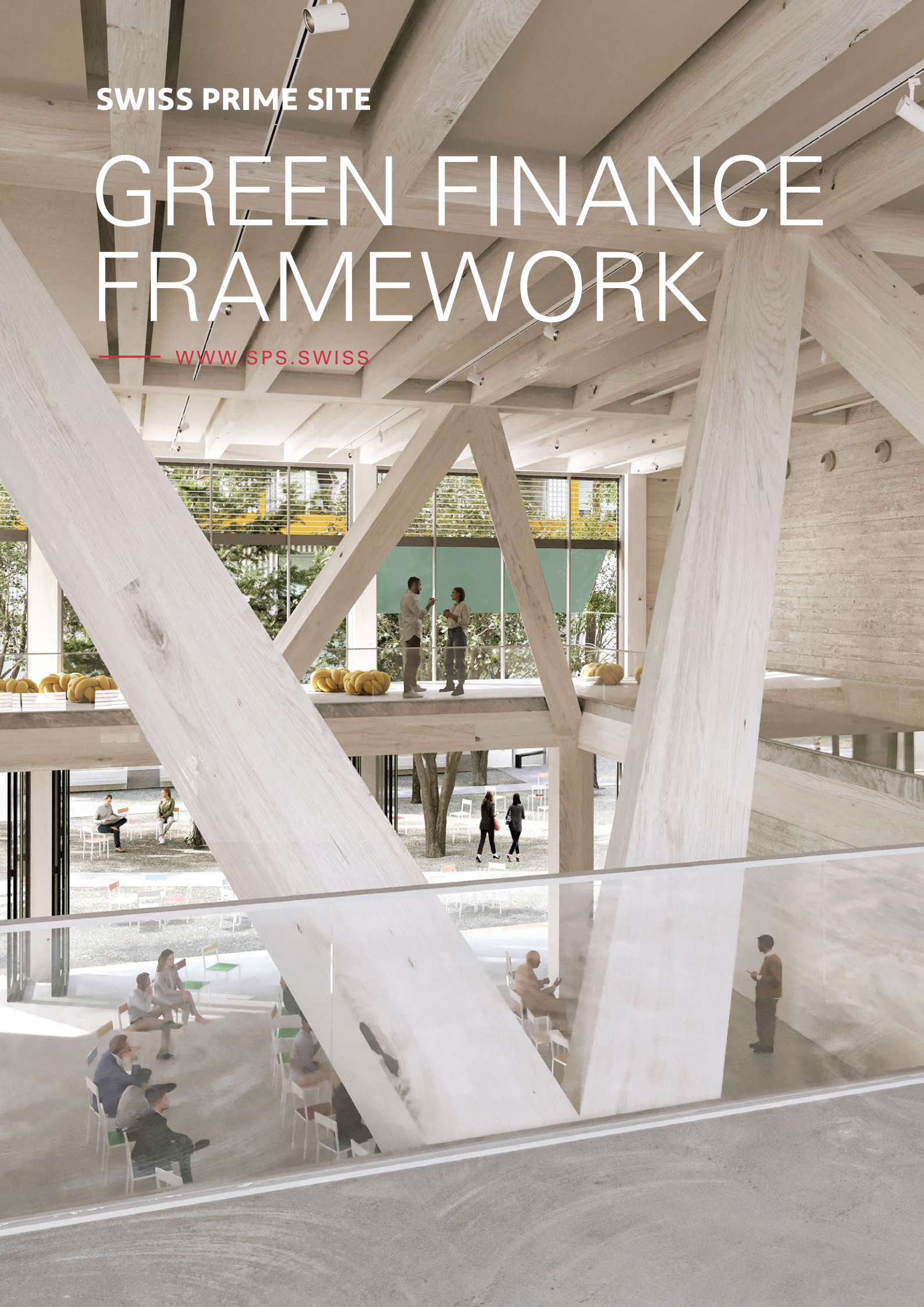


SWISS PRIME SITE

GREEN FINANCE FRAMEWORK

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Green Finance Framework

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Green Finance Framework

1 Overview

1.1 Swiss Prime Site company description

Swiss Prime Site AG is the leading listed real estate company in Switzerland. Its high-quality Swiss real estate portfolio as per 31 December 2021 is worth c. CHF 13 billion and consists of properties with good value retention in prime locations, which predominantly comprise office and retail floor space. Swiss Prime Site Immobilien AG invests in high-quality buildings and land, which together with property conversions and developments form the Company's core business. Among the property-related group companies, Wincasa is the largest and most important integral real estate service provider in Switzerland and an ideal complement to Swiss Prime Site's core business. The Company's innovative services portfolio encompasses the entire property life cycle. Assets under management amount to around CHF 76 billion. In 2017, the Group launched Swiss Prime Site Solutions, an asset manager focused on the property sector. The business develops tailor-made services and investment products for third-party clients.

Swiss Prime Site is distinguished by its experienced management team, high earnings continuity and outstanding risk-return profile. The Company has been listed on the SIX Swiss Exchange since 2000 and has a market capitalisation of approximately CHF 7 billion.

The business model focuses on the social and ecological aspects of its value-generating processes as well as their economic performance.

Thanks to our Swiss Prime Site Immobilien (core business real estate), Swiss Prime Site Solutions (asset management), Wincasa (real estate services) and Jelmoli (retail operation), we maintain a diversified profile which compensates for fluctuations in individual business fields and ensures the Group's long-term economic viability. Each has a key role to play in the execution of Swiss Prime Site's strategic objective of creating sustainable living and working spaces. We see value generation as a comprehensive concept. The focus is not limited to revenues, but also encompasses such aspects as innovation, added value for employees and the environment and relationships with stakeholders such as clients and suppliers.

The size and structure of Switzerland's economy and population are constantly evolving. This affects the demand for real estate. Our customers are becoming increasingly aware of the need for a sustainable economy and sustainable lifestyles, as indeed is society as a whole. As the leading real estate company in Switzerland, we create more value and develop sustainable habitats. Sustainability is therefore an intrinsic part of our strategy and of our day-to-day business, we are committed to providing sustainable and innovative investments, products and services as well as set new standards. We have a long track record of sustainable real estate developments as well as real estate refurbishments. We focus on both certified properties and net-zero CO₂ emissions by 2040 on the overall portfolio.

We believe that to be successful in the long run, we need to align our business performance with the expectations of our stakeholders and with society in general.

1.2 Commitment to sustainability

As Switzerland's largest listed real estate company, Swiss Prime Site is aware of its responsibilities to its customers, employees, the environment and society and has long made sustainability an integral part of its corporate strategy. Swiss Prime Site is committed to conducting its business ethically and with integrity. Besides complying with statutory requirements and regulatory standards, this also means adhering to the internal directives and principles defined by the Company. The Company is also increasingly acting to influence its external supply chain. Swiss Prime Site is confident that sustainable, forward-thinking management increases the Company's resilience and enables it to create long-term value for the Company, its stakeholders, society and the environment.

Swiss Prime Site sets long-term goals that constitute the focus of its business model and value creation. These goals are based on the Swiss government's Energy Strategy 2050, the Paris Climate Agreement and the Sustainable Development Goals (SDGs) of the United Nations.

We take responsibility for the environment

We act with an awareness of the environment and its resources. We want to do our bit to support the United Nations' two-degree target by systematically decreasing our CO₂ emissions. Our properties are built in accordance with green and sustainable building standards such as Minergie, the Swiss Sustainable Building Standard (SNBS), DGNB/SGNI, BREEAM or LEED. As a partner of Madaster¹, we are dedicated to promoting a circular economy in the field of real estate and construction.

We shape the future

Sustainability is one of the factors that drives our innovation. With pioneering construction projects such as JED, Müllerstrasse and YOND, we are forging new paths and continuing to develop. We partner with various start-up initiatives, engage in corporate venturing and hold regular innovation workshops. Our success relies on our skilled, dedicated employees, to whom we offer an attractive, open working environment and individual development opportunities.







Creating sustainable value

Our activities and those of our group companies create sustainable value. In this context, we transparently indicate which resources we use and how we implement them in a targeted manner.

¹ A Swiss platform aimed at improving resource efficiency in the construction and real estate sectors

ESG ratings

Swiss Prime Site holds ESG ratings from the following ESG ratings agencies²

 G R E S B	 G R E S B ★ ★ ★ ★ ☆ 2022	(Scale: 1 to 5 Stars)
MSCI 	A	(Scale: AAA to CCC)
ISS ESG 	C–	(Scale: A+ to D–)
 inrate	A–	(Scale: A+ to D–)
 SUSTAINALYTICS	13.3 (Low Risk)	(Scale: 1–40+)

Our Sustainability targets are set across six fields of action (Stakeholders, Finance, Infrastructure, Innovation, Ecology, Employees), both at Group level and for the individual Group companies.

While the Group's overarching targets will be described in all six dimensions, the focus at the operational level will be on the working environment, digitalisation and raising energy efficiency levels in the Group's operations and its real estate portfolio.

1.3 CO₂ reduction target

In 2019, we developed a detailed CO₂ reduction pathway for our property portfolio. For our around 1.6 million square metres of floor space, our reduction pathway forecasted an influenceable 75% reduction in relative CO₂ emissions (intensity) by the year 2050. In 2020, Swiss Prime Site's Sustainability Committee further tightened the reduction target for the property portfolio. The aim is now to achieve climate neutrality in the operation of the portfolio by 2040.

² ESG Ratings as of date of Framework, subject to change. Any updated ratings are available from the relevant providers

1.4 Material issues

Swiss Prime Site regularly reviews which elements are most important for the long-term sustainable development of the Company (GRI 102-46). These materiality analyses are carried out by the management and the Board of Directors and are based on the core elements of the corporate strategy and long-term planning, as well as on comprehensive stakeholder surveys.

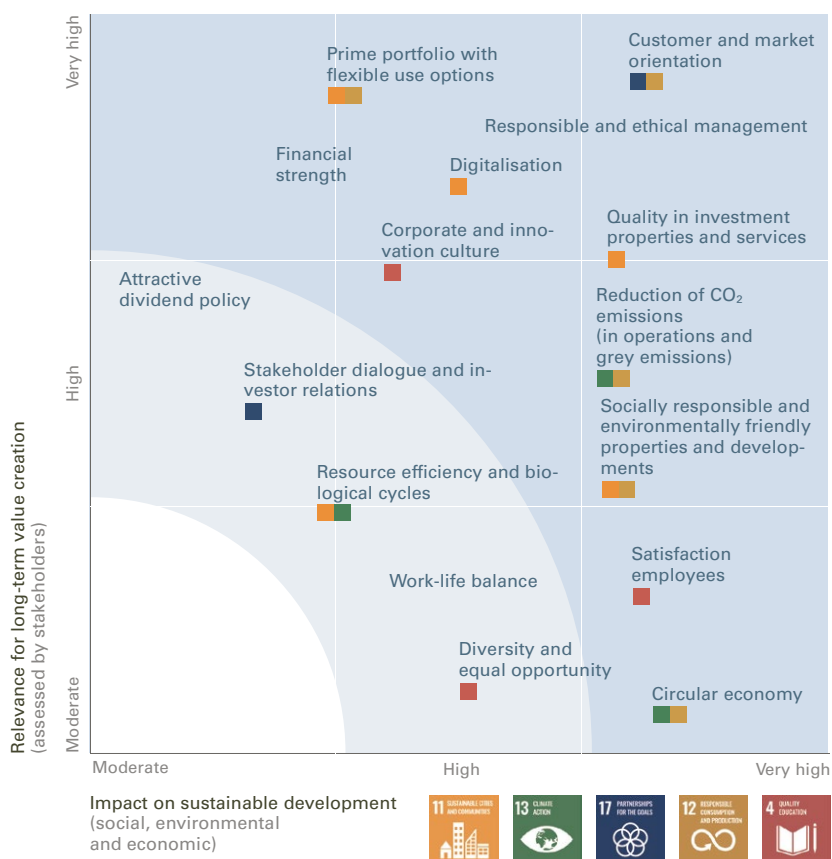
Comprehensive stakeholder inclusion in the materiality analysis

The materiality analysis evaluates how important each issue is with regard to the Company's impact on sustainable development. A survey of management and stakeholders is also conducted to assess the relevance of each issue to long-term value creation. This ensures that the material issues are closely integrated into the strategy. The last survey in 2021 included almost 130 investors, analysts, tenants, directors, members of the Executive Board and the senior management team of group companies and other members of management.

Material issues used to set objectives

The result of the stakeholder analysis are factored into the materiality analysis that the management and the Board of Directors carried out, taking into account internal factors as well. The following illustration shows the key points, with issues with a high degree of materiality shown in the dark-coloured space.

Results of the materiality analysis¹



¹ A derivation of the main topics from the key areas of action for Swiss Prime Site (GRI 102-47) can be found on pages 8 and 9

1.5 Contribution to the UN Sustainable Development Goals

Swiss Prime Site uses the 17 Sustainable Development Goals (SDGs) as a system of reference in which to embed their commitment to global sustainable development. The focus is on five key objectives to which Swiss Prime Site can contribute by fulfilling its responsibilities in the core business: SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), SDG 17 (Partnerships for the Goals), SDG 12 (Responsible Consumption and Production) and SDG 4 (Quality Education).



Sustainable cities and communities

Make cities inclusive, safe, resilient and sustainable



Climate action

Take urgent action to combat climate change and its effects



Partnerships for the goals

Revitalise the global partnership for sustainable development



Responsible consumption and production

Ensure sustainable consumption and production patterns



Quality education

Ensure inclusive, fair and high-quality education and promote opportunities for lifelong learning for all

Contribution to SDG 11: Sustainable cities and communities

Swiss Prime Site creates attractive, sustainable and flexible living spaces as part of urban and district development projects and affirms its responsibility when it comes to building sustainable cities and communities, in line with SDG 11: «Make cities and communities inclusive, safe, resilient and sustainable.» Swiss Prime Site applies the Swiss Sustainable Building Standard (SNBS) as useful guidance to help clarify its commitment in this area.

Contribution to SDG 13: Climate action

Swiss Prime Site is aware of its responsibility when it comes to climate action (SDG 13) and has been committed for some time to contributing towards the 1.5-degree goal of the Paris Climate Agreement and the Swiss Federal Council's 2050 climate neutrality goal.

Contribution to SDG 17: Partnerships for the goals

In addition to protecting the climate, the circular economy encourages us to think beyond our established boundaries and linear systems, to question current consumption and production methods and to be open to new partnerships (SDG 17 – Partnerships for the Goals).

Contribution to SDG 12: Responsible consumption and production

Given its business model, Swiss Prime Site is in a position to promote sustainability throughout the supply chain and contribute towards SDG 12 – Responsible Consumption and Production – and recognises its responsibility to do so. The circular economy is a topic that is steadily gaining in importance.

Contribution to SDG 4: Quality education

Education and training, awareness and an open learning culture are key success factors for quality, customer and market orientation and a sustainable business model. Swiss Prime Site promotes its employees and is committed to professional training in the context of SDG 4 – Quality Education.

1.6 Sustainability governance and risk management

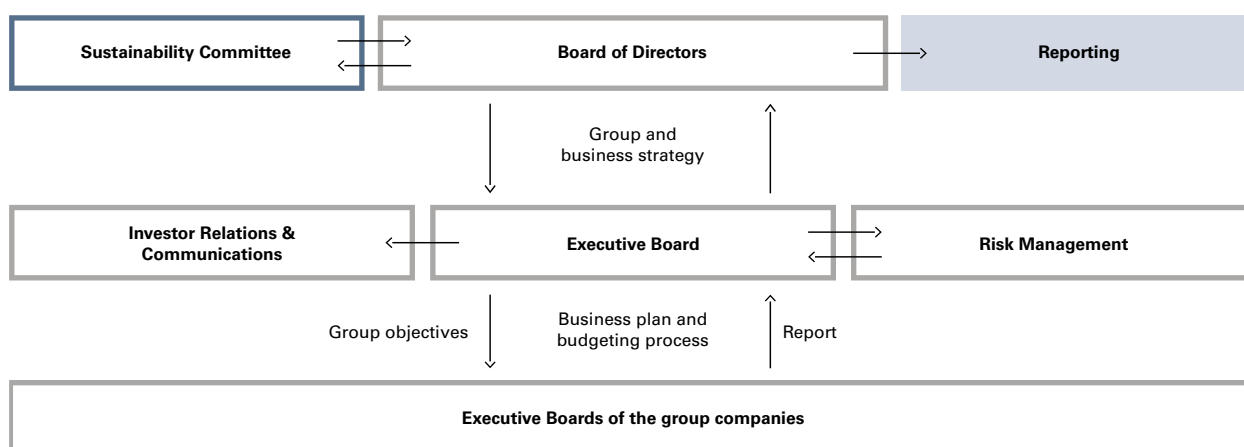
Governance

Swiss Prime Site is confident that responsible, forward-looking leadership increases the Company's resilience and enables it to create long-term value for itself, its shareholders and its stakeholders. For Swiss Prime Site, there is no doubt that climate change and the opportunities and risks associated with it play an extremely important role, as the real estate industry has a significant impact on greenhouse gas emissions and is itself directly affected by climate change. Swiss Prime Site therefore takes its responsibilities as the largest listed real estate company in Switzerland seriously.

In 2019, the Board of Directors decided to set up a Sustainability Committee made up of members of the Board of Directors and management that reports directly to the Board of Directors. The Board is responsible for managing climate-related opportunities and risks, defining and reviewing the sustainability strategy (including the CO₂ reduction pathway) and specifying suitable framework conditions for group companies in the form of overarching policies and objectives.

The Head Group Sustainability, who is also a permanent member of the Sustainability Committee, is responsible for operational implementation of the group-wide sustainability strategy and therefore plays a key role in ensuring that financial and non-financial success factors and risks are managed in an even more integrated manner.

Governance on opportunities and risks in the area of sustainability



Risk management

Swiss Prime Site has integrated climate-related risks into its group-wide risk management processes since 2019 and has been reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines on the impact of climate-related financial risks on the Company's business activities and the measures taken to proactively manage these risks. In assessing these risks, the Company uses an event-based scenario analysis and science-based modelling of the «Climate Value-at-Risk» of the entire property portfolio.

In the event-based scenario analysis, Swiss Prime Site assesses physical and transitional climate risks every year using quantitative scenarios. As part of this process, potential events are evaluated based on their probability of occurrence and the scale of their impact on the Company's value and its reputation. The risk evaluation considers when the impact is expected to occur and, when it does, the horizon for action to implement risk mitigation measures. The resulting evaluation serves as a tool to help the Executive Board and the Board of Directors to identify at an early stage specific measures which can mitigate or eliminate the expected negative impact on the Company.

2 Swiss Prime Site Green Finance Framework

As part of its commitment to sustainability, Swiss Prime Site has designed this Green Finance Framework under which Green Bonds, loans or other debt instruments, including Secured Green Bonds (the «Debt Instruments») can be issued to finance or refinance eligible green projects, enabling us to meet our sustainability objectives. The Debt Instruments may be issued by Swiss Prime Site AG, any of its subsidiaries, a special purpose company for the purpose of issuing asset-backed securities, or another special purpose vehicle as may be indicated by Swiss Prime Site.

Rationale for issuance

We aim to reinforce our commitment to sustainability and consider Green Debt Instruments as key to supporting our efforts. Through the setup of a Green Finance Framework, we intend to accelerate the transition toward sustainable real estate investments and broaden our investor base to reach further like-minded investors.

This Framework is structured in alignment with the Green Bond Principles 2021 (including June 2022 Appendix 1)³, as administered by the International Capital Market Association (ICMA), the Loan Market Association (LMA) Green Loan Principles 2021, and as such, adopts the four key pillars of the Principles:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

In establishing its Green Finance Framework, Swiss Prime Site considered the guidance provided by the United Nations Sustainable Development Goals (SDGs). Swiss Prime Site also follows the key recommendations of the ICMA Principles with regards to external review.

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

2.1 Use of Proceeds

Swiss Prime Site will allocate an amount equal to the proceeds raised by any debt instrument issued in accordance with this framework to finance or refinance, in whole or in part, at book value of new green projects or existing green certified assets and further expenditures with a clear and defined environmental benefit («Eligible Expenditure»).

Category	Description	Example of existing eligible investments
Green Buildings	<p>Acquisition, construction or refurbishment of buildings which meet recognised standards (primary focus for Green Debt Instruments), including the following:</p> <ul style="list-style-type: none"> — Minergie⁴ certification (Minergie, Minergie-P, Minergie-A, Minergie-ECO) — SNBS⁵ (Gold and above) — BREEAM New Construction (Very good and above) — BREEAM In-Use «Building» (Very good and above) — LEED New Construction/Major Renovation (Gold and above) — LEED Existing Buildings (Gold and above) — DGNB/SGNI New Construction (Gold and above) — DGNB Building in operation (Gold and above) 	<ul style="list-style-type: none"> — List of eligible properties (see latest Green Bond Report)
Energy Efficiency	<ul style="list-style-type: none"> — Investments leading to GEAK⁶ energy class label B or better — Investments explicitly targeting a reduction of greenhouse gas emissions of at least 30% (e.g. replacing heating systems) in comparison with the emissions of the building prior to the refurbishment 	
Renewable Energy	<ul style="list-style-type: none"> — Expenditures related to the installation and/or operation of new and/or existing onsite solar photovoltaic panels — Expenditures related to the installation and/or operation of new and/or existing on-site wind turbines 	<ul style="list-style-type: none"> — List of photovoltaic systems by property (see latest Green Bond Report)

⁴ <https://www.minergie.com/>

⁵ <https://www.nnbs.ch/standard-snbs-hochbau>

⁶ <https://www.geak.ch/>
https://www.endk.ch/de/energiepolitik-der-kantone/geak-r?set_language=de

2.2 Process for Project Evaluation and Selection

Projects financed and/or refinanced through allocation of any Green Debt Instrument proceeds are evaluated and selected based on alignment with the Green Financing Framework eligibility criteria and with Swiss Prime Site's strategic sustainability objectives.

Swiss Prime Site has established a Green Finance Committee composed of members of the Group Executive Board working jointly with the management teams and specific representatives from the operational units. The Committee will also oversee the Green Finance implementation of identifying the projects, assessing their alignment with eligibility criteria and approval of eligible green projects.

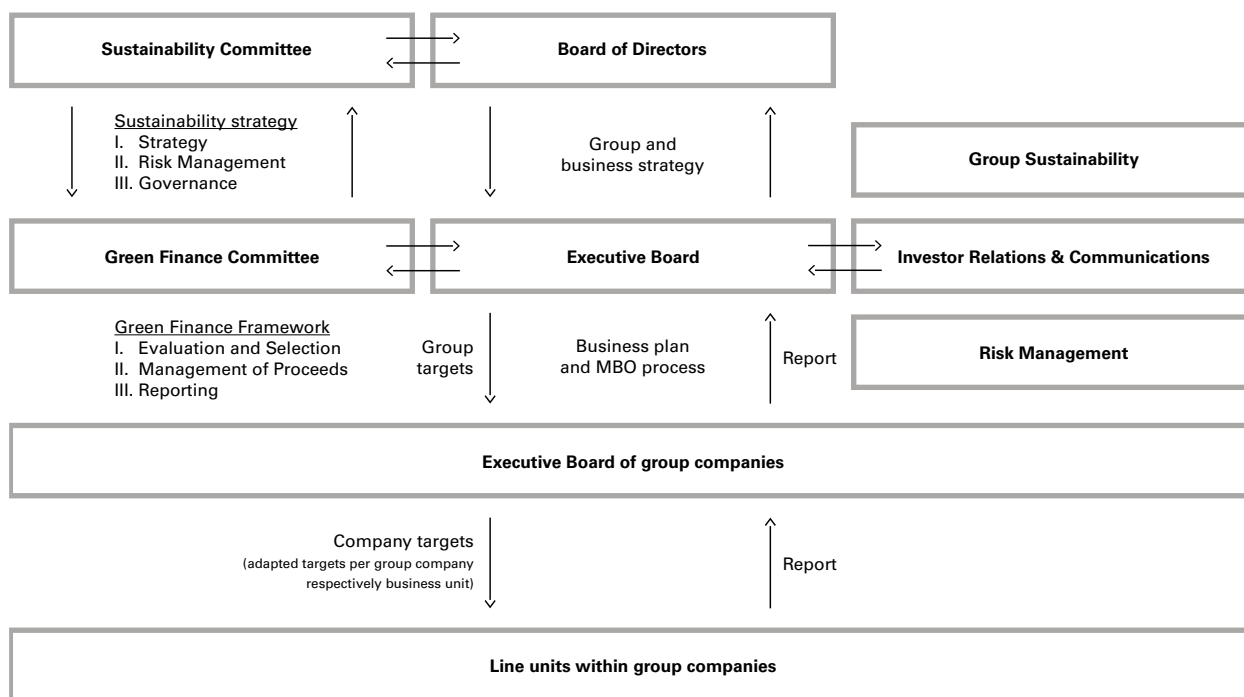
2.3 Members and organisational integration of the Green Finance Committee

Sustainability Committee (3 meetings per year)

- Ton Büchner (Chairman)
- Barbara Knoflach (Member of the Board of Directors)
- René Zahnd (CEO Group)
- Urs Baumann (CIO Swiss Prime Site Immobilien)
- Martin Pfenninger (Head Group Sustainability)

Green Finance Committee (2 meetings per year)

- Marcel Kucher (CFO Group/Swiss Prime Site Immobilien)
- Urs Baumann (CIO Swiss Prime Site Immobilien)
- Martin Pfenninger (Head Group Sustainability)
- Natalie Roessler (Business Controlling)



2.4 Process and responsibilities

Document / Activity	Responsibility	Approval	Information	Frequency	Deadline / Period
Green Finance Framework and emissions (e.g. Green Bonds)					
Green Finance Framework	Group CFO	Group CEO	Entire organisation	Individual	–
Emissions	Group CFO	Board of Directors	Entire organisation	Individual	–
Evaluation and Selection					
Identification and audit of eligible project portfolio	Executive Board SPSI	Green Finance Committee	Group CEO and Sustainability Committee	Annually	–
Allocation of funds	Group CFO	Green Finance Committee	Sustainability Committee	Annually	–
Management of Proceeds					
Controlling receipt and use of funds	Group CFO	Green Finance Committee	Group CEO	Ongoing	–
Controlling of eligible project portfolio	Head Group Sustainability	Green Finance Committee	Group CEO and Sustainability Committee	Ongoing	–
Reporting					
Reporting	Group CFO	Green Finance Committee	Sustainability Committee and Executive Board	Annually	Until all funds are allocated
External review	Head Group Sustainability	Green Finance Committee	Sustainability Committee and Executive Board	Annually	–

The Committee will also monitor internal processes to identify mitigants to known material risks of negative environmental and/or social impacts associated with the Eligible Projects. Swiss Prime Site mitigates these risks by will ensuring that all selected Eligible Expenditure comply with official national and international environmental and social standards, local laws and regulations on a best effort basis, in addition to the Code of Conduct.

2.5 Management of Proceeds

The proceeds of the Green Finance Instruments issued under this Framework will be managed by the Green Finance Committee in a portfolio approach.

Swiss Prime Site intends to allocate the proceeds from the Green Debt Instruments to an Eligible Green Asset Portfolio that meet the Use of Proceeds eligibility criteria and in accordance with the Evaluation and Selection process presented above. This also includes the proceeds from convertible bonds after they have been converted.

Swiss Prime Site will secure over time, that the amount allocated towards the eligible project portfolio will be equal or bigger to the amount of the balance of proceeds from its outstanding Green Debt Instruments. Additional assets will be added to the Eligible Green Asset Portfolio to the extent required. Assets will be included in the portfolio at their current IFRS balance sheet value, which will be updated annually to reflect investment and depreciation and will qualify for refinancing without a specific look-back period.

The assets in Eligible Green Asset Portfolios will be reduced by an amount equal to any green-labelled loans that Swiss Prime Site has received relating to such assets or expenditures. All relevant information regarding the issuance of Green Debt Instruments and the Eligible Green Assets financed/refinanced will be monitored and maintained in our internal accounting systems. Swiss Prime Site intends, to the best of its abilities, to fully allocate the proceeds within 36 months after the issuance date of each Green Debt Instrument. Pending the allocation or reallocation of the net proceeds, Swiss Prime Site will invest the balance of the net proceeds at their own discretion in its liquidity portfolio in cash, cash equivalents, and/or in other short-term liquid marketable instruments.

2.6 Reporting

Swiss Prime Site will publish a monitoring report on its website on an annual basis until full allocation. This will:

- Provide an update of total amount of proceeds allocated to Eligible Projects and Assets
- State the remaining balance of any unallocated funds
- Describe the qualitative and, where possible and feasible, quantitative indicators of the projects' environmental impact
- Include the proportion of financing and refinancing

Swiss Prime Site will report on behalf of itself and any entity used for the purposes of issuing Green Debt Instruments.

The report will follow where feasible, the Harmonised Framework for Impact Reporting, as published by ICMA⁷.

In addition, Swiss Prime Site is committed to reporting impact metrics of its eligible Green Portfolio, in line with the annual environment KPI report⁸.

2.7 External review

This Framework has been reviewed by ISS ESG. In its «Second Party Opinion», ISS ESG has evaluated the Framework's alignment with the Green Bond and Green Loan Principles as administered by ICMA and LMA, respectively. The «Second Party Opinion» will be made available to investors and can be found on Swiss Prime Site's website.

Swiss Prime Site will seek to obtain a limited assurance report from an external verifier, which will be issued annually until all the proceeds of the bonds have been allocated, confirming that an amount equal to the net proceeds of the bonds has been allocated in compliance with all material respects of the eligibility criteria set forth in this Green Finance Framework.

⁷ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022v2-020822.pdf

⁸ https://sps.swiss/fileadmin/user_upload/redakteure/gruppe/pdf/geschaeftsberichte/en/Sustainability_Key_Indicators21_en.pdf

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