Stücki Park (new build), Hochbergerstrasse 60, Basel	Projects under construction	Refinancing 2021	250.00	135.29	186.42	SGNI	Pre-certified
Alto Pont-Rouge, Esplanade de Pont-Rouge 5, 7, 9, Lancy	Projects under construction	None	306.00	178.78	209.01	SNBS	SNBS KP1
Müllerstrasse 16, 20, Zurich	Projects under construction	None	222.24	129.01	144.04	SNBS	SNBS KP1
Tertianum La Vernise, Rue de Venise 5 – 7/Avenue de la Plantaud 44, Monthey	Projects under construction	None	29.50	30.13	29.32	Minergie	Certificate
Tertianum USEGO-Park, Solothurnerstrasse 201a, Olten	Projects under construction	None	34.30	9.17	18.86	Minergie-P	Provisional certificate
Espace Tourbillon, PLO Building B, Chemin des Aulx, Plan-les-Ouates	Sold	None	–	81.21	–	Minergie	Certificate
Total Category I			842.04	563.59	587.65		

In **Category II «Climate Protection and CO₂ Reduction Pathway»**, CHF 6.18 million was allocated in the reporting year for investments to increase energy efficiency (building shell) and for building services (e.g. replacing heating systems) in the property portfolio. A cumulative total of CHF 11.36 million has therefore been allocated to Category II. These investments contribute directly towards decarbonisation and implementation of the CO₂ reduction pathway within the property portfolio.

Areas of implementation	Allocated investments in Category II (cumulative) up to 31.12.2021 in CHF m	Total investments 01.01. – 31.12.2022 in CHF m	Allocated investments in Category II (cumulative) up to 31.12.2022 in CHF m
Building shell	3.49	2.78	6.27
Heating/building services	1.69	3.40	5.09
Total Category II	5.18	6.18	11.36

In **Category III «Responsible Consumption and Production»**, CHF 1.00 million had been invested in five photovoltaic installations by 31 December 2022. The total refers to the total amount invested after deduction of any subsidies. Another installation at Hagenholzstrasse 60 in Zurich was put into operation in the reporting year.

Property	Planned investment volume in CHF m	Allocated investments in Category III (cumulative) up to 31.12.2021 in CHF m	Allocated investments in Category III (cumulative) up to 31.12.2022 in CHF m
Maagplatz 1, Zurich	0.19	0.22	0.19
Kappenhühlweg 9, 11/Holbrigstrasse, Zurich	0.26	0.19	0.26
Mitteldorfstrasse 16, Ostermundigen	0.26	0.16	0.12
Hagenholzstrasse 60, Zurich	0.16	–	0.18
Räbgasse 20, Basel	0.25	0.24	0.25
Total Category III	1.12	0.81	1.00

Impact of investments enabled by green bond funds

The green bond net revenues allocated in **Category I «Green Buildings»** enable the planning and implementation of real estate projects with a sustainability certificate and corresponding sustainability performance in the three dimensions of economy, society and environment. Swiss Prime Site pursues a clear certification strategy. All new build and redevelopment projects within the property portfolio of Swiss Prime Site Immobilien will be certified with a nationally or internationally recognised sustainability label. When new build and redevelopment projects are initiated, the necessary preliminary checks and audits concerning certifiability are carried out for each individual property. The choice of label is based primarily on the certifiability of property-specific use or, in some cases, on regulatory requirements or tenant expectations. The desired certification level is analysed on a project-specific basis and aligned with the individual and project-related sustainability ambitions for the project (e.g. flexibility of use). In terms of greenhouse gas emissions during construction and operation, as well as in relation to effective use of resources (circular economy), Swiss Prime Site generally strives to exceed the minimum requirements.

In addition to ongoing projects, Swiss Prime Site has an extensive development pipeline that qualifies for the green bond. At the same time, existing properties in the portfolio are also certified according to the BREEAM In-Use certification system.

The investments in **Category II «Climate Protection and CO₂ Reduction Pathway»** partly enabled by use of the green bond net revenues are taken into account each time the plan is updated. Thus, in the predicted scenario based on current knowledge, a CO₂ intensity of 2.41 kg CO₂/m²a will be reached in 2040, which corresponds to a reduction of 88% compared with the reference year of 2019.

Swiss Prime Site is aware of its responsibility when it comes to sustainability and climate protection, and has been committed for some time to contributing to the 1.5° target of the Paris Climate Accords and the Swiss Federal Council's climate neutrality goal for 2050. With these targets in mind, the company developed a CO₂ reduction pathway for its entire property portfolio in 2019, which it uses as a guidance and control tool to achieve its own climate goals. The aim is to keep the CO₂ intensity per square metre below CRREM's 1.5° reduction scenario and achieve net zero by 2040. Swiss Prime Site will thereby make a significant contribution to achieving the goals set out in the Paris Climate Accords. Swiss Prime Site is planning to invest about CHF 650 million by 2040 in measures to further develop the reduction pathway towards the goal of increasing the energy efficiency of buildings and ensuring that energy comes from renewable sources wherever possible. The green bond net revenues make a significant contribution towards meeting these targets. The funds allocated in this report relate to specific construction projects (e.g. replacement of heating systems, building shell renovations) or to the level of investment made in these projects in the reporting period. This amount will increase as the number of eligible projects increases.

The CO₂ reduction pathway requires active management, as well as continuous adjustment to current data and possible measures for the existing property portfolio. The plan will therefore be regularly updated and published as part of annual reporting.

→ See [Chapter Sustainability in the Annual Report 2022: Performance in the material topics, page 41](#)

As a result of the contribution towards the construction of photovoltaic installations made possible in **Category III «Responsible Consumption and Production»**, another installation was put into operation in the reporting year in addition to the four installations already financed under the framework. This does not include photovoltaic installations fitted in the course of development projects.

Notes

Stücki Park (new build), Hochbergerstrasse 60, Basel

Vertragsnummer: SLG16-Erweiterung Stücki Science Park, Basel
 Bauvorhaben: Erweiterung Stücki Science Park, Basel
 Antragsteller: Swiss Prime Site Immobilien AG
 SGS Auditor: Christian Stoy
 Datum: 04.10.2021

Hauptkriterien-Gruppen	Zielwert Gesamtpunkte	Erfüllungsgrad	Note
Ökologische Qualität	22.5%	95.3%	0.99
Ökonomische Qualität	22.5%	89.0%	1.20
Sozio-kulturelle und Funktionale Qualität	22.5%	79.3%	1.52
Technische Qualität	22.5%	65.3%	1.99
Prozessqualität	10.0%	77.1%	1.80
Standortqualität	0.0%	56.8%	2.56
Gesamt-Erfüllungsgrad / Note			81.7% / 1.64
Nebenanforderung			Platz erfüllt
Plakette			Platz
Nebenanforderung			
Gesamt	Nebenanforderung	Gesamtbewertung	Note
Erfüllungsgrad	Hauptkriterien-Gruppen*	PLATIN	1.51 bis 2.00
85% bis + 80%	≥ 65%	GOLD	1.51 bis 2.00
60% bis + 55%	≥ 30%	SILBER	2.01 bis 3.00
* Es gilt für alle Hauptkriterien-Gruppen ausser "Standortqualität"			
Mindestanforderungen			
Der Folgende Anforderungen Eine Kriterien sind zwingend anzuführen:			
1. Nachhaltigkeits- oder Nachhaltigkeitskonzept und Nachhaltigkeitsberichterstattung			
Kriterium SDG 1, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100			
Kriterium TECT 1 (Brandschutz) Der Grenzwert muss erreicht werden			

OGAB Auditor
 Name: Christian Stoy
 Datum: 04.10.2021

Antragsteller
 Name: Gerd Voith
 Datum: 04.10.2021



Alto Pont-Rouge, Esplanade de Pont-Rouge 5, 7, 9, Lancy

SGS BESTÄTIGUNG KP 1

Zertifizierung nach „SNBS 2.0 Hochbau – Grundausbau“ des Objekts ESPLANADE

UMFANG
 Die Studie ist für die Konformität der angelegten Dokumente verantwortlich. SGS ist an der Aufbereitung dieser Dokumente in Bezug auf die Präsentation der Objekte beteiligt sowie deren Inhalt. SGS ist nicht für die Präsentation der Dokumente in Bezug auf die Präsentation der Objekte verantwortlich und ist nicht für die Präsentation der Dokumente in Bezug auf die Präsentation der Objekte verantwortlich.

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METHODEN
 Die Konformität mit KP 1 ist durch die Kontrolle der gesamten SNBS 2.0 Grundausbau-Dokumente, welche in Bezug auf die Präsentation der Objekte erstellt wurden, sichergestellt. Die Präsentation der Dokumente in Bezug auf die Präsentation der Objekte ist durch die Kontrolle der Dokumente in Bezug auf die Präsentation der Objekte sichergestellt.

BEWERTUNG
 Auf der Grundlage der oben beschriebenen Methoden und der oben beschriebenen Kriterien sind die oben beschriebenen Kriterien in Bezug auf die Präsentation der Objekte erfüllt. Die Präsentation der Dokumente in Bezug auf die Präsentation der Objekte ist durch die Kontrolle der Dokumente in Bezug auf die Präsentation der Objekte sichergestellt.

UNTERSCHRIFT IM AUFRAG VON SGS

S. Stoy
 Christian Stoy, Manager, Director SGS
 Datum: 1. Februar 2022

CP1000 Issue 14 SNBS version

Müllerstrasse 16, 20, Zurich

SGS BESTÄTIGUNG KP 1

Zertifizierung nach SNBS 2.0 Hochbau des Objekts Müllerstrasse 16/20 Zürich

UMFANG
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UNTERSCHRIFT IM AUFRAG VON SGS

S. Stoy
 Christian Stoy, Manager, Director SGS
 Datum: 11.12.2022

CP1000 Issue 14 SNBS version

**Tertianum La Vernise,
Rue de Venise 5 – 7/Avenue de la Plantaud 44,
Monthey**



**Tertianum USEGO-Park,
Solothurnerstrasse 201a, Olten**





Independent limited assurance report on selected information of Swiss Prime Site AG

To the Green Bond Committee of Swiss Prime Site AG, Zug

We have undertaken a limited assurance engagement on the following selected information of Swiss Prime Site AG's (hereinafter "SPS") in the Green Bond Report 2022 for the year ended 31 December 2022 (hereinafter "Information"):

- The total amount of issue proceeds from Green Bond issues already allocated along the conditions for categories I, II and III defined in the Green Bond Framework of SPS;
- The breakdown of the allocated issue proceeds from Green Bond issues in terms of use and the total amount not yet allocated;
- The invested capital per project within the three categories defined in the Green Bond Framework of SPS ("Allocated investments");
- The reporting on any allocation adjustments in the Green Bond project portfolio if projects no longer meet the Green Bond asset criteria of this framework.

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Green Bond Report 2022 or linked to the Information or from the Green Bond Report 2022, including any images, audio files or embedded videos.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the *'Summary of the work we performed as the basis for our assurance conclusion'* and the evidence we have obtained, nothing has come to our attention that causes us to believe that SPS's selected Information in the Green Bond Report 2022 for the year ended December 31, 2022 is not prepared, in all material respects, in accordance with the Green Bond Framework of SPS.

We do not express an assurance conclusion on information in respect of earlier periods or to any other information included in the Green Bond Report 2022 or linked to the Information or from the Green Bond Report 2022, including any images, audio files or embedded videos.

Understanding how SPS has Prepared the Information

The Green Bond Framework of SPS has been used as criteria references for the disclosures. Consequently, the Information needs to be read and understood together with the Green Bond Framework of SPS.

Inherent Limitations in Preparing the Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.



Swiss Prime Site's Responsibilities

The Green Bond Committee of SPS is responsible for:

- Selecting or establishing suitable criteria for preparing the Information, taking into account applicable law and regulations related to reporting the Information;
- The preparation of the Information in accordance with the criteria of the Green Bond Framework of SPS;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our opinion to the Green Bond Committee of SPS.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* 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 behavior.

Our 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.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Information included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;



- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures for the disclosures included in the scope of the limited assurance engagement;
- Assessment of the consistency of the disclosures applicable to SPS with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Green Bond Report 2022.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Silvan Jurt
Licensed audit expert

Theresa Tiersch

Zurich, 3 February 2023

Imprint

The original of this report is written in German.
The original German text is the effective official version.

Overall responsibility | Editing

Swiss Prime Site AG
Alpenstrasse 15
CH-6300 Zug
info@sps.swiss
www.sps.swiss

Advisory sustainability

Sustainserv GmbH, Zurich

Design | Realisation

Linkgroup AG, Zurich

Translation

Supertext AG, Zurich

Image material

Swiss Prime Site AG, Zug

Disclaimer

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 (hereinafter 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, could cause actual events, including the Company's actual business situation, results of operations and financial condition, to differ materially from the projected situation. In addition, past trends are not indicative of any future trends.

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