



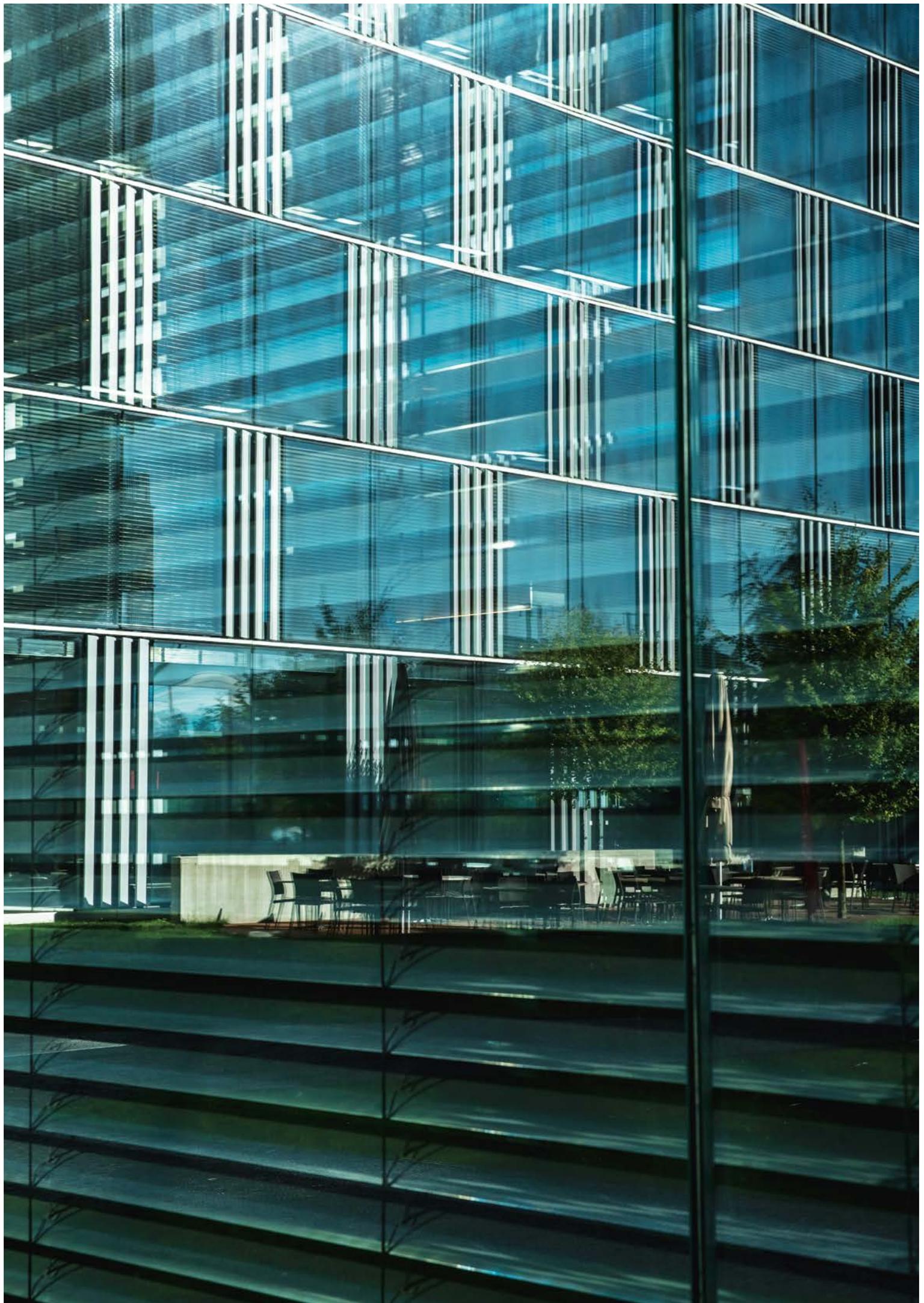
SWISS PRIME SITE

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# SUSTAINABILITY REPORT

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2017



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### 2017 Sustainability Report

This year, Swiss Prime Site is publishing a sustainability report for the first time. The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards and is based on the Integrated Reporting Framework promulgated by the International Integrated Reporting Council (IIRC).



Annual reports focus on numerical information. Despite this, their ability to provide a real portrait of a company – its business, its customers and everyone else with whom it interacts – is somewhat limited. The market in which Swiss Prime Site and its Group companies operate is a dynamic one and the activities of its individual business fields have a significant influence on each other.

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Foreword  
GRI 102-14

### **Operating in a changing environment**

The size and structure of Switzerland's 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. The technical standards used in construction continue to develop. The resources required to build and operate properties are diminishing. The intelligent control technologies used in «smart homes» are not only spearheading the trend towards sustainable use of water and energy, they are also making buildings more comfortable to live in. The same applies to commercial and industrial premises. Communication with customers is making ever greater use of electronic media. Digital tools have become indispensable, both in property management and the analysis and evaluation of existing buildings and new projects.

Politicians and legislators are beginning to espouse these developments by setting new minimum requirements and defining new standards. Moreover, be-

cause they also regulate the financial environment, they can facilitate or constrain investment in real estate, as the debate on the laws governing the purchase of Swiss real estate by foreign nationals demonstrates.

### **Integrated reporting creates transparency**

Our objective is to create value for all our stakeholders. We apply ethical principles in pursuit of that aim. Because a conventional, numerically focused annual report cannot adequately illustrate this, we have incorporated integrated reporting into our sustainability report. From now on, instead of reporting economic and financial facts in isolation, we will present them in their broader social context. In other words, our intention is not only to document results, but to explain what we do, what resources we use and how we ensure that they are deployed sustainably.

Capital is the term we apply to the resources we use. These include financial capital, physical capital, intellectual capital, human capital, relationship capital and

natural capital. When used to describe the work in which our Group companies are engaged, these somewhat dry, technical terms assume a life of their own.

#### **Overview of business activities in 2017**

I would also like to take the opportunity of providing a brief overview of our business activities in 2017. Last year, we continued to pursue our successful strategy of focusing our Group companies' efforts on their core areas of expertise. While ancillary disciplines such as construction execution, facility management and property valuation were generally assigned to expert third parties, some were insourced on a case-by-case basis.

Our Group companies achieved good results in its various business fields, from portfolio and asset management, to real estate sales and purchasing, to single-property and large-site development, to property administration. Real estate rental income amounted to some CHF 470 million, up from CHF 453 million in 2016. Vacancy rates were cut further, to 5.2%. Both results are clear testimony to our success in maintaining client loyalty and fine-tuning our offering to the needs of the markets we serve.

The net yield on our property portfolio came in at 3.7%, in line with our 2016 results. New acquisitions totalled CHF 284 million, with real estate development sales generating a profit of some CHF 28 million. Our project pipeline places considerable emphasis on Assisted Living. This reflects projected increases in demand for senior accommodation across the quality spectrum. The aggregate value of our overall project pipeline amounts to CHF 2.1 billion.

#### **Investing in quality rather than volume**

Our Wincasa and Tertianum Group companies have increased their operating income to impressive levels. The strategy of investing in quality rather than volume is clearly paying off, further strengthening the economic foundations on which our Group is built. We have achieved positive results in 2017, not only for our

shareholders, but also for our employees, our real estate clients, our cooperation partners and service providers and everyone else who is associated with Swiss Prime Site.

I trust that you will enjoy reading this account of Swiss Prime Site's activities in 2017 and that it will provide you with new insights into the work of our Group and our Group companies



**René Zahnd**  
Chief Executive Officer

# Targets

The short and medium-term targets, the measures for achieving them and the roles and responsibilities associated with their implementation are documented in the sustainability roadmap and form an integral part of the annual business-plan process for the entire Group. This process also incorporates an evaluation of the previous year's targets. If any of these have not been met, appropriate additional measures are also defined. Sustainability targets are set across all six dimensions of the sustainability roadmap, both at Group level and for the individual Group companies. For 2018 and 2018+, however, communication of these targets will be clearly focused on specific key aspects of the roadmap. 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.

Whether or not the goals it has set itself are sufficiently ambitious is a question every company needs to re-examine. Particularly when formulating long-term objectives, it is important to remember that many exogenous factors can materially affect the attainment of the targets set. This can lead to uncertainty as to whether a public commitment to their attainment should be announced at too early a stage. Long-term targets can only be achieved through a whole series of measures carried out over a period of years. In addition to increasing efficiency levels through digitalisation, Swiss Prime Site's most important objectives are a continuous reduction in staff fluctuation rates, a further increase in the number of women in executive positions, and the definition and implementation of a trajectory for reducing the environmental impact of the property portfolio in accordance with science-based targets.

## Our achievements in 2017:



### Stakeholders

Our first stakeholder dialogue enabled us to evaluate and augment the materiality of our roadmap topics.



### Financial excellence

The Group achieved and partially exceeded the targets announced at the beginning of the reporting year.



### Compliance and social commitment

Group-wide IT guidelines were introduced which also incorporate the basis for a comprehensive data-protection concept for 2018.



### Sustainable investments and services

Maintaining the primary structures of the Schönburg project in Berne resulted in a documented saving of 26750 MWh of grey energy.



### Protecting the environment

A comprehensive reporting and data-recording concept was developed and implemented. Resource utilisation by individual Group companies is now being evaluated for the first time.



### Attractive working environment

81 employees attended our executive training course in leadership. Around 400 apprentices and 78 interns completed their vocational training.

Swiss Prime Site

	targets 2018	targets 2018+
Stakeholders	Develop the stakeholder dialogue and the startup network	Hold second stakeholder panel meeting and publish Sustainability Report for 2018/2019
Financial excellence	Develop scenarios to identify possible risks to Swiss Prime Site's business from climate change	Report on scenarios based on TCFD (Task Force on Climate-related Financial Disclosures) recommendations
Compliance and social commitment	All employees to re-commit to the Code of Conduct	Evaluate functional adequacy of 2018 data-protection concept
Sustainable investments and services	Formulate uniform BIM (Building Information Modelling) parameters for all new developments	Specify all new developments based on BIM (Building Information Modelling) parameters
Protecting the environment	Compile key environmental metrics in accordance with CO <sub>2</sub> balance-sheet concept	Cut revenue-related CO <sub>2</sub> emissions by at least 5%
Attractive working environment	Continuation of leadership training courses Start Trainee Program	Reduce average staff fluctuation rates to below 18%

Swiss Prime Site Immobilien

	targets 2018	targets 2018+
	Evaluate all development projects according to SNBS criteria	Obtain sustainability certification for at least two new construction projects
	Specify a downward trajectory towards 2-degree target	Quantify key environmental metrics for company operations and third-party tenants
	Conduct employee survey	Cut absentee rates to below 2%

Wincasa

	targets 2018	targets 2018+
	Process digitalisation: continue development of myWincasa	Establish mobility concept based on 5% cut in CO <sub>2</sub> emissions
	Compile key environmental metrics in accordance with CO <sub>2</sub> balance-sheet concept	Quantify key environmental metrics for company operations and mobility
	Launch Career Website	Cut absentee rates to below 2.5%

Tertianum

	targets 2018	targets 2018+
	Process digitalisation: Roll out SAP and careCoach in German-speaking Switzerland and Ticino	Process digitalisation: Roll out SAP and careCoach in French-speaking Switzerland
	Reduce vacancy rates by at least 5% based on balance 2017	Quantify key environmental metrics for operations
	Introduction of a uniform wage system in German-speaking Switzerland and Ticino	Introduction of a uniform wage system in French-speaking Switzerland

Jelmoli

	targets 2018	targets 2018+
	Process digitalisation: introduce electronic contract management	Quantify key sustainability metrics for suppliers
	Cease sale of genuine fur products in accordance with animal welfare	Quantify key environmental metrics for operations
	Conduct client survey	Cut absentee rates to below 3%



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# **INTEGRATED MANAGEMENT**

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# 2017 stakeholder panel

Swiss Prime Site is continuously developing its sustainability strategy. Self reflection is essential to this process, as is feedback from third parties. For that reason, Swiss Prime Site established its first stakeholder panel in 2017. Representatives of a number of stakeholder groups were invited to take part in an open discussion to evaluate the company's sustainability strategy, the materiality of the topics it is addressing, the targets set and the measures defined for achieving them. The panel members were:

- Lucia Döbeli, Head of Public Affairs, Swiss Life
- Daniela Zimmermann, owner and Managing Director, Concreda
- Christophe Berger, CEO, NTT Data Switzerland
- Jöri Engel, CEO, Swisscom Immobilien
- Professor François Höpflinger, Head of the Center for Gerontology, Zurich University Hospital
- Vincent Kaufmann, Director, ETHOS
- Dr. Gerhard Wagner, Head of ESG Solutions, Swisscanto Invest
- Beat Zahnd, Head Retail Department, Migros

## The panel discussion and the preparatory steps

While the number of participants in the first panel was deliberately kept low, it was nevertheless possible to include representatives of the various stakeholder groups and to canvass their views on all the key topics – politics and the economy, IT and digitalisation, users and clients, social and business ethics, investors and the retail sector.

Before the panel meeting, the stakeholders received copies of the 2016 annual report which included a chapter on corporate responsibility formulated in accordance with GRI standards. They also received an online questionnaire. This was completed by the stakeholders, by the Executive Board and by members of senior management. The objective here was to evaluate the materiality of the content of the topics addressed in the report and to identify any further issues or matters requiring discussion.

The panel was chaired by René Zahnd, the CEO, and Urs Baumann, Head of Sustainability and Innovation, with minutes taken by an independent third party. Proceedings began with a short presentation of the com-

pany and its activities. The questionnaire results were then presented by Sustainserv, a sustainability consultancy firm retained by Swiss Prime Site. This was followed by a two-and-half hour discussion, facilitated by a moderator. The points discussed were then formulated in an official panel statement which was acknowledged by the company in its letter of thanks.

Both original documents are available for download from the Swiss Prime Site website. The statements reproduced below have been partially abbreviated. The results of the materiality analysis are summarised in the next section.

## Panel statement

The stakeholder panel acknowledges the sustainability measures Swiss Prime Site has taken so far. It appreciates the comprehensive reporting provided by the company and its willingness to engage in open dialogue. In issuing a report in accordance with Global Reporting Initiative (GRI) standards, Swiss Prime Site has taken on a pioneering role in its industry. This raises a question as to the extent to which sustainability can be operationalised within the company and supported by its employees.

The panel sees the greatest potential for further development in the definition of concrete sustainability targets and measures for their achievement. The panel also encourages Swiss Prime Site to define its corporate sustainability profile more precisely, to identify synergies within the company and to consolidate its pioneering position.

In the panel's view, Swiss Prime Site's reporting covers the key sustainability topics and presents them comprehensively. The panelists recommend that greater emphasis be placed on the elements linking the Group companies and the unique position of Swiss Prime Site resulting therefrom. Urban development, intergenerationality and habitat design are suggested as possible topics here. To enhance the credibility of the reporting further, the stakeholders recommend that the sustainability targets be incorporated into the report, that progress in attaining them be transparently reported and that illustrative examples be given of cases where conflicts arise between targets.

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## 2017 stakeholder panel

GRI 102-42

GRI 102-43

GRI 102-44

The panelists welcome Swiss Prime Site's stated objective of reducing the energy consumed by its properties and thus cutting the CO<sub>2</sub> they generate. They recommend that an ultimate CO<sub>2</sub> reduction target be defined based on the global 2-degree objective set out in the Paris Agreement and that concrete intermediate goals also be set. In addition to recommending that sustainability certification be obtained for the properties in the portfolio, the panel also expects Swiss Prime Site to exceed the required standards, given the leadership role it has in its sector. The panel also sees the value chain as a means of achieving significant leverage for greater sustainability. The panelists encourage Swiss Prime Site to focus more intensively on the interfaces it has with its clients and to involve suppliers and business partners more actively in its sustainability initiatives.

As the digitalisation of business processes gathers pace, companies will be required to be more trans-

parent about how they use data and ensure that it remains safe. In addition to creating new business models, digitalisation can also make processes more efficient and create new types of jobs. The panelists recommend that Swiss Prime Site take a proactive approach to addressing concerns about digitalisation among its employees, tenants and users and to demonstrating the benefits which digital technology can deliver.

To sum up:

the panel expects Swiss Prime Site to

- define concrete sustainability objectives and guiding principles,
- outperform sustainability benchmarks and exceed expectations and
- pursue and expand the existing dialogue.



Dr. Gerhard Wagner in discussion with CEO René Zahnd



Lucia Döbeli in conversation with Vincent Kaufmann

## Responses to the panel statement

Swiss Prime Site is convinced that adopting the GRI standards provides an appropriate and comprehensive structure for its sustainability reporting, which it intends to expand continuously over the next few years. Making sustainability a guiding principle for the Group could lend additional impetus to this process.

The formulation of objectives for energy use and CO<sub>2</sub> emissions represents a milestone for every company. These targets need to be developed on the basis of a reliable analysis of energy consumption data and a long-term investment plan. These then provide the template for a robust development model which is applied to the entire portfolio. Swiss Prime Site concurs with the panel's view that there is a fundamental market demand for buildings with certified sustainability characteristics. Swiss Prime Site has a policy of planning and carrying out its modernisation and development projects in accordance with the criteria specified in the current Swiss Sustainable Building Standards (SNBS 2.0). At present, certification is awarded to individual buildings.

Swiss Prime Site sees the panel's recommendation that its sustainability initiatives be extended to suppliers and business partners as a more significant challenge. While some initial ideas on targeted awareness raising outside the company itself have been devel-

oped, for these to gain traction it will first be necessary to define suitable metrics and contractual provisions which appropriately reflect the economic interests of both parties concerned.

The panel's suggestion that networks be established lends further concrete expression to the recommendation that third parties be incorporated in the company's sustainability initiatives. Local and regional networks are crucially important to the business of the Group companies. They enable Swiss Prime Site to benefit from the profile it has adopted in the Swiss market, where federalism and differences in cantonal legislation can be seen as both a burden and an opportunity.

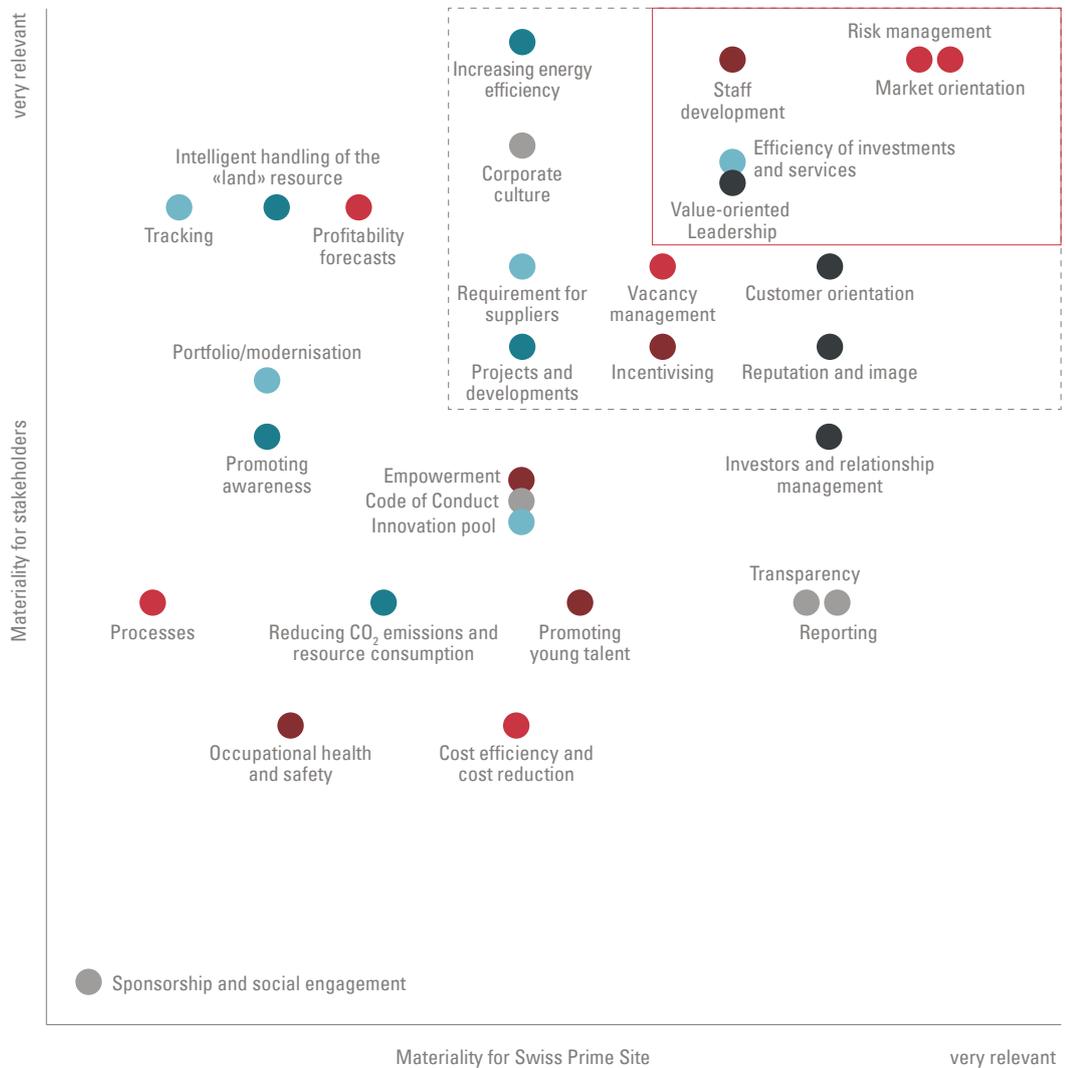
The topic of digitalisation and data protection is one which the panel considered to be critical and highly sensitive, both from a regulatory standpoint and from the point of view of clients and users. This is another area in which Swiss Prime Site and its Group companies are striving to lead by example. The objective here is to review all data-protection measures systematically and regularly, to help to allay any scepticism towards digitalisation and to develop a number of future scenarios to demystify the implications of digital technology by providing additional transparency and information.

# Key topics

Before the 2017 stakeholder meeting, the Executive Board, other senior managers and the external panel members each made their own independent evaluation of the materiality index. Individual evaluations

were carried out for the Group as a whole and for all Group companies. These were then validated in a joint session for the entire panel.

## Swiss Prime Site materiality index



- Sustainability for our stakeholders
- Sustainable investments and services
- Financial excellence
- Protecting the environment
- Compliance and social commitment
- Attractive working environment

## Key topics for the Group and the Group companies

The key factors for the Group were identified on the basis of a total of 30 core topics defined in accordance with the six dimensions of the Swiss Prime Site sustainability roadmap. These factors were risk management, value-oriented management, employee development, investment and service efficiency and market orientation.

Further key factors were identified for the individual Group companies. For Swiss Prime Site Immobilien, these were projects and developments, the energy efficiency of buildings and vacancy-rate management. Greater energy efficiency was also seen as being highly relevant to Wincasa, as was customer and market orientation. Reputation and image was seen as a key factor for Tertianum, as was employee development. For Jelmoli, the greatest emphasis was placed on incentivisation, corporate culture and expectations placed on suppliers.

## New topics and proposals

The stakeholder panel recommended that two new topics be added to the sustainability roadmap – creating networks and digitalisation and data protection. Swiss Prime Site will include these in its next revision to the roadmap, which will then comprise a total of 32 categories of measures. The panelists were keen to stress that the creation of networks will help Swiss Prime Site to enhance the openness of its ongoing dialogue with clients, suppliers, business partners, politicians, regulators and local communities. Such networks would provide useful input for the company's future development as well as fostering mutual trust.

On the current roadmap, the stakeholders took the view that sponsoring and social commitment was a less important core topic. The current sponsoring concept is mainly directed towards commitments in the fields of innovation, research and teaching, with more modest contributions being earmarked for youth, sport and cultural projects. The panel recommended that future sponsoring efforts be more closely linked to the company's core business by focusing on urban development and spatial planning and identifying new areas of activity in these fields, such as sponsoring new professorial chairs, architecture competitions, electric mobility, innovative building envelopes or unconventional approaches to letting vacant floorspace.

The selection of key topics will be reviewed again when the next stakeholder panel meeting is held in 2019.

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Key topics for the Group and for Group companies

GRI 102-47



**Zurich, Prime Tower, completed in 2011**

This property has been awarded LEED Gold, Minergie and greenproperty certificates for sustainability

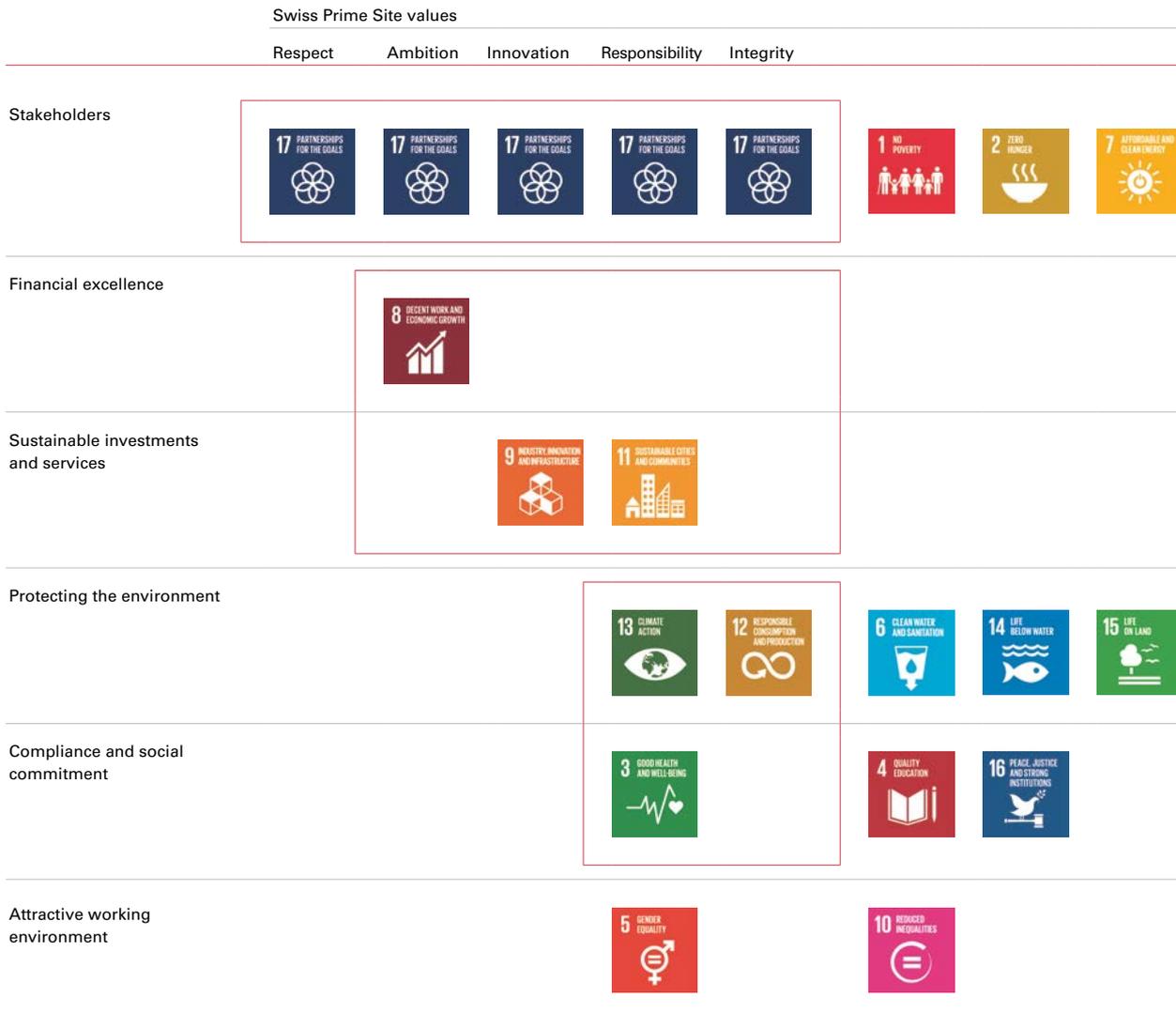
## Long-term alignment with UN 2030 Agenda

Swiss Prime Site’s objective is to foster enduring sustainability. To that end, it also needs to evaluate the overarching factors which are relevant to its business and to incorporate these into its plans. This involves comparing the core topics identified in its sustainability roadmap materiality analysis with the instruments and declared principles which apply at the national and international level.

Many Swiss companies see Switzerland’s Sustainable Development Strategy (SDS) and the action plan for the 2030 Agenda as the key components in the frame-

work which will shape the dialogue on sustainability and the measures designed to foster its attainment. The UN’s Sustainable Development Goals (SDG) are the core elements in its 2030 Agenda. By analysing these, it is possible to determine how each goal specifically applies to Swiss Prime Site and what actions need to be taken to meet it.

The 17 SDGs and their 169 constituent targets came into effect on 1 January 2016 for a period of 15 years. They are based on the Agenda 2030 resolutions for achieving sustainable development taken by 193 UN member states. They are addressed to nations, companies, science and civil society. Companies can use the SDGs as points of reference to link their commit-



□ Material to Swiss Prime Site

ments and key performance indicators to sustainable development at the global level. According to a recent survey conducted by SustainServ in August 2017, some 60% of the more than 100 companies it polled across all sectors of the Swiss economy have already examined the issues raised by the SDGs. Generally speaking, these are companies which publish sustainability reports and consult the relevant sustainability compendia.

### Swiss Prime Site's contribution

In practice, companies can take a range of approaches to reporting their sustainability targets and their approaches to achieving them. Some reports are comprehensive, while others focus on individual aspects. Swiss Prime Site and its Group companies took the approach of determining the materiality of a range of core topics and situating these on a matrix which matches its corporate values with the six dimensions of the sustainability roadmap. The targets identified as priorities were then positioned inside the matrix, while the internationally oriented core topics which did not apply to or could not be influenced by Swiss Prime Site were placed to the right of the matrix. Based on the clearly defined statutory provisions applying to employers and employees in Switzerland, SDG 5 (Gender Equality) was excluded on the basis that all stakeholders were expected to observe it as

a matter of course. The following SDGs were deemed to be either less applicable to Swiss Prime Site or not subject to its direct influence: 1 (No Poverty), 2 (Zero Hunger), 4 (Quality Education), 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 10 (Reduced Inequalities), 14 (Life Below Water), 15 (Life On Land), 16 (Peace, Justice and Strong Institutions).

In a second step, the 7 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. These 7 were SDG 3 (Good Health and Well-Being), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production), 13 (Climate Action) and 17 (Partnerships for the Goals).

These goals were complemented by additional objectives adapted to the specific circumstances of Swiss Prime Site and then mapped onto a table representing the nine action areas defined by the Federal Office for Spatial Development for its Sustainable Development Strategy. It remains to be seen how the Confederation will incorporate the SDG goals into its next revision of its Sustainable Development Strategy and to what extent their significance for Swiss companies continues to increase.

	Swiss Prime Site business fields		
	Assisted Living	Retail	Real Estate
Partnership Goals Strategic targets			
Corporate Goals Group and project targets			
Divisionary Goals Individual targets			

□ Material to Swiss Prime Site

## Conclusions

Goal 11, «Sustainable Cities and Communities», provides a very apposite link to the definition of one of the guiding principles put forward by the stakeholder panel as a key corporate social responsibility for Swiss Prime Site's core business.

The topic of «urban development, intergenerationality and habitat design», which was also proposed by the stakeholders, can be assigned to this same goal. Similarly, Swiss Prime Site's Group-wide vision and the value generation defined by «Integrated Reporting» can also be represented as complementary in the SDG context. Focusing on individual goals not only fosters communication with stakeholders but also facilitates the development of new products and services. Because it helps to direct risk analysis, this focus is particularly useful in the identification of key topics and the formulation of a long-term company agenda.

SDG	UN goal description	SDS action areas	Adapted goals for Swiss Prime Site
17	Revitalise the global partnership for sustainable development	Social cohesion	Establish national and regional partnerships for knowledge transfer, joint developments and shared projects
8	Promote inclusive and sustainable economic growth, employment and decent work for all	Economic and financial system Social security and equality of opportunity	Raise profitability while increasing the efficiency of resource utilisation, maintaining corporate values principles of equal treatment for all
9	Build resilient infrastructure, promote sustainable industrialisation and foster innovation	Education, research and innovation	Invest in new technologies and sustainable buildings with innovative floorspace utilisation concepts and offerings
11	Make cities inclusive, safe, resilient and sustainable	Urban development, mobility and infrastructure	Use existing properties more intensively and take a participative approach to new projects and large site transformations which incorporates their utilisation by local communities
3	Ensure healthy lives and promote well-being for all at all ages	Health	Contribute to healthcare and support for the elderly in Switzerland by focusing on protecting the health of clients and employees
12	Ensure sustainable consumption and production patterns	Consumption and production	Define and monitor sustainability criteria for the entire product life cycle from construction to demolition
13	Take urgent action to combat climate change and its impacts	Energy and climate Natural resources	Reduce resource utilisation and implement measures to protect against climate-related risks and dangers

# Integrated value creation

Swiss Prime Site takes a holistic approach to managing its businesses. This focuses on the social and ecological aspects of its value-generating processes as well as their economic performance. The company's vertically and horizontally integrated business model creates value for all its stakeholders.

opportunities and to incorporate them into its strategy. The portfolio of services provided to support these investments covers every phase of the real estate life cycle, with the objective of ensuring that living and working spaces remain sustainable over the long term. In addition to developing and executing real estate projects, Swiss Prime Site also manages individual buildings and property portfolios for third-party clients and for the Group itself. Its comprehensive range of management services extends from letting to facility management. Finally, the business model also incorporates the deployment of parts of the property portfolio in the retail and assisted-living sectors. Because the various steps in the value-generating process are executed cyclically, it is possible to create living and working spaces which meet contemporary needs.

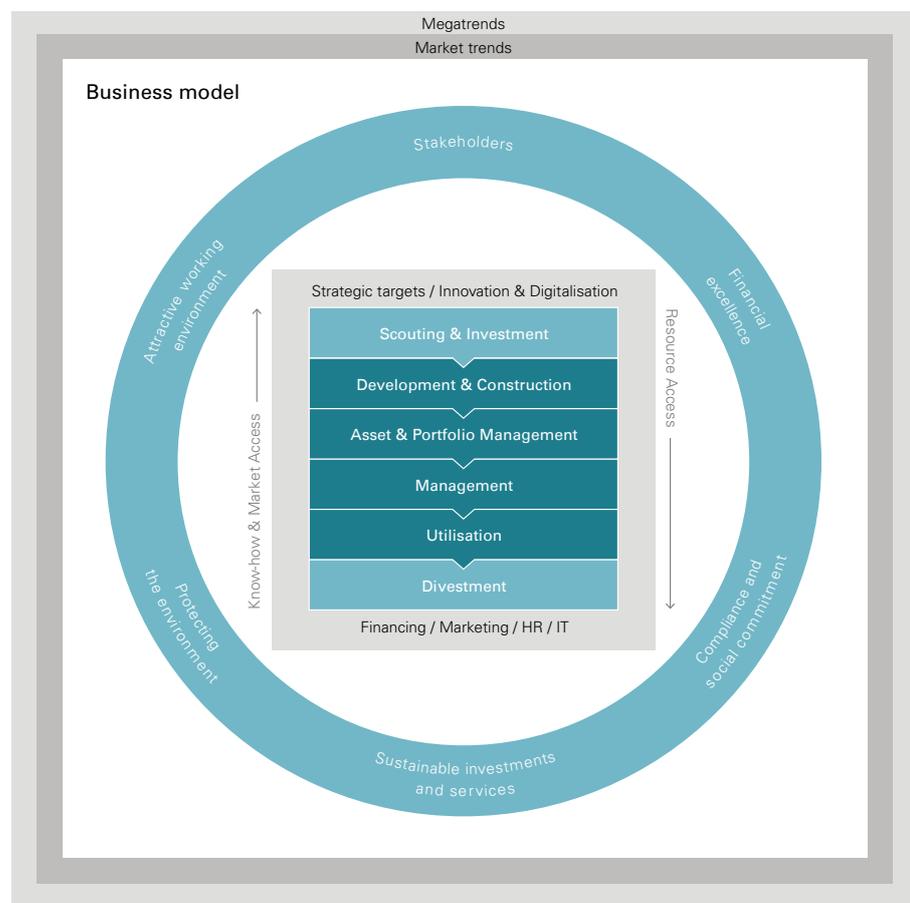
Vertically and horizontally integrated business model

GRI 102-2

GRI 102-6

## Vertically and horizontally integrated business model

The Swiss Prime Site business model encompasses a number of value-generating steps. Each step is influenced by overarching market conditions and megatrends and is configured to meet stakeholder needs. Thanks to its in-depth knowledge of the real estate market and its ability to recognise current trends, Swiss Prime Site is able to identify promising investment



Swiss Prime Site business model

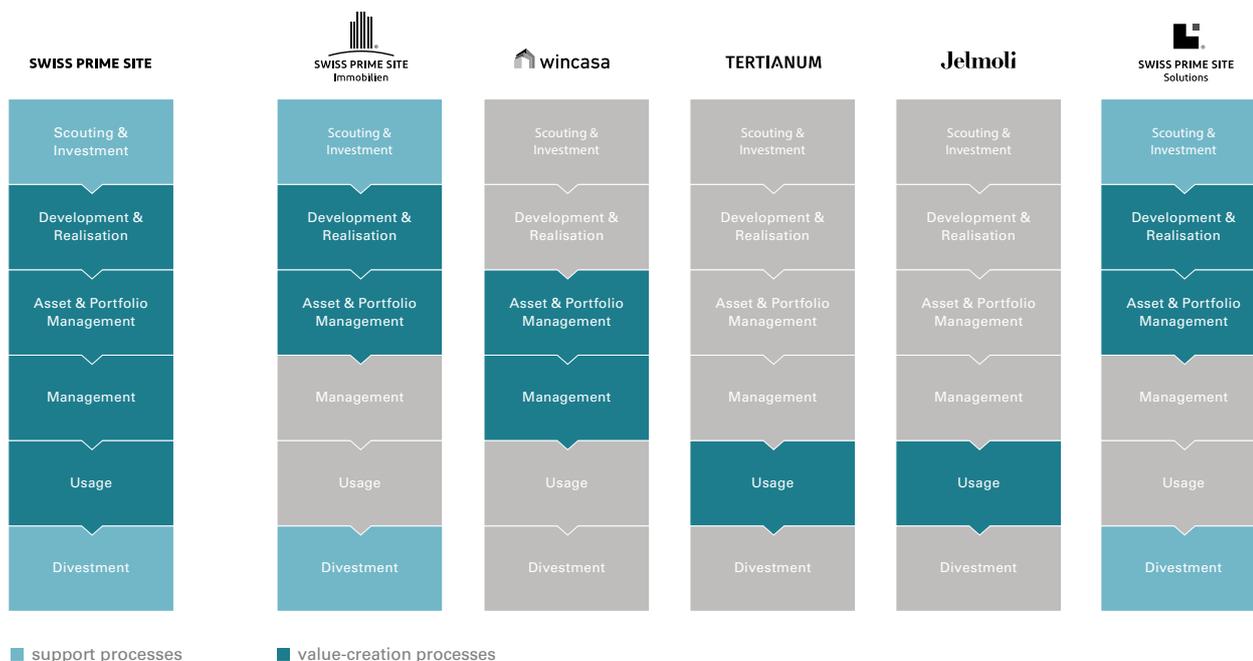
Swiss Prime Site Group's structure reflects its corporate strategy, which complements the active management of its real estate portfolio with operations in real-estate-related business fields in order to broaden the revenue base and diversify risk.

Thanks to its Swiss Prime Site Immobilien, Swiss Prime Site Solutions, Wincasa, Tertianum and Jelmoli Group companies, Swiss Prime Site maintains a diversified profile which compensates for fluctuations in individual business fields and ensures the Group's long-term economic viability. The fact that it operates in several promising business fields also provides an ideal basis for future growth. The individual Group companies complement each other logically. Each has a key role to play in the execution of Swiss Prime Site's strategic objective of creating sustainable living and working spaces. The Group's structure also allows for

considerable flexibility in extending and contracting the portfolio through acquisition and disposal based on market conditions and opportunities.

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 disposals where required.

Established in 2017, Swiss Prime Site Solutions AG is a real estate asset management company providing tailor-made services and investment products to third-party clients. These activities help to ensure greater diversification within the Swiss Prime Site Group.



Vertically and horizontally integrated value generation

Wincasa offers its clients a broad range of services at every stage of the real estate life cycle, from the initial planning and construction of a property right through to its revitalisation and sale. Wincasa's activities thus complement the Swiss Prime Site Immobilien business model by ensuring that the value of properties is maintained and increased.

Tertianum is Switzerland's leading provider of integrated assisted-living services. Responsive to demographic trends, it has established a good position for itself in this promising sector. A portion of the properties operated by Tertianum are part of the Swiss Prime Site Immobilien portfolio and are managed by Wincasa.

The same applies to Jelmoli, the leading premium department store located in Zurich's city centre. Jelmoli uses this top-quality Swiss Prime Site Immobilien property to provide its 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.

#### **A Group which is more than the sum of its individual parts**

The vertically and horizontally integrated 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 know how or from the fact that they can provide each other with access to specific markets. The properties occupied by Tertianum and Jelmoli benefit from the substantial investment capacity which Swiss Prime Site Immobilien has at its disposal. Conversely, for Swiss Prime Site Immobilien, these two Group companies are reliable tenants operating in sectors with significant future potential. Their presence maintains or increases the value of the properties they occupy. For Wincasa, Swiss Prime Site Immobilien is a major client, for whom it can develop a range of innovative services. In return, Wincasa provides Swiss Prime Site Immobilien with important local insights into current market trends and client needs.

#### **Overarching processes help targets to be met**

A number of overarching processes support the Swiss Prime Site value generation. Future scouts are de-

ployed throughout the Group to identify emerging trends at an early stage. Swiss Prime Site also has strong Group-wide innovation-management capabilities and substantial IT expertise. New digital business processes and service offerings are constantly being developed. Human resource management also has an important role to play, with Group companies supporting their employees in acquiring the skills they need to enable their businesses to progress responsibly within their dynamic environments. Swiss Prime Site also formulates strategic objectives which guide the five Group companies both in their day-to-day work and in the development of new service offerings.

#### **Comprehensive value generation**

Swiss Prime Site sees 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.

In 2017, Swiss Prime Site generated CHF 1 155 million in operating income, 10% up on the previous year. Thanks to skilfully executed investments of some CHF 430 million and responsible management, 2017 was also a good year for shareholders, with earnings per share of CHF 4.27. The Group's management of its business met with shareholder approval, as demonstrated by the fact that all Board recommendations made to the Annual General Meeting were approved.

The positive performance achieved by Swiss Prime Site also reflects its forward-looking innovation strategy. In recent years, sustainability has also established itself a key factor in the innovation process. Sustainability is driving new advances in product and service development and the use of new technologies. It is also strengthening the Swiss Prime Site employer brand and opening up new business fields and partnerships. The principal beneficiaries are the Group's clients, who are constantly being provided with innovative, sustainable products and services.

In a competitive market for talent, Swiss Prime Site's objective is always to have the best specialists at its disposal. That is why it invested some 1.04% of its total 2017 salary costs in the continuing education and training of its 5 920 employees. Despite this commitment, the Group's average staff fluctuation rate of

21.68% is still high and further action will be needed to achieve the medium-term goal of 15% (for further information on this, see the «Attractive Working Environment» section on pages 36 ff.).

## Opportunities and risks in a rapidly changing environment

Swiss Prime Site's long-term success critically depends on its ability to identify changes in the economic, social, political and regulatory environment in a timely fashion. The purpose here is not simply to address adverse influences on the company's objectives and business operations. In a dynamic market, change also creates substantial opportunities.

Swiss Prime Site is attentively following the discussions about a possible tightening of the law governing investment in Swiss real estate by foreign nationals. In particular, the proposal that foreign nationals be prohibited from acquiring shares in listed real estate companies in Switzerland is seen as an outmoded intervention and contrary to current legal principles.

### Agile corporate governance

In order to enable Swiss Prime Site to approach the market challenges it faces with even greater agility, a number of revisions were made to the Group's corporate governance in 2017. In addition to changes in the organisational regulations and investment guidelines, a set of new Group management rules was introduced which incorporates new roles and responsibilities. These included the creation of new advisory boards for Wincasa, Tertianum and Jelmoli. The duties of members of these new boards, all of whom have many years of experience and an expert knowledge of their specific business fields, are purely advisory. They also provide a valuable pool of talent for future vacancies on the Group's Board of Directors.

The advisory board for Wincasa comprises Mario F. Seris (a Swiss Prime Site Board member), Beat Schwab, Roger Wüthrich-Hasenböhler and Rolf Krummenacher. At Tertianum, the advisory board members are Daniel Staffelbach and Heike Bischoff-Ferrari. At Jelmoli, these new roles have been assigned to Rudolf Huber (a Swiss Prime Site Board member), Andreas Hilgenstock and Julia Brucher. Advisory board members receive an honorarium and are bound by the

Swiss Prime Site Code of Conduct. Since they are expected to exercise their duties independently, they are not subject to any other directives.

### Identifying and managing risks

Risk management at Swiss Prime Site is governed by a clearly defined set of Group-wide duties and responsibilities. Since September 2017, the Head of Audit and Risk reports directly to the CEO, who provides the Board of Directors and the Executive Board with an up-to-date report on the key risks facing the Group every year.

The risks identified for each Group company are evaluated in terms of their potential adverse impact and the probability of their occurring. The resulting risk profile also quantifies the value of any countermeasures which would be required and the effects which adverse media reports would have on the Group's reputation.

In 2017, the most important financial risks – which were all deemed to have a medium adverse impact and an average probability of occurrence – were property revaluations due to changes in market conditions, interest rates and the general financial-market sentiment prevailing when existing bond issues need to be refinanced. Adverse changes in market conditions would most notably be reflected in vacancy rates. Operational risks principally relate to IT security and possible regulatory changes. Cyber risks such as sabotage and data theft have been identified based on specific scenarios for each business field and a range of automatic and manual countermeasures has been defined in each case. Swiss Prime Site intends to expand its risk-management capabilities further. Planned initiatives here include incorporating the requirements of the new Financial Market Infrastructure Act (FMIA) into the risk-assessment process.

Thanks to this systematic analysis Swiss Prime Site is able to hold its own convincingly in a challenging market environment and achieve an appropriate balance between risk and return. In 2017, Swiss Prime Site witnessed the long-awaited consolidation of the real estate market. This was principally caused by the decline in immigration and the continued high levels of building activity driven by the investment pressure resulting from low interest rates. Swiss Prime Site's proactive approach in addressing the vacancy risks

arising from this enabled it to cut its vacancy rates from 6.1% to 5.2% during 2017.

The urban densification which government spatial planning regulations in Switzerland will require can have positive effects. In particular, greater density in built-up areas offers a viable means of reducing pressure on land prices and the dwindling reserves of building land. Much will however depend on whether the implementation of these changes will encourage migration to urban centres, whether demand there can be stimulated and whether greater density rates are achievable.

New acquisitions remain a challenge in the current interest-rate environment. As in 2016, Swiss Prime Site continues to focus its efforts on enhancing its existing property portfolio. Success here critically depends on the flexible use of floorspace, the construction of sustainable properties which meet green building standards and closer links to public spaces.

#### Recognising long-term trends as opportunities

Long-term societal and technological trends are a further source of opportunity and risk. In order to search for future opportunities systematically, develop new markets and distinguish itself from its competitors, Swiss Prime Site has created a number of trend-analysis systems. These use a range of innovative tools to analyse early indicators which are relevant to the Group and its Group companies. In 2017, some 300 trend signals were identified which can represent both opportunities and risks for individual business fields.

#### Digitalisation

In the real estate sector, too, continuing digitalisation is bringing about a sea change which will result in radical changes to planning processes and new types of client relationships and business models. As building technologies become ever more intelligent, they are able to generate more and more real-time data, so that by using appropriate control mechanisms it is possible to achieve sustainable reductions in resource utilisation and optimise maintenance work.

#### Consequences of climate change

Climate change is another megatrend affecting Swiss Prime Site's business activities. Urgent action is needed to prevent global warming exceeding the 2-de-

gree limit defined in the Paris Agreement. Swiss Prime Site is ready to play its part and has adopted the Paris Agreement targets as parameters for its own climate objectives and initiatives. Incorporating a proactive approach to climate protection into the development of its properties also helps to maintain and increase the value of the portfolio.

Swiss Prime Site bases its evaluation of the risks arising from climate change on the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). These specify a scenario approach which identifies both transactional and physical risks. For Swiss Prime Site, the key transactional risks include regulatory changes relating to Switzerland's 2050 energy strategy, possible supply constraints on construction materials and electricity, direct or financial-market-related market risks and reputational risks arising from potential non-compliance. The physical risks notably relate to potential damage to buildings and the imponderable effects of global warming on people and the environment.

New technologies and processes make it possible to use resources more efficiently and to make processes such as heating and energy generation more environmentally friendly. This reduces costs and enhances profitability. The physical risks provide incentives to develop innovative building envelopes and building technologies which are adapted to more extreme climatic conditions. In its development projects and in evaluating its property portfolio, Swiss Prime Site adheres to the Swiss Sustainable Building Standards (SNBS) criteria. Designing new buildings and modernising existing ones with a view to optimising resource efficiency at every life-cycle stage creates additional development potential, not least because clients now pay ever greater heed to environmental and climate-related considerations. It is essential here that clients be systematically involved in the development of new business models. This also helps the company to become more resilient in the long term.

#### Demographic change and education

Population growth and demographic change are a major challenge for our society. Swiss Prime Site sees the continuing ageing of the population as an opportunity for developing a resilient range of services in its Assisted Living business field. In Tertium, Swiss Prime Site has a Group company which is ideally po-

Consequences of  
climate change

GRI 102-11

GRI 102-12

GRI 201-2

sitioned in this attractive growth market. Moreover, as sections of the regional healthcare infrastructure open up to joint ventures, this creates new opportunities for financial cooperation between municipalities and Tertianum. Initial public private partnerships have already been successfully launched, pointing the way forward for future initiatives.

After healthcare, education is one of the world's largest growth markets. With its universities and universities of applied sciences, Switzerland has an excellent, and growing, education system. Increasing demand for buildings and infrastructure makes it attractive for Swiss Prime Site to invest in educational facilities and student accommodation.

Swiss Prime Site  
integrated  
value generation

GRI 102-7

GRI 201-1

GRI 305-1

GRI 305-2

GRI 305-4

GRI 404-1

### Input

#### Financial capital

Shareholders' equity	CHF 4 777 million
Investments	CHF 430 million
Personnel costs	CHF 416 million
Investment in continuing education as a percentage of annual salary costs	1.04%
Interest expense (on liabilities)	CHF 78 million
Liability interest rate (weighted average)	1.5%

#### Physical capital

Properties	188
Floorspace	1 575 102 m <sup>2</sup>

#### Intellectual capital

Trend indicators analysed	approx. 300
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#### Human capital

Employees (headcount)	5 920
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#### Relationship capital

Number of registered shareholders at 31.12.2017	10 464
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#### Natural capital<sup>1</sup>

Energy consumed	67 037 MWh
Water consumed	486 047 m <sup>3</sup>

### Output

#### Financial capital

Operating income	CHF 1 155 million
Operating profit (EBIT)	CHF 471 million
Portfolio value	CHF 10 633 million
Earnings per share	CHF 4.27

#### Bank ratings

Credit Suisse	BBB
ZKB, UBS, Vontobel	BBB+

#### Physical capital

Vacancy rate	5.2 %
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#### Intellectual capital

Innovation projects	30
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#### Human capital

Fluctuation rate	21.68%
Absentee rate	4.28 %

#### Relationship capital

Board recommendations approved at AGM	100%
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#### Natural capital<sup>1</sup>

CO <sub>2</sub> emissions (Scope 1, 2 & 3)	8 843 tCO <sub>2</sub> e
CO <sub>2</sub> intensity	17.13 kg CO <sub>2</sub> eq/m <sup>2</sup>
CO <sub>2</sub> intensity	1 835.19 kg CO <sub>2</sub> eq/FTE
tCO <sub>2</sub> e per CHF million of income	7.65

<sup>1</sup> year-end headcount, including janitors, supernumerary and other temporary staff

<sup>2</sup> Operational CO<sub>2</sub> emissions by Group companies, excluding property portfolio

### Swiss Prime Site integrated value-generation key metrics

# Sustainability drives innovation

Looking to the future through the lens of sustainability is seen as a key factor in the development of innovative products, technologies, processes and business models. The economic parameters are becoming increasingly dynamic and volatile, as new business models and technologies alter existing cost and revenue structures or even abolish them completely. Innovation cycles are becoming ever shorter. Meanwhile, many key determining factors such as the projected increase in mobility or the effects that demographic trends and digitalisation will have on society can only be estimated with great difficulty. By 2040, the volume of people and goods travelling across Switzerland is projected to increase by 40%. As the population ages, healthcare costs are expected to double over the same period. Changes due to climate change and scarcer resources are other important factors which future scenarios need to consider.

## **Trend scouting and areas of innovation**

Swiss Prime Site's innovation capabilities rely on trend identification at Group level and within each individual Group company. For nearly two years now, a future board and a retail board have been used to document and analyse early indicators and market trends in a systematic manner. The first ideas campaign was launched in October 2016 and completed in the summer of 2017, yielding further insights. The project outlines resulting from these initiatives can be assigned to four areas of innovation:

- new services and products
- new technologies and processes
- strengthening the employer brand
- new business fields and partnerships

## **Sustainability is the leitmotif**

All four areas of innovation are closely linked to sustainability. Future ecologically designed buildings will offer many opportunities for putting new technologies and innovative products to use. Given their complexity and the increasingly stringent statutory regulations on future energy use, new technical, planning and consulting services will also be in demand.

A recent survey of executive employees in all Group companies showed a correlation between personal commitment and the desire to work for a sustainably oriented company (with 80% of respondents answering both questions positively). It is therefore critically

important for Swiss Prime Site to strengthen its employer brand by systematically communicating its activities and efforts in the field of sustainability, particularly where the recruitment of new staff is concerned. Targeted efforts to involve employees in these activities, continuing education courses on sustainability and the creation of internal and external networks will all have an important role to play in the culture of innovation the company is striving to achieve. Through active innovation management that culture needs to be extended to the entire Group and its clients.

New partnerships can help to open up new business fields. A number of contributions to the ideas campaign have been devoted to start-ups and new ventures. These show the type of organisational structure which could be established to foster these new business fields. A new partnership with venturelab has been in place since September 2017. Its purpose is to facilitate collaboration with new, young companies. This collaboration also opens up new communication channels to Switzerland's major educational institutions and technology-development centres.

## **Project outlines contribute to the vision**

Innovative projects are being autonomously initiated and managed by the Group companies themselves. This ensures that the projects carried out are closely linked to the companies' business operations and the specific needs of their clients. With this organisational structure there is a certain risk of information loss and duplication, a risk which would be diminished if these initiatives were managed by a centralised research and development unit. That is why Swiss Prime Site's digital information and communication channels are so important, and why they will be developed further in the years to come.

In the Group's core real estate business, there are a number of topics and terms which real estate practitioners have classified as innovations for some years now. The most common of these are BIM (Building Information Modelling), 3-D printing and prefabrication and digital tenant platforms. Based on these ideas, examples can easily be developed which illustrate how they, too, can play their part in formulating and developing a long-term vision for the future, alongside the various overarching concepts listed above.

### **The benefits of digital twins**

In 2017, an interdisciplinary working group at Wincasa set out to align the requirements and specifications for BIM in the planning process more closely with those for the remainder of the building life cycle including the operational phase. One result of this initiative was a data concept which documents the owner's needs and provides the basis for managing a building more effectively. Work on digital twin buildings is already being carried out today. The technology, based on augmented and virtual reality capabilities, is currently being used in designing, planning and marketing the properties. In future, digital twin buildings could also be used during the construction phase, for maintenance purposes and to provide an interface to tenant and trading platforms or in portfolio databases.

Non-standard cases still have to be processed by specialised staff working outside the system. Furthermore, as the tests also demonstrated, the simplified, digitalised approach will in no way reduce the client's need for advice or the degree of personal contact with the client. The key insight here is that when their various component concepts are combined in the right way, business processes can be made more efficient and sustainable without losing any of their essential multidimensional characteristics.

### **Buildings as power stations**

From January 2018, Swiss law will allow the creation of closed energy communities. The second phase of the electricity market liberalisation initiative is also expected in 2018. Both will constitute important components for new decentralised energy network concepts. E-mobility is increasing demand for electricity. At the same time, the output now provided by nuclear power stations will have to be replaced. That is why buildings now need to be considered as a possible means of producing and temporarily storing electricity. Switzerland's built environment is clearly set to become a more significant part of the international and national energy infrastructure.

### **Digital leases**

There is substantial scope for semi-automated or fully automatic accounting systems to simplify the numerous individual steps involved in the property-management process. Blockchain technology and the internet of things, in particular, should help to meet the growing need for more flexible rental contracts. Digital geodata and payment systems should make it possible to provide a full simulation of the customer journey both for residential and commercial properties, thus significantly enhancing the customer-care process.

In 2017, Swiss Prime Site and Wincasa successfully completed their first proof-of-concept test for a Blockchain-based system which can reduce the process for making and releasing a tenant's rental surety deposit to a few simple steps.

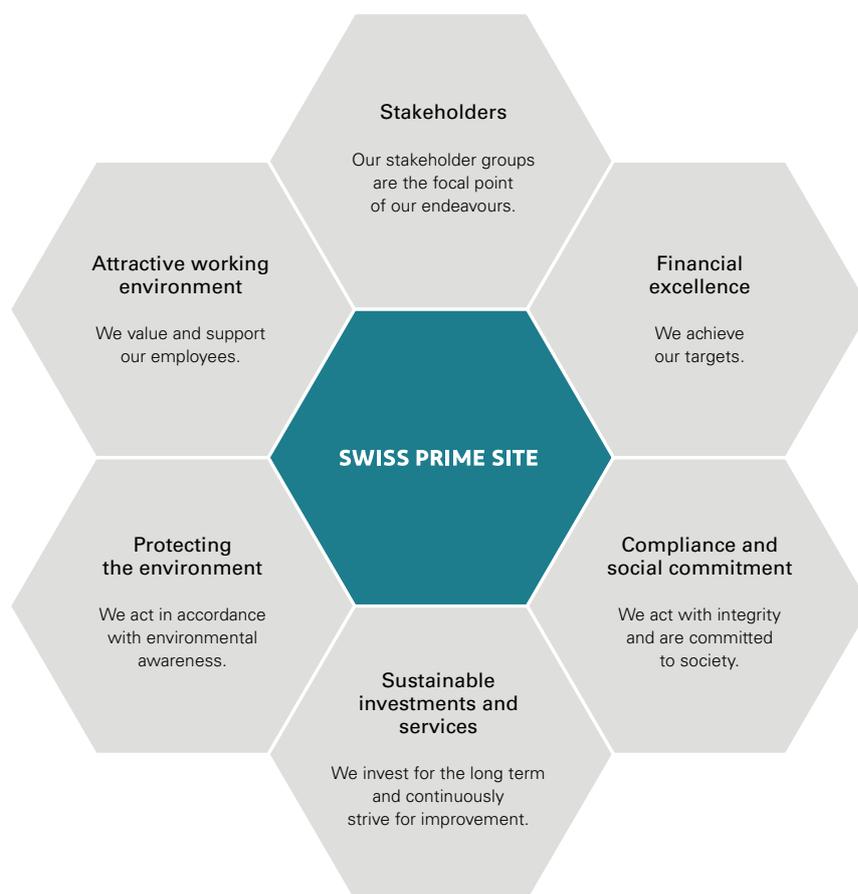
# Group sustainability roadmap

As a leading real estate company, Swiss Prime Site is committed to sustainability. To meet that commitment, the Group applies an integrated set of management principles supported by specifically defined measures. These have been put into operation in the sustainability roadmap and are officially in force since summer 2016.

## Sustainability compass

The six dimensions of Swiss Prime Site's sustainability compass are also reproduced in the sustainability roadmap. The roadmap is the principal tool used by the Group's Executive Board to identify core and sub topics for each dimension at the business-field level and to measure progress in each area against annual targets.

The Executive Board works with the management teams from each Group company and specific representatives from the operational units to define appropriate initiatives and metrics for measuring their achievement. In this way it is always possible to determine how far implementation has progressed and whether any adjustments need to be made. In 2017, Swiss Prime Site is again reporting on its Group sustainability commitments along all six dimensions and, since 2016, these reports have been formulated in accordance with the internationally recognised Global Reporting Initiative (GRI) standards. In this way, Swiss Prime Site provides all interested stakeholders with transparent, regular and reliable information about its sustainability endeavours.



The six dimensions of the sustainability roadmap

## Sustainability for our stakeholders

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### Focusing on stakeholders

GRI 102-5

GRI 102-40

#### Focusing on stakeholders

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 with 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 Group's most important stakeholders are its shareholders, given their key role as owners of the company, and other capital-market participants. Relations with analysts, investors, shareholder voting representatives and institutional investment advisors are intensively maintained. Every year, Swiss Prime Site organises roadshows and participates in conferences, holds regular meetings with analysts and hosts its annual Capital Markets Day for investors.

Shareholders receive up-to-date information at the Annual General Meeting and through the Swiss Prime Site website. Both the annual and semi-annual results are accompanied by a short report which focuses on current topics relevant to the company and provides a compact summary of the key financial metrics.

Analysts and investors are attaching ever greater importance to sustainability. This enables them to ensure that capital invested in a company is secure for the long term. Swiss Prime Site has responded to this by incorporating sustainability targets into its operational processes across the Group. To that end, it has a policy of stating specific targets and metrics and defining clear responsibilities for their implementation and measurement.

The stakeholder panel discussion which was held for the first time in 2017 not only provided a new platform for dialogue but also put the corporate-responsibility agenda to the test. The proceedings and results of this conference can be found in the 2017 stakeholder panel of this report (on pages 8 ff.). From now on, stakeholder dialogue meetings will be held every two years, with a different panel each time.

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### Creating sustainable value

GRI 201

## Financial excellence

#### Attaining objectives

For a company to be stable and viable, it must be managed in a financially sustainable way. Value-oriented management generates greater added value, from which all stakeholders ultimately benefit.

Value-oriented management is defined as a holistic approach to managing a company aimed at achieving a lasting increase in the company's value and strengthening its earning power and profitability. This value-oriented approach uses a system of controls based on key strategic, operational and financial metrics. Incentive schemes for management and employees are systematically linked to the performance of these key metrics.

Stringent monitoring makes it possible to identify unused potential. Profitability is enhanced by improving operational processes and business planning and by continuously reducing capital costs and vacancy rates. Group-wide risk management identifies risks and classifies them according to the probability of their occurrence and the potential harm they could cause. The measures defined to counter these risks are constantly monitored and controlled by risk management.

#### Creating sustainable value

Swiss Prime Site is convinced that by generating sustainable value it will be able to achieve long-term growth which will be of economic benefit to its various stakeholders and will enable it to continue to provide its shareholders with appropriate dividends.

The principles of sustainable company management are defined in concrete terms in the enhanced business-plan process adopted in 2016. This business plan includes the opportunities, challenges and objectives for the next three-year and five-year periods. Operational implementation of the plan is supported by a variety of monitoring and control processes and measured by a defined set of key metrics. By continuously improving its business performance, Swiss Prime Site is able to secure its future and meet its commitments to its stakeholders.

#### Processes and cost efficiency

In order to remain competitive and maintain a high level of performance across all Group companies,

Swiss Prime Site uses a set of defined and reliable processes whose efficiency is regularly evaluated and optimised. Each Group company applies a structured, integrated approach focused on its specific value chain and mapped to every stage of its business model life cycle. In this way, resource and headcount requirements are constantly monitored, as are third-party and general costs.

## Compliance and social commitment

### Acting with integrity and engaging with society

Throughout the Group, great store is set by acting with integrity and a sense of responsibility. Besides complying with statutory requirements and regulatory standards, this also means adhering to the internal directives and principles which the company has defined itself. Transparency is a key part of all business activities. The company's Code of Conduct forms part of a system of values which sets standards of loyalty, ethics and motivation applying to all employees. An efficient compliance system ensures proper and respectful behaviour. This provides the basis for the company's success and the high esteem in which it is held by all stakeholders. Furthermore, all Group companies fulfil their social responsibilities by supporting a number of projects and organisations.

### Corporate values

The company 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. 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, which provides guidance to staff in their day-to-day work. Thanks to a clear set of rules, everyone knows what behaviour is appropriate. As a result, decisions are easier to make.

In order to ensure that these corporate values are consistently observed throughout the Group, in 2016 information sessions and training courses were held by each Group company to publicise the Code of Conduct and the values on which it is based. A Group-wide recertification is planned for 2018, with the aim of further familiarising all staff with these rules.

### Compliance

Needless to say, Swiss Prime Site is not only committed to observing its own values. Besides complying with Swiss law, as a listed company, the Group also adheres to SIX Swiss Exchange regulations. 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. That is why further compliance-related initiatives are planned for the years ahead. Swiss Prime Site believes that taking an active, forward-looking approach to compliance is important to ensuring its future viability. High standards of compliance and appropriate preventive measures help to minimise the risks to which Group companies and suppliers are exposed.

In 2017, Swiss Prime Site devoted particular attention to the Swiss Federal Spatial Planning Act, the Swiss Confederation's 2050 energy strategy and the plans which this sets out for substituting fossil fuels with renewable sources of energy. In response to the proposed revisions to the Lex Koller, which governs the purchase of real estate in Switzerland by foreign nationals, a number of initiatives were taken in order to achieve a clearer understanding of the impact any possible changes could have on the Swiss economy and Swiss Prime Site's business activities. The potential adverse effects of climate change were also incorporated into the Group's strategic risk assessment. The implications of more stringent legislation governing such matters as land affected by pre-existing environmental hazards are being assessed by the Group companies concerned on a property-specific and topic-by-topic basis. No infringements of environmental laws or other legislative provisions were observed in 2017.

### Corruption

Swiss Prime Site takes an emphatic zero-tolerance approach to bribery and corruption. The company also has a strict set of rules on favours and gifts. These

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#### Compliance

GRI 102-5

GRI 307

GRI 307-1

GRI 419

GRI 419-1

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#### Corporate values

GRI 102-16

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#### Corruption

GRI 205

GRI 205-2

GRI 205-3

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**Social  
commitment**

GRI 203

GRI 203-1

prohibit any employee from accepting any gift whose value exceeds CHF 200. 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 the Group being confronted with this issue cannot be ruled out.

Measures to prevent corruption have been defined at various levels. These include voluntary commitments and specific Group-company directives. When they sign their employment contract, all staff members also sign the Code of Conduct. The Code of Conduct training provided to all employees and managers also draws specific attention to this issue. Should an actual attempt at bribery occur, employees can call the independent integrity line at any time, maintaining anonymity should they so wish. Contact details are published on the company's internal website. No cases of corruption have been observed since Swiss Prime Site was founded.

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**Data protection  
and protection of  
client privacy**

GRI 418

GRI 418-1

**Data protection and protection of client privacy**

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 in meeting the ever greater challenges this endeavour represents. Data protection encompasses all organisational and technical measures required to prevent data from being lost, falsified or accessed without proper authorisation. Violations of data security can be reported to the integrity line at any time.

The Group-wide IT guidelines introduced in 2017 govern the measures required to contain possible dangers, to prevent damage and to minimise risk. The information-security and data-protection concept defines how protection in these two areas can be maintained and continuously improved. Since data-protection requirements are becoming ever more detailed, the Group-wide information-security and data-protection concept will be revised in 2018, before being submitted to the Executive Board for approval and implemented by the Group Head of IT. No breaches of data security are known to have occurred since Swiss Prime Site was founded.

**Social commitment**

In carrying out their business activities, the Group companies contribute to the sustainable development of the economy and society in a number of concrete ways. Beyond this, they also support training initiatives for young people, as well as sponsoring social and cultural projects and organisations which benefit local stakeholders. These activities by individual Group companies are complemented by additional initiatives at Group level.

In 2016, the Group established a new sponsoring concept based on a core and satellite model. This scheme makes significant contributions to projects which are directly or closely linked to Swiss Prime Site's core real estate business. The core initiatives have an annual budget of maximum CHF 500 000, which is devoted to innovation, research and teaching. The satellite initiatives have an annual budget of CHF 400 000, which supports smaller-scale projects in the areas of youth initiatives, sport and culture.

In 2017, Swiss Prime Site continued its support to the NZZ Real Estate Days and PropertyCom. 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 Young Enterprise Switzerland, HackZurich and Digital Switzerland. 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.

**Sustainable investments and services**

**Long-term outlook and continuous  
improvement**

One of Swiss Prime Site's core tasks is to continue developing its products and projects and to ensure that they meet the needs of its markets and clients. The long-term success of the company's investments and services depends on innovation and continued improvements in efficiency levels. In addition to striving to generate economic added value, Swiss Prime Site's initiatives in this area always pay heed to the needs of society and the environment. Sustainability is the key principle guiding the business activities of all Group companies. This also encompasses the Group's suppliers and strategic business partners. The objective here is to create synergies between individ-

ual properties and the people who use them. This ensures that sustainability becomes an integral part of the investments the company makes and the services it delivers.

## Protecting the environment

Swiss Prime Site is environmentally responsible and economical in its use of resources. This applies in equal measure to its day-to-day operations, its real estate investments, its property-management activities and any other related services it delivers. The long-term agenda for improved environmental performance encompasses comprehensive measurement of energy utilisation and CO<sub>2</sub> emissions, with appropriate strategic objectives for their reduction (see the «Comprehensive CO<sub>2</sub> balance-sheet structure» section on pages 33 ff.). Training courses and information sessions are held to raise employee awareness of these issues and, in particular, to encourage environmentally friendly behaviour.

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. The potential for minimising the environmental impact of the properties is significant, because the energy used to heat, ventilate, cool and light them is substantial, as are the resulting CO<sub>2</sub> emissions. Comprehensive energy-utilisation data is however needed to identify the opportunities for optimisation. Swiss Prime Site's EC/BO system (Energiecontrolling und Betriebsoptimierung, in English «Energy Control and Operational Optimisation») is an online application which is currently able to display the real-time energy use of 21 major properties. These properties represent roughly one-third of the overall portfolio's useable floor space. An additional 127 properties will be activated step-by-step in 2018/19. A total of 148 of the current 188 properties will have been linked to the online system by end-2019. By systematically evaluating the EC/BO data, appropriate measures to reduce energy utilisation can be quickly identified and implemented.

In 2017, an initial comprehensive portfolio analysis was carried out. Based on the results obtained, its methodology was then adjusted and further devel-

oped. This analysis used considerably more empirical data than in previous years, when the analyses carried out had been largely based on benchmark calculations. The new methodology has now replaced a large proportion of the previous benchmark calculations with empirical measurements. The additional empirical data was obtained either from energy cost invoices or from enquiries made to those directly involved. As a result, the proportion of the energy-utilisation data obtained from benchmark calculations was reduced from about 80% to 30%. The methodologies used for the remaining benchmark calculations was also adjusted and refined. These calculations are now extrapolated from empirical data obtained from the 21 major properties initially linked to the EC/BO system and from all other properties for which full empirical data are available. The precision of the benchmark calculations was further enhanced by taking account of the occupancy rates of the buildings concerned and calculating a building-specific five-year average which is now used as the starting point for the calculations for each building. Buildings in construction or under modification are not taken into account, nor are those which were purchased or sold during a given year. The key environmental metrics for the property portfolio are summarised in the Key environmental metrics for the Swiss Prime Site property portfolio table.

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### Protecting the environment

GRI 302

GRI 305

Key environmental metrics for Swiss Prime Site property portfolio in 2017

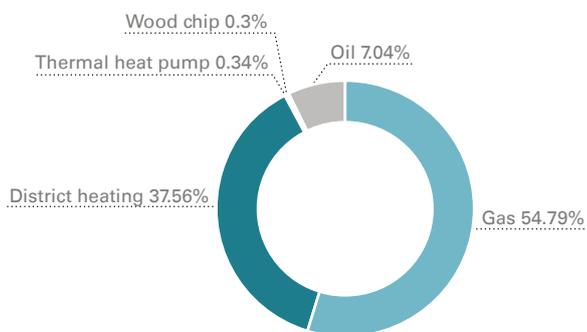
GRI 302-1

Key environmental metrics for Swiss Prime Site property portfolio in 2017

	expressed in	2017
Properties	number	166
Floorspace	m <sup>2</sup>	1 495 880
Heating	MWh	120 600
Oil		8 495
Gas		66 082
District heating		45 301
Heat pump		416
Wood chips		307
Electricity	MWh	91 233
Renewable (hydroelectric) electricity		53 713
Standard Swiss consumer mix electricity		37 520
CO <sub>2</sub> emissions scope 1	CO <sub>2</sub> equivalent tonnes	15 352
CO <sub>2</sub> emissions scope 2 <sup>1</sup>	CO <sub>2</sub> equivalent tonnes	23 020
Water consumption	m <sup>3</sup>	888 586

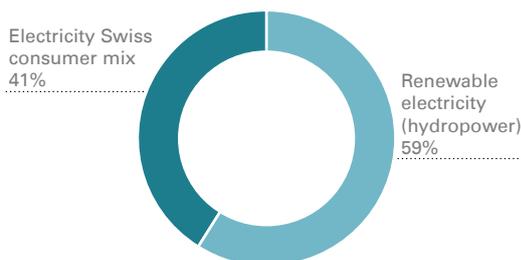
<sup>1</sup> scope 2 CO<sub>2</sub> emissions based on emission factors for standard Swiss consumer mix electricity

Breakdown by heat-energy source



Just under 90% of the heating requirements of Swiss Prime Site's properties are provided by district heating and gas. For the first time, the 2017 data includes separate figures for hydroelectric power. To that end, certificates of origin for hydroelectric power generated in Europe are now obtained for all properties consuming more than 100 000 kWh annually and aggregated separately.

Breakdown by electricity source



## Focusing on long-term portfolio objectives

Swiss Prime Site promulgates a long-term agenda for the environmental performance of its property portfolio based on targets which are as binding as possible. The weather-adjusted data in the bar charts below charts the reduction in the energy intensity and scope 1 and 2 CO<sub>2</sub> intensity of the overall portfolio achieved between 2013 and 2017. During that period, energy intensity was cut by 13.5% and CO<sub>2</sub> intensity was cut by 13% (based on comparable methodologies throughout the period). As the chart shows, in 2017, the marked increase in the number of empirical measurements of energy utilisation and the refinements made to the methods for calculating CO<sub>2</sub> data for the 166 properties using these new methodologies resulted in higher energy and CO<sub>2</sub> intensity figures for that year. The size of this change can be seen by comparing the 2017 old methodology and 2017 new methodology bars on the two charts.

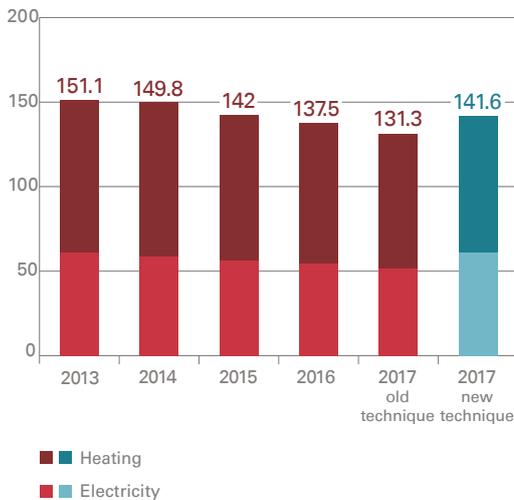
The portfolio management data for 2018 will be used to define property-specific targets for 2025 and 2050. This presents two important challenges. First, the relevant determining factors have to be clearly defined, as do the structure of the underlying data and the applicable system boundaries. Second, automated data-collection systems have to be established for the entire Group and the individual Group companies. Given the interplay between the property portfolio and the uses to which it is put which are implicit in the Swiss Prime Site business model, this is no simple task. During 2017, internal and external specialists established the requisite procedures for ensuring that comparable data will be made available. They also created a centrally managed continuous data-collation cycle which will further enhance the quality of the data and can be further expanded if necessary.

### Focusing on long-term portfolio objectives

GRI 302-3  
GRI 305-4

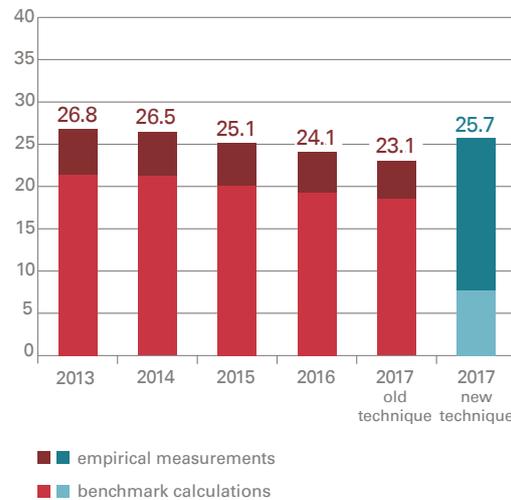
#### Overall portfolio energy intensity (weather-adjusted)

in kWh / m<sup>2</sup>



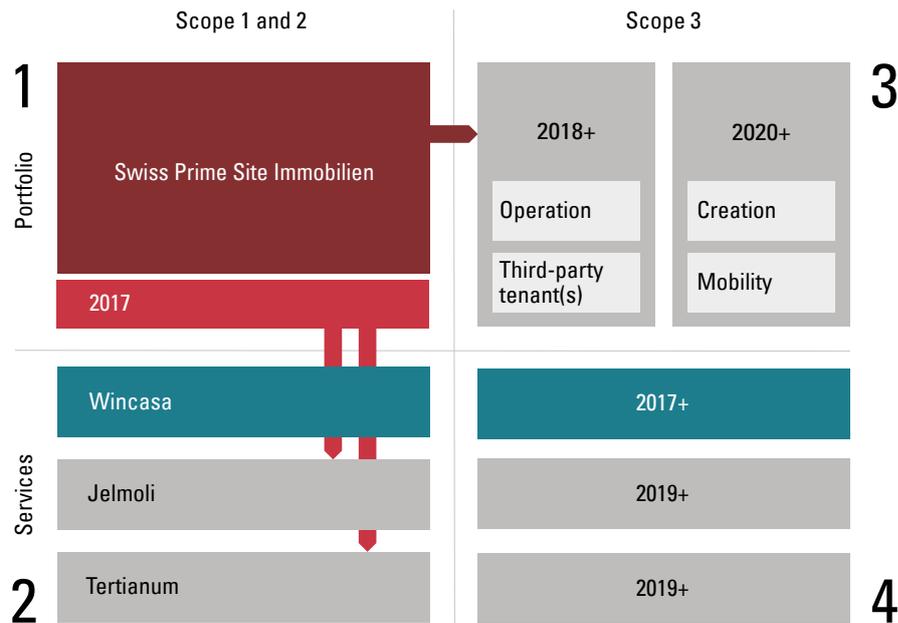
#### Overall portfolio CO<sub>2</sub> intensity (weather-adjusted)

in kg CO<sub>2</sub>-eq / m<sup>2</sup>



The weather adjustments are based on heating degree days. 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.

## Comprehensive CO<sub>2</sub> balance-sheet structure



### Expanding the balance-sheet concept

Swiss Prime Site Immobilien's portfolio is a key factor as far as environmental sustainability is concerned. The reporting produced hitherto was exclusively focused on the scope 1 and 2 energy and water consumption of the properties in this portfolio. For the first time, the 2017 report distinguishes between Group and third-party tenants. This new approach assigns greenhouse gas emissions from Swiss Prime Site Immobilien properties which can be attributed to a Group company to the reported data for that company.

Greenhouse gas emission reports generally distinguish between a number of different scopes. Direct emissions from the consumption of fossil fuels are assigned to scope 1. Scope 2 represents indirect emissions attributable to electricity consumption and district heating, while scope 3 relates to indirect emissions generated by the value chain. Detailed mapping of greenhouse gas emissions makes it possible to

identify those which are under Swiss Prime Site's control, so that all measures to reduce them can be precisely identified and monitored. The greenhouse gas emissions attributable to third-party tenants are classified as factors in the third quadrant, which Swiss Prime Site either cannot influence or can only influence indirectly.

The extension of the system boundaries to include scope 3 emissions by Group companies is based on the myclimate data set, which Wincasa has already been using for the last two years. To that end, work was carried out with representatives of the individual Group companies to identify key elements in the value chain such as mobility, suppliers etc. Initial steps were also taken to collate data from the necessary sources and to collate it systematically.

This new data collation approach was introduced across the Swiss Prime Site Group in January 2018. Reporting will be established in stages as follows:

**2017 reporting:  
detailed data for scope 1, 2  
(transferred from 1 to quadrant 2)**

Direct (scope 1) and indirect (scope 2) emissions are shown as separate figures in the 2017 report and are individually attributed to each Group company using the Wincasa methodology – in 2016, these figures were still included in the property portfolio data. The process can be illustrated by an example for Jemoli. Jemoli is a Group company which is also a Swiss Prime Site Immobilien tenant. Based on the GHG protocol, emissions from the Jemoli building are designated as being generated by Jemoli.

**2018 extension:  
detailed scope 3 data (operations)  
(transferred from quadrant 1 to quadrant 3)**

In a second step, the greenhouse gases generated by third-party tenants in operating their premises (scope 3) will be reported separately.

**2019 reporting:  
additional scope 3 data (quadrant 4)**

In a third step, all greenhouse gases indirectly generated by Group companies as part of their value chain (scope 3) will be reported using the Wincasa methodology.

**2020 extension:  
additional detail for scope 3 data for construction and mobility (quadrant 3)**

This step will complete the data set by including emissions generated during construction. Initial calculations of the grey energy used in the construction process have already been made for the Schönburg Ost pilot project in Berne. Over the next few years, other development and construction projects will be analysed in the same way, with a view to finalising the calculation methodology.

**Environmental objectives based on the  
2-degree target**

It is Swiss Prime Site's declared objective to pursue a downward trajectory over the medium and long term in accordance with the international climate policy objectives and the targets defined in the Paris Agreement. This should ensure that the greenhouse gas emissions generated by Swiss Prime Site's operations contribute to global warming only to the extent specified in the Paris Agreement, which caps overall global warming at 2 degrees. In order for meaningful and detailed environmental targets to be defined for scopes 1 to 3, it is essential that the cyclical data-collection procedures and differentiated data sets described above be in place.

## Solar power from the Riverside Zuchwil site

The development of this 200 000 square metre former industrial site is an outstanding example of sustainable development. The carefully planned transformation of this site into one multifunctional facility provides a telling illustration of the potential of this major property, which is currently owned by the Swiss Prime Site Investment Foundation. Swiss Prime Site Solutions played a significant part in the design of this new facility.

Having already installed its first solar power plant on the roof of the La Praille shopping centre in Geneva in 2012, Swiss Prime Site soon began looking for other suitable sites for generating photovoltaic power. The roof of the 39 000 square metre building at the Riverside site was quickly identified as particularly well suited to this purpose. The solar panels have been in operation since 2015. Their 5.76 MW output makes them the most powerful roof-mounted photovoltaic installation in Switzerland. The 22 000 individual solar panels produce 4.7 GWh/a of solar power, thus meet-

ing the average energy needs of about 2 700 people or 1 000 detached houses. This represents a CO<sub>2</sub> emissions saving of some 600 tonnes each year.

In 2016, the project was awarded the Swiss Solar Agency's Solar-power Prize and the municipality of Zuchwil's commitment to the project earned it an Energy Town designation. These awards are granted to municipalities that pursue sustainable local energy policies and support sustainable local developments, as was the case with this project. Zuchwil was the first town in the canton of Solothurn to be awarded the Energy Gold Label, a well-deserved accolade given that the project will create up to 100 new jobs. Tests are now being carried out to determine whether the waters of the nearby river Aare could also be used to generate electricity. The development of the Riverside site demonstrates the advantages of planning the development of sites of this size as single, overarching projects, since this makes it possible to control and operate them at a far lower cost than would be achievable if the same area were distributed over many smaller sites.



Zuchwil, Riverside solar power plant, completed in 2015

This project was awarded the Solar-power Prize in 2016

## Attractive working environment

### Appreciating employees and fostering their development

Skilled, committed employees are a key prerequisite for meeting the challenges of the future. 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. The Group strives to be the employer of choice in each of its business fields. In order to foster the development of its own young staff, Swiss Prime Site trains apprentices and offers specific vocational courses and career-planning to its talented and promising employees. Initiatives to encourage an appreciative culture and to ensure employees remain healthy also help to create a positive working atmosphere.

While each Group company has its own approach to employee development, health and safety and employee incentives, synergies are leveraged across the Group and best practices shared. Since 2016, two Welcome Days have been held each year for new executive-level employees. Each Group company makes an introductory presentation at these events. This not only helps to foster awareness of the Group's diversity, but also helps participants to establish informal networks. A Group-wide leadership programme has also been established. In addition to introducing its participants to the management tools available to them, these courses explain Swiss Prime Site's corporate values and provide in-depth leadership training.

In 2017, more than 80 executive-level employees took part in the first three modules of this leadership programme which has been specially developed for Swiss Prime Site.

### A culture based on appreciation

Since it is becoming ever harder to recruit qualified staff, all Group companies make a special effort to maintain an attractive working environment. This helps to motivate employees and increases their job satisfaction. The guiding principles for interaction between employees are defined by the Group-wide corporate values and the Code of Conduct.

Open and constructive dialogue, equal treatment and equality of opportunity are the key elements in a working environment which fosters mutual respect and encourages strong performance. Diversity – of people, opinions and experience – is actively supported throughout the Group.

All Group companies plan to ascertain whether comparable functions are being comparably remunerated. Putting these principles into effect places particular emphasis on recruitment processes, continuous monitoring of salary parity and the availability of flexible working-time models. While every individual employee bears individual 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. No cases of discrimination were observed in 2017.

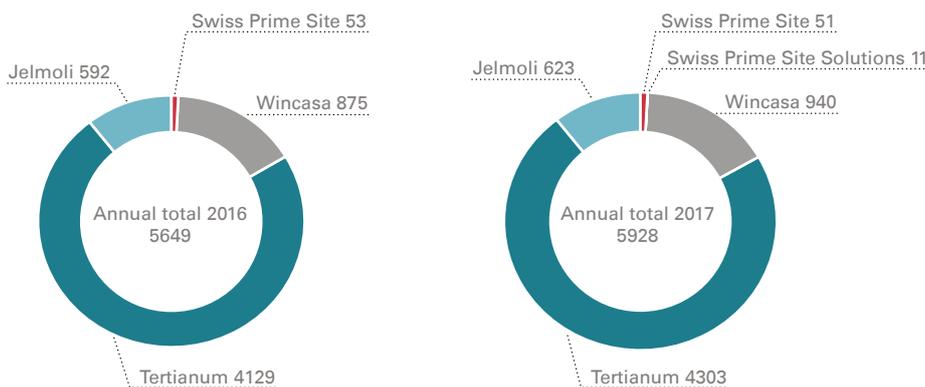
Appreciating employees and fostering their development

GRI 401  
GRI 403  
GRI 404  
GRI 404-2

A culture based on appreciation

GRI 405  
GRI 406  
GRI 406-1

### Employees by Group company



Key employee  
metrics for 2017

GRI 102-8

GRI 405-1

Key employee metrics for 2017

	Total	Men	Women
Employees	5 342	1 343	3 999
Trainees			
Apprentices	398	98	300
Interns	80	25	55
<b>Total</b>	<b>5 820</b>	<b>1 466</b>	<b>4 354</b>

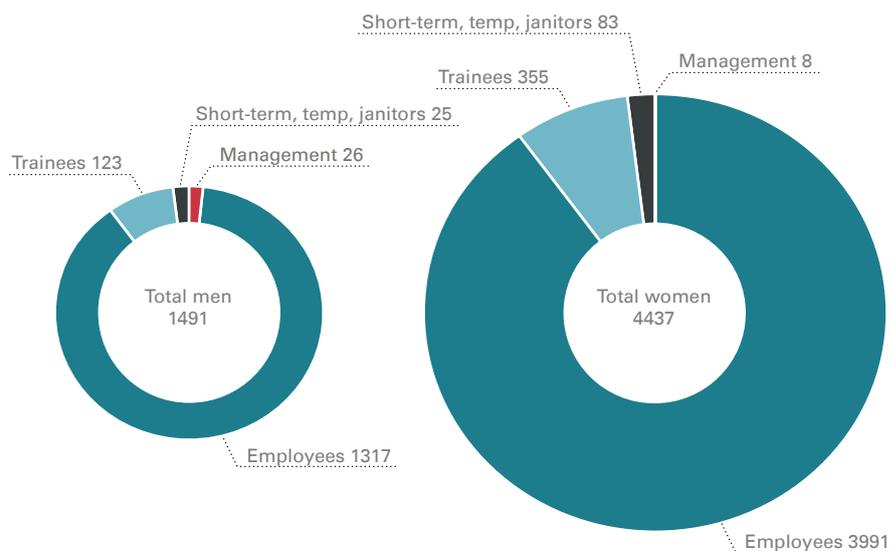
Full time/part time	Total	Men	Women
Full time	3 258	1 188	2 070
Part time < 50%	555	67	488
Part time 50%–79%	906	64	842
Part time 80%–99%	1 101	147	954
<b>Total</b>	<b>5 820</b>	<b>1 466</b>	<b>4 354</b>

Age distribution	Total	Men	Women
Employees < 25 years	854	212	642
Employees 25–35 years	1 395	373	1 022
Employees 36–45 years	1 160	331	829
Employees 46–55 years	1 460	341	1 119
Employees > 55 years	951	209	742
<b>Total</b>	<b>5 820</b>	<b>1 466</b>	<b>4 354</b>

Fixed term/permanent <sup>1</sup>	Total	Men	Women
Permanent staff	5 342	1 343	3 999
Trainees	478	123	355
Supernumerary staff	52	5	47
Janitors	38	13	25
Other temporary staff	18	7	11
<b>Total</b>	<b>5 928</b>	<b>1 491</b>	<b>4 437</b>

<sup>1</sup> year-end headcount, including janitors, supernumerary and other temporary staff

## 2017 employee data by function and gender<sup>1</sup>



<sup>1</sup> year-end headcount figures

2017 employee data by function and gender

GRI 405-1

## Key health and safety at work metrics for 2017

in %	Total	Swiss Prime Site	Swiss Prime Site Solutions	Wincasa	Tertianum	Jelmoli
Accidents	0.5	0.0	0.0	0.3	0.6	0.4
Illness	3.7	1.3	6.7	2.4	4.2	3.3
Absentee	4.3	1.3	6.7	2.7	4.8	3.7

Key health and safety at work metrics for 2017

GRI 403-2

## Staff fluctuation rates by Group company in 2017

	2017
Swiss Prime Site	2.0%
Swiss Prime Site Solutions	18.0%
Wincasa	18.6%
Tertianum <sup>1</sup>	22.8%
Jelmoli	19.4%
<b>Group average</b>	<b>21.7%</b>

Staff fluctuation rates by Group company in 2017

GRI 401-1

<sup>1</sup> Gross staff fluctuation rates, excluding French-speaking Switzerland



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**Berne Wankdorf, EspacePost, built in 2014**

This property has been awarded DGNB,  
SGNI certificates for sustainability



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# **GROUP COMPANIES**

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# Swiss Prime Site Immobilien

Swiss Prime Site Immobilien AG is a real estate investment company specialising in Swiss property. Its portfolio mainly comprises commercial and retail properties and was valued at CHF 10.6 billion at year-end 2017.

## Integrated value generation

### Business model

The Swiss Prime Site Immobilien business model generates value at a number of stages. It is based on strategic acquisitions of building land for new development projects and purchases of existing properties with stable revenues or significant transformation potential. In its cost/benefit analysis of possible new investments, Swiss Prime Site Immobilien takes account of such factors as the market environment, plot dimensions, floorspace, building regulations and other legal considerations. Potential site utilisation is evaluated on the basis of the most recent available data. When an investment is made, Swiss Prime Site's first step is to establish a multi-dimensional business plan (covering utilisation, market conditions and target groups). The key focus is on generating substantial added value. Particular care is taken to ensure that market demand for the planned floorspace configuration and service offerings is as strong as possible.

Portfolio management, the third step in the value chain, serves to ensure stable revenues. The focus here is on minimising vacancy rates by configuring offerings to meet future demand trends and on managing the properties to a good standard while keeping costs under control. This also helps the company to generate profits from revaluations.

Finally, Swiss Prime Site Immobilien keeps a close eye on the life cycles of its properties. When market conditions are favourable, properties may be transformed or offered for sale. Sales immediately following the development phase generally represent an attractive market opportunity when specific demand arises. Strategic disposals, on the other hand, are largely driven by appraisals of future market trends.

### Close collaboration within the Group

Swiss Prime Site Immobilien works in close collaboration with the other Group companies which use

parts of its 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.

There is symbiotic collaboration between Swiss Prime Site Immobilien's real estate business and the Wincasa Group company. The latter has local market knowledge which is of great value to Swiss Prime Site Immobilien in developing its portfolio. Conversely, by administering the Swiss Prime Site Immobilien portfolio, Wincasa gains a reliable partner with whom to work on developing innovative services, such as the mixed-use site-management concept. The fact that both Group companies use the same systems and processes to manage the properties helps to reduce vacancy rates and ensures that ancillary costs can be invoiced to tenants more efficiently.

### Opportunities and risks

Swiss Prime Site Immobilien operates in a dynamic business environment characterised by economic, social, political and regulatory change. The consolidation of the real estate market, the low-interest-rate environment and government initiatives to encourage greater urban density are just some of the developments which Swiss Prime Site Immobilien follows closely in order to identify emerging opportunities and risks.

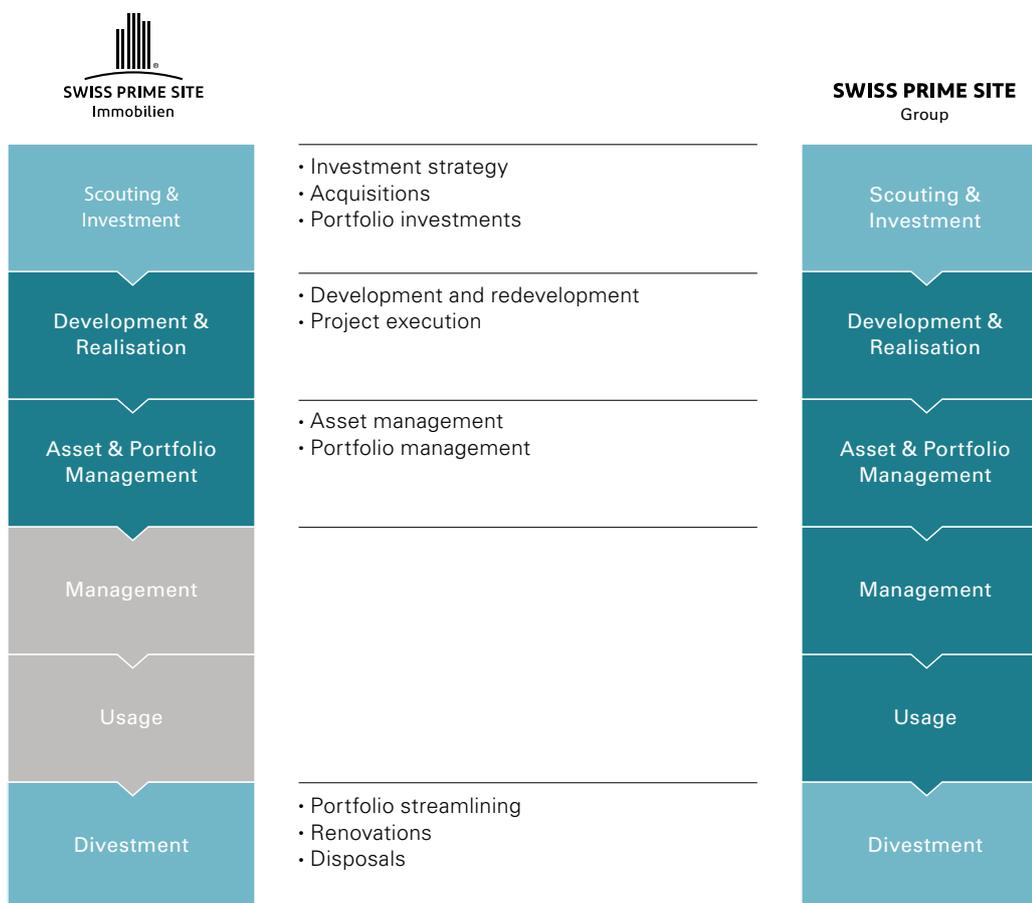
Swiss Prime Site Immobilien paid particular attention to its vacancy rates in 2017. The company regularly reappraised its property strategy, developed timely and innovative transformation concepts and placed even greater emphasis on proactive communication with its tenants. All leases were also continuously stored and monitored in a central database. These various initiatives enabled Swiss Prime Site Immobilien to manage its vacancy risks actively, thus reducing vacancy rates to a minimum.

Beyond this, Swiss Prime Site Immobilien also devoted considerable efforts to reducing its concept and design risks in 2017. In order to anticipate the future requirements which will be placed on its new, forward-looking designs correctly, the company made a close examination of market demand. This enabled it to identify emerging trends in property use, to determine the activities in which potential tenants and commercial property operators are engaged and to

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Swiss Prime Site  
Immobilien

GRI 102-4



**Swiss Prime Site Immobilien value-generation processes**

take account of these insights in its design phase. By constantly updating its ideas and incorporating these and changes in market conditions into its project business plans, Swiss Prime Site Immobilien was able to reduce its concept and design risk considerably.

**Generating value**

Swiss Prime Site Immobilien invested CHF 204 million in new projects and developments in 2017. At year-end, its portfolio comprised 188 properties. Thanks to enhancements to existing buildings, high maintenance standards and a reduction in vacancy rates from 6.1% to 5.2%, the company achieved revaluation gains of CHF 66 million on its rental properties in 2017. In order to ensure that it continues to generate sustainable yields on its properties in the years to come, Swiss Prime Site Immobilien ensures that it maintains a well-stocked development pipeline. Swiss Prime Site Immobilien has some 2000 tenants, with whom it maintains an active dialogue. In this way, the company can incorporate their needs and activities into its plans at

the design stage, thus enabling it to develop attractive offerings.

In accordance with the Group's comprehensive sustainability agenda, Swiss Prime Site Immobilien made significant efforts to reduce the environmental impact of its property portfolio. The company also invested CHF 2 million in decontaminating the land earmarked for its Stücki Park project, thus ensuring that the new buildings will be erected on sound foundations (see the «Protecting the environment» section on pages 47 ff.).

A company can only be managed successfully if it employs highly qualified, motivated and healthy staff. Swiss Prime Site Immobilien offers its employees attractive jobs. By designing flexible working-time models and taking active health-management initiatives, the company was able to keep absentee rates to a comparatively low 1.32% (see the «Attractive working environment» section on pages 49 ff.).

## Input

### Financial capital

Real estate costs	CHF 63 million
Investments in projects and developments	CHF 204 million
Personnel costs	CHF 20 million
Investments in continuing education and training as a percentage of annual salary costs	1.29%

### Physical capital

Properties	188
Floorspace	1 575 102 m <sup>2</sup>

### Intellectual capital

Floorspace	375 000 m <sup>2</sup>
Real Estate Development Projects	

### Human capital

Employees (Swiss Prime Site Management AG headcount)	51
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### Relationship capital

Tenants	approx. 2 000
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### Natural capital

Energy consumption	395.1 MWh
Water consumption	1 496.5 m <sup>3</sup>
Energy consumption (property portfolio)	211 833 MWh
Water consumption (property portfolio)	888 586 m <sup>3</sup>
Properties with contaminated soil	32.35 ha

## Output

### Financial capital

Revaluation gains	CHF 66 million
Net rental income	CHF 424 million
Operating income	CHF 478 million
Portfolio value	CHF 10 633 million

### Physical capital

Vacancy rate	5.2%
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### Intellectual capital

Return on Investment	5.0 %
Real Estate Development Projects	

### Human capital

Management posts held by women	20%
Fluctuation rate	2%
Absentee rate	1.32%

### Relationship capital

Documented conversations with tenants	approx. 40
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### Natural capital

CO <sub>2</sub> emissions (scope 1, 2 and 3)	36 t CO <sub>2</sub> -eq
CO <sub>2</sub> intensity	15.7 kg CO <sub>2</sub> -eq/m <sup>2</sup> 612.2 kg CO <sub>2</sub> -eq/FTE
CO <sub>2</sub> emissions from property portfolio (scope 1 and 2)	38 372 t CO <sub>2</sub> -eq
CO <sub>2</sub> intensity of property portfolio	25.65 kg CO <sub>2</sub> -eq/m <sup>2</sup>
Decontamination work carried out in 2017	CHF 2 million

### Swiss Prime Site Immobilien integrated value generation

GRI 201-1  
GRI 305-1  
GRI 305-2  
GRI 305-4  
GRI 404-1



Key integrated value-generation metrics for Swiss Prime Site Immobilien

## Stakeholders

### Maintaining active contacts

GRI 102-40  
GRI 102-42  
GRI 102-43  
GRI 102-44

#### Maintaining active contacts

Swiss Prime Site Immobilien sees continuous improvement of its business activities as an obligation to its stakeholders. In addition to its tenants, these are seen as including society at large, local communities and government, as well as business partners and suppliers. In 2017, the company took part in Swiss Prime Site's first stakeholder dialogue. The stakeholders attending that meeting identified developments/projects, green buildings/increased energy efficiency, vacancy management, market orientation, reputation and image as particularly important topics. Accordingly, Swiss Prime Site is focusing its sustainability efforts on these areas.

### Focus on costs and occupancy rates

GRI 201

Tenants are the primary group with whom Swiss Prime Site seeks to maintain an ongoing dialogue. These stakeholders' 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, this can be facilitated by having a balanced mix of tenants, whose offerings complement each other. Strategic partnerships with anchor tenants and key clients can also help to extend business relationships. 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.

Swiss Prime Site Immobilien also maintains regular contact with potential future tenants. These exchanges help the company to be better prepared to meet the wishes of tomorrow's clients. Topics covered in these discussions include questions on preferred locations, floorspace requirements, moving-in dates and specifications for possible extensions. At the ground-breaking ceremony held to mark the successful launch of its YOND project in Zurich Albisrieden in 2017, for example, Swiss Prime Site Immo-

bilien carried out a so-called conjoint analysis to determine the requirements of potential tenants so that they could be incorporated into its design plans.

Swiss Prime Site Immobilien also maintains regular contact with local and cantonal authorities. This active dialogue provides the company with valuable insights into local perceptions of how particular areas are developing, which can potentially have a positive impact on the subsequent processing of planning permission requests.

## Financial excellence

### Focus on costs and occupancy rates

In order to ensure long-term business success and continue to generate added value for its stakeholders in the future, Swiss Prime Site Immobilien focuses its attention on objectives such as reducing operating costs, cutting vacancy rates and optimising project execution. In 2017, increased management efficiency, energy savings and structured electricity purchases enabled the company to reduce its operating costs by 1 percentage point to 14%. Thanks to a pilot integrated project execution process applying lean construction principles, it was possible to shorten planning phases and achieve a higher degree of cost transparency. While this also resulted in additional savings and greater certainty regarding costs, the key objectives were to raise quality levels and promote innovation.

Swiss Prime Site Immobilien takes a number of proactive measures to maintain its revenue stream by preventing units from falling vacant. These include active, innovative approaches to marketing. Fast, streamlined processes help to enhance the attractiveness of its offerings by ensuring that the right properties are available at the right time. The company also reviews existing rentals with its tenants before leases expire, extending them wherever possible. Where potential is identified, Swiss Prime Site Immobilien also transforms existing properties to create new offerings and products. Renovation and refitting work is scheduled to match current leases, so that it can be carried out when premises are not in use. In 2017, the company reduced its overall vacancy rate to 5.2% and will strive to reduce it further in the years ahead.

## Compliance social commitment

### Dialogue fosters acceptance

When new properties are built, existing buildings are transformed or new large-scale projects are completed, new living and working spaces are created. As a real estate owner and investor, Swiss Prime Site Immobilien is conscious of its responsibility for the social, ecological and economic framework surrounding its properties. Sustainable urban and spatial planning is thus a key priority. 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 in the construction and service sectors. By investing in the infrastructure surrounding its properties, Swiss Prime Site Immobilien also contributes to their local communities. At the Sihlcity shopping centre in Zurich and the Stücker centre in Basel, for example, the company contributes some CHF 300 000 each year towards the cost of public-transport links.

The planning for every project begins with an analysis of the specific characteristics of the site. What local offerings are currently available and what could usefully be added to them? How can existing social structures be supported or enhanced? With each of its projects, Swiss Prime Site Immobilien seeks to establish dialogue with local residents and authorities, politicians and representatives of the business community at an early stage. These discussions are initiated by staff in the portfolio-management and development departments and by Group Communications. 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. Such exchanges can also foster the acceptance of a project, by explaining the advantages and added value that the planned developments will deliver. Furthermore, by evaluating local conditions and community needs at an early stage, the company can reduce the risk of objections being raised during the planning permission process, thus avoiding costly delays.

In 2017, the company worked with local communities to obtain construction permits for a number of important projects, most notably for the Schönburg und Weltpostpark in Berne, Espace Tourbillon in Plan-les-

Quates in French-speaking Switzerland and the YOND project in Zurich Albisrieden. By involving local stakeholders, Swiss Prime Site Immobilien also successfully initiated an innovative transformation of the Stücker Park in Basel. This project will transform an existing shopping centre into a mixed-use facility which will also include office space and a large multiplex cinema. By working with the canton of Basel-Stadt and the adjoining Basel Technology Park, the company will also be able to offer new laboratory facilities for start-ups and larger companies in the life-sciences sector. The new site configuration was also agreed with the local residents' association, whose key priority was to ensure that it provides sufficient green spaces.

### Commitment to the real estate sector and the business community

Swiss Prime Site Immobilien's social commitment is focused on innovation, research and teaching. Initiatives in these areas are closely linked to its core real estate business. The company is a member of the Swiss Real Estate Investors' Association (in German, «Verband der Immobilien Investoren»), on whose supervisory board it is represented. The Association's objectives include the promotion of liberal market and competitive regulations and the representation of the real estate sector's interests vis-à-vis the political and business community and society at large.

### Data security is a priority

Swiss Prime Site Immobilien sets great store by complying with all applicable laws and regulations. This is central to its business philosophy and a key factor in maintaining the excellent reputation it has established. For that reason, the company always strives to justify the trust placed in it by its stakeholders – particularly in the area of data security. Swiss Prime Site Immobilien uses a tailor-made real estate database to support its portfolio and asset management activities and to enhance its collaboration with clients, suppliers and business partners. Data security is constantly monitored and evaluated. By digitalising more and more of its services, the company is also able to operate more sustainably, since replacing paper documents with electronic data formats saves resources as well as time. Further information on data security can be found on page 29.

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### Dialogue fosters acceptance

GRI 203

GRI 203-1

GRI 203-2

GRI 413

GRI 413-1

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### Commitment to the real estate sector and the business community

GRI 102-13

GRI 203-1

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### Data security is a priority

GRI 418

## Sustainable investments and services

### Safety first

GRI 416

GRI 416-1

#### Safety first

The health and safety of all those using its premises are crucially important to Swiss Prime Site Immobilien. The safety of its properties is guaranteed by strict adherence 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 the company's contracts with its suppliers.

Swiss Prime Site Immobilien works in collaboration with its sister company Wincasa to ensure the health and safety of its tenants. In addition to carrying out preventive measures such as evacuation exercises and fire-alarm tests, Wincasa also develops property-specific safety concepts for buildings exposed to greater levels of risk. At the Prime Tower in Zurich, for example, the Stop 2.0 project now ensures more stringent access controls, thus enhancing the safety of those working there.

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. The earthquake resilience of all existing properties is assessed, with further specific checks being carried out on those in areas exposed to particular risks. Between 2016 and 2017, the company spent CHF 4 million on protecting and adapting its existing properties.

#### Sustainability throughout the supply chain

For the properties in its portfolio to be sustainable, the company's supply chain also needs to meet the requisite environmental and social standards. Swiss Prime Site Immobilien's general business terms for suppliers include requirements relating to quality management, safety at work and working conditions. In the case of new constructions and modernisation projects, the obligation to comply with statutory safety-at-work requirements is fully transferred to the

general contractors and the companies they have hired. 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. Since 2017, Wincasa has managed Swiss Prime Site Immobilien's construction projects on its behalf, and will continue to discharge the rights and obligations associated with these undertakings with the same diligence as previously displayed by its sister company.

The origin of all materials used in a project, such as carpets, façade coverings and premium-wood paneling 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. While Swiss Prime Site Immobilien plans to carry out a systematic evaluation of its suppliers based on ecological and social criteria, no such actions were carried out in 2017.

## Protecting the environment

Demand for energy-efficient, environmentally friendly properties is increasing, with ever more tenants looking for buildings with ecological certification. To meet these needs, Swiss Prime Site Immobilien applies Swiss Sustainable Building Standards (SNBS) criteria to all its projects. New properties are built to demanding sustainability standards. Major buildings such as the new Swiss Post Office headquarters in Berne, the Prime Tower, SkyKey and Media Park in Zurich, the Stücki Park in Basel and the Opus 1/2 building occupied by Siemens in Zug have been awarded quality certificates such as Minergie®, LEED and DGNB.

#### Systematic energy savings

Across all its operations, the company has made greater use of renewable energy and higher levels of energy efficiency a key priorities. The YOND project, for example, has been simplified by dispensing with both active cooling and mechanical ventilation. Follow-

### Protecting the environment

GRI CRE8

### Sustainability throughout the supply chain

GRI 102-9

GRI 308

GRI 414

### Systematic energy savings

GRI 302

GRI 302-4

GRI 305

ing a portfolio analysis based on various building parameters carried out in 2017, the heating systems used in 40 properties were checked against their planned refit schedules. This identified 20 properties whose current inefficient fossil-fuel heating systems will now be replaced by 2020. CHF 400 000 of the 2018 budget has been allocated to planning for this work. Roughly one third of the heating needs for the property portfolio is currently met by district heating. Since most of this type of heating in Switzerland is generated by waste-incineration plants, this is a more environmentally friendly solution than gas- or oil-fired systems.

In order to identify opportunities for increasing efficiency, it is essential to have comprehensive energy-consumption data. The company's EC/BO energy-control and operational-optimisation system provides online energy consumption data which is updated every 15 minutes. Initially, 21 properties were connected to the system, with a further 57 being connected in 2017. The 2018 budget has allocated CHF 2.5 million to connecting a further 70 properties. By the end of 2019, 148 of the company's current 188 properties will be on the system. By systematically analysing this data, opportunities for improving energy efficiency can quickly be identified and exploited. Over the last five years, the company has streamlined the operating costs of more than 90 of its properties.

### Using resources responsibly

While the use of sustainable building materials and technical initiatives such as heat recycling and intelligent building-control systems can help to cut energy utilisation, behavioural changes are also essential. This means that tenants, clients and employees also need to be made more aware of the need to reduce energy and water consumption and to diminish the volume of waste they generate.

In order to reduce water consumption at its properties, the company collates and analyses water-usage data. Technical solutions such as tap aerators, dual-button lavatory flushes and smart used-water pumps are implemented to cut water usage. 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 to reflect these concerns.

Like all other Group companies, Swiss Prime Site Immobilien is now reporting the resources it utilises in its own operations for the first time (see table).

### Using resources responsibly

GRI 303

GRI 306

### Swiss Prime Site Immobilien, resources used in operations in 2017

Operational energy use in buildings	expressed in	2017
Renewable electricity	kWh	247 635
Conventional electricity	kWh	–
Heating oil, HDD adjusted	kWh	–
Natural gas, HDD adjusted	kWh	142 720
Wood fuel from chips, HDD adjusted	kWh	–
Wood fuel from pellets, HDD adjusted	kWh	–
District heating (from waste incineration) HDD adjusted	kWh	4 788
<b>Total</b>	<b>kWh</b>	<b>395 143</b>
<b>Total CO<sub>2</sub> emissions (scope 1, 2, 3)<sup>1</sup></b>	<b>t CO<sub>2</sub>-eq</b>	<b>36</b>

Consumables	expressed in	2017
Fresh-fibre paper	t	–
Recycled paper	t	2.49
Toner cartridges	number	174
Fresh-fibre paper printed matter	t	–
Recycled paper printed matter	t	0.36
Water consumption	m <sup>3</sup>	1 497

<sup>1</sup> Scope 3 emissions incorporated under «KBOB: Ökobilanzdaten im Baubereich 2009/1: 2016» guidelines

### Resources used in operations in 2017

GRI 302-1

GRI 303-1

### Building on sound foundations

Analysing land and safely removing any hazardous materials it may contain is a routine procedure for Swiss Prime Site Immobilien. In 2016 the company carried out hazardous-material checks on the 184 properties it then owned as well as on its building land. The aggregate surface area analysed was 121.04 hectares. The individual surveys showed that the 27 properties (15% of the total) and 32.35 hectare (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. The decontamination budget for the Stücki Park project in Basel amounts to CHF 4.3 million, of which CHF 2 million had been invoiced by the end of 2017.

the company and also promotes equality of opportunity. Initiatives to further these objectives include flexible working-time arrangements and support for mothers returning to work after childbirth. In 2018, Swiss Prime Site will evaluate a range of systems for measuring salary parity. No cases of discrimination were reported in 2017.

### Attractive working environment

GRI 102-41  
GRI 401  
GRI 401-2  
GRI 403  
GRI 404  
GRI 404-2  
GRI 404-3  
GRI 405  
GRI 406  
GRI 406-1  
GRI CRE5

### Attractive working environment

Swiss Prime Site Immobilien employs relatively few staff, all of whom are highly qualified in their specific fields. For that reason, each employee receives individual management attention, with personal development and training objectives being set at each annual appraisal. Continuing-education initiatives are determined in accordance with market needs, with attention typically focusing on areas such as digitalisation, negotiation strategies and lean construction. The company places particular emphasis on developing its young talents. In 2017, a Group-wide leadership programme was launched which serves to establish a shared understanding of management principles and encourages dialogue between its participants. The first two modules – covering Active Leadership and Situational and Individual Leadership – were taught in 2017. The third module will be devoted to Successfully Leading Teams through Change. Employees are given the opportunity of attending events, trade fairs and presentations to broaden their knowledge and maintain personal networks.

Swiss Prime Site Immobilien sets store by retaining its employees, even when their personal circumstances change. This helps to foster diversity within

With its attractive salary models and fringe benefits, Swiss Prime Site Immobilien 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. The real estate sector does not have any collective wage agreements.

The company has instituted a number of measures to minimise the risk of its employees falling ill. These include free influenza vaccinations and programmes to promote good posture, physical fitness and psychological well-being. Safety procedures have also been defined for emergencies and protective clothing is provided to staff visiting building sites.

SAP's SuccessFactors human-resources application, implemented in 2017, has further enhanced the company's HR processes and made them even more efficient.



Basel, Stücki Park

# Building designs for the next generation

«We are a nightmare for a lot of HR managers. They see us as spoiled, self-enamoured and arrogant.» Those are the first words of «Glück schlägt Geld», published in 2014, in which communications expert and economist Kerstin Bund explains how millennials are changing the world of work.

## Millennials – the new clientele

Millennials now constitute more than a quarter of the workforce. By 2025 three quarters of the working population will have been born between 1980 and 2000. Reason enough to engage with Generation Y and develop new products to meet their needs. Most millennials grew up around the internet and mobile communications. That makes them a substantial part of the technological revolution driving the transformation now sweeping across every part of our society and economy. Both in the industrial and the service sector, whether they are employees or work for themselves, the expectations they place on their working environment are completely different from those of earlier generations. Floorspace and rental arrangements must be flexible and modifiable at short notice. Buildings must not only accommodate but actively support shared and community activities. As company decision makers, project managers or start-up founders millennials are placing new demands on the entire real estate sector. They also represent a huge market opportunity. How is the real estate sector responding to these fundamental changes to its markets? Is it close enough to its clients and sufficiently curious about how their needs are evolving? Does it have enough creativity and regulatory freedom to develop new offerings?

## Having the courage to create new products and processes

In order to create new products and services, the real estate sector will have to venture onto new ground. That includes questioning the status quo. To understand its clients better, it will need to start learning fast. The focus needs to switch from managing construction projects to configuring supply. Only when the property development process has been actively and strategically focused on the client will it be possible to design convincing offerings. Simple, highly flexible building structures which can be adapted to multiple uses offer enormous potential to create differentiated products offering genuine value for money. As value chains are transformed, frugal innovation will make it possible to create sustainable and scalable business models, in the real estate sector and else-

where. Maximum utility for future tenants needs to be developed from scratch and communicated as such. Success in designing and delivering products for today's and tomorrow's generations will require agile project management and highly flexible project-execution processes, with all involved parties working closely together from the start.

## Thinking in broader dimensions

An additional challenge facing anyone wishing to design buildings with long-term viability and thus greater market appeal is the ever increasing quantity of instruments, norms, directives and laws governing the planning and construction of private and public buildings. Switzerland's current zoning regulations are partly based on the objective of keeping commercial and industrial premises, which were originally established in towns decades ago, separated from residential areas. The objective now must be to relax these strict distinctions, because given the way in which the manufacturing and service sectors are merging with each other, millennials increasingly tend to live where they work and vice versa. A modern urban and spatial planning regime in which the use to which buildings are put could be freely determined would not only alleviate pressure on our transport infrastructure, but would also bring new life to districts within and on the outskirts of urban areas. Broad-based debate between the representatives of the interested parties would shed much-needed light on their various needs and expectations. The priority now is to resist the conventional reflex of wishing to avoid risks, to be receptive to what the millennials have to say and to reflect together on the opportunities that are presenting themselves.

## Shorter life cycles, greater flexibility

The development of new forms of employment and collaboration also has direct spatial consequences. Future real estate offerings will need to be more comprehensive and flexible. They will need to take many forms and be able to do more. The design, marketing, construction and operation of a building can be planned and executed faster. Making sustainable use of scarce land resources means developing sites in

such a way that new products which are better suited to the needs of future tenants can be delivered at ever shorter intervals. That is why buildings with shorter useful lives are more appropriate to current market needs.

#### **Self-fulfilment trumps material wealth**

Generation Y rates self-fulfilment higher than material wealth. Its members expect flexibility and freedom of manoeuvre. They are willing to work, keen to advance and have high expectations. It is essential that Swiss Prime Site Immobilien engage with this client group. The key thing millennials expect from all market participants, both from the investment community and the public sector, is innovation. That is what will enable them to fulfil their ambitions. Because innovation always involves venturing into new territory, this also means that everyone will have to take greater risks in order to create successful new real estate offerings. For those risks to be seen as opportunities,

both the authorities and the real estate sector will need to act courageously.

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The unabridged original German text can be found under the title «Achtung: Millennials!» in the special Real Estate Days edition of the Neue Zürcher Zeitung published on 8 November 2017.



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**Severin Boser**

Head of Development, Swiss Prime Site Immobilien

# Wincasa

Wincasa is a flexible market participant offering its clients a wide range of services at every stage of the real estate life cycle, from the initial planning of a building to its construction, operation and revitalisation and sale. Through its decentralised branch network in 24 different locations, the company manages 233 000 properties. This makes it the market leader and one of the most influential players in the Swiss real estate sector.

## Integrated value generation

### Business model

The Wincasa business model is based on two key value-generation processes. These are asset and portfolio management on the one hand and property management on the other. The company maintains strategic relationships with institutional and corporate clients, delivering an integrated range of real estate services covering the entire property life cycle. These range from renovating and re-letting properties, to construction-project management and strategic facility management, to property management, which comprises such elements as vacancy management, energy controlling and operational optimisation and the management of large centres and mixed-use sites.

### Profitable collaboration within the Group

Wincasa's comprehensive branch network provides it with a valuable knowledge of local market conditions and the needs of owners and tenants alike. Thanks to that knowledge, the company can, for example, also match sales mandates from third parties with potential buying interest from Swiss Prime Site Immobilien. This happened in 2017, when Swiss Prime Site Immobilien was able to purchase three buildings adjacent to Winterthur railway station from the Fenaco Agricultural Federation.

Wincasa administers the entire Swiss Prime Site Immobilien AG property portfolio, which, with an aggregate value of CHF 10.6 billion, represents a substantial proportion of its total assets under management of CHF 66 billion. Serving the needs of a major client which is also a member of the same Group enables Wincasa to test innovations before offering them as services to its third-party clients. In 2017, for example, the company worked closely with Swiss Prime Site Immobilien on developing its new mixed-use site-man-

agement services, which it is now actively marketing to third parties.

Wincasa also manages large building projects on behalf of Swiss Prime Site Immobilien, such as the Motel One development in Zurich and the Stücker Park revitalisation project in Basel. The scale and variety of these projects enables Wincasa to accumulate valuable know-how, which can also be put to use in collaborations with other clients.

### Opportunities and risks

Wincasa observes megatrends such as urbanisation, demographic evolution and the increasing demand for sustainability and uses them as the basis for creating new business opportunities. One such megatrend is digitalisation, which is causing a sea change across the entire real estate sector. As buildings become ever more intelligent, it is now possible for them to generate continuous real-time data at every stage of their development, from the planning stage right through to full operation. This provides precise information on all technical installations, their maintenance cycles and current energy consumption. This data, combined with digitalised tenant records, is useful in a number of different ways to asset managers, brokers and commercial tenants.

Wincasa sees significant market opportunities in the fields of innovation and digitalisation and is playing a leading role in capitalising on them. A key example of this can be seen in the launch and ongoing development of the My Wincasa tenant portal. This initiative reflects the company's declared strategic objective of establishing itself as an expert in digital technologies over the next few years. As part of its digitalisation strategy, the company is now taking the opportunity of using state-of-the-art technologies and information models to develop new services for the owners of large building projects and to establish a presence in the emerging building information modelling (BIM) market.

Digitalisation also creates risks, however, particularly when it lowers the barriers to entry for new market participants, who then attempt to attract clients away from their established service providers. That is why Wincasa has entered into new partnerships to optimise its My Wincasa portal. The company is also making every effort to align its service offering with the future needs of its clients.



- Letting and investment advisory services
  - Owner representation
  - Vacancy management
  - Sustainability management at portfolio level
- 
- Letting and re-letting
  - Property and centre management
  - Strategic facility management

**SWISS PRIME SITE**  
Group



.....  
**Wincasa value-generation processes**

Wincasa has a dedicated risk-management and internal-controls function. This unit reports directly to the company CEO and maintains regular dialogue with Group risk management. Responsibility for the company's multi-layered risk-management process rests with the Risk and Audit Committee, comprising members of Wincasa's Board of Directors. Every year, the Risk and Audit Committee questions the company's ten most significant risk takers – members of the Executive Board and a number of officers reporting directly to the CEO – on their risk portfolios and the key current and future challenges facing their business areas. Once a year, the Chief Risk Officer and the CEO submit a risk report to the Board of Directors.

**Value generation**

Thanks to its comprehensive service offering, Wincasa generated operating income of CHF 141 million in 2017. Besides managing 233 000 properties, the company's activities include such services as re-letting properties for clients. Wincasa maintains a very diversified mandate portfolio, encompassing not only residential, office and retail premises but building land and industrial sites as well. Key account management is responsible for meeting the needs of property owners, who also have primary direct contacts to five dedicated senior relationship managers and specifically designated managers in the relevant business areas. The 60 000 plus tenants are each in contact with one of the company's 24 branches and can also communicate with

## Input

### Financial capital

Assets under management	CHF 66 billion
Personnel costs	CHF 101 million
Investment in continuing education and training as a percentage of annual salary costs	1.33%

### Physical capital

Number of properties managed	233 000
Number of building projects	1 670

### Intellectual capital

Kaizen ideas	681
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### Human capital

Employees (headcount)	932
Hours of training	9 h/FTE

### Relationship capital

Branches	24
Direct suppliers	70

### Natural capital

Energy consumption	3 328.8 MWh
Water consumption	15 557.6 m <sup>3</sup>

## Output

### Financial capital

Operating income	CHF 141 million
Rental income for clients	CHF 3 137 million
Volume of transactions advised	CHF 500 million
Monetary value of Kaizen initiatives	CHF 0.435 million

### Physical capital

Diversification of mandate portfolio	Residential 38.4%
	Office+retail 61.6%

### Intellectual capital

Kaizen ideas implemented	404
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### Human capital

Management posts held by women	25%
Fluctuation rate	18.59%
Absentee rate	2.71%

### Relationship capital

Top 10 clients/total revenue	90.3%
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### Natural capital

CO <sub>2</sub> emissions (scope 1, 2 und 3)	493 tCO <sub>2</sub> e
CO <sub>2</sub> intensity	21.26 kg CO <sub>2</sub> -eq/m <sup>2</sup> 620.05 t CO <sub>2</sub> -e/FTE

### Wincasa integrated value generation

GRI 201-1

GRI 305-1

GRI 305-2

GRI 305-4

GRI 404-1



Key integrated value-generation metrics for Wincasa

the company via the My Wincasa tenant platform. At present, some 5 000 tenants use this application, which provides a very good overall standard of customer service.

In order to remain agile in a rapidly changing market environment, it is essential to be able to recognise trends at an early stage. In 2017, the company identified more than 30 highly significant signals. These resulted in six recommendations for action being submitted to the Executive Board and four new projects being initiated. One of these has already been completed.

Wincasa has set itself the objective of using less energy, both in its own operations and in the context of its client mandates. Accordingly, the company is helping property owners to cut their CO<sub>2</sub> emissions (see the «Protecting the environment» section on pages 59 f.).

Wincasa offers a total of 830 attractive jobs (on a full-time-equivalent basis), providing its employees with a high-quality working environment (see the «Attractive Working Environment» section on pages 59 ff.). To maintain its agility in responding to market developments, Wincasa continuously invests in its employees' training. In 2017, each full-time employee attended nine hours of training on average.

## Stakeholders

### Focusing on client needs

Besides major commercial tenants such as Coop, Migros and Swisscom, Wincasa also has some 60 000 apartment tenants as clients. While the concerns of these two client groups differ, both most often relate to the administration and infrastructure of the buildings concerned. 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. Wincasa also conducts annual surveys among its major clients to ascertain their requirements and gauge their level of satisfaction with its services. The results are systematically used to improve business processes. The 2017 survey confirmed the existing impression that greater attention needs to be devoted to vacancy management, the frequency of changes in adminis-

trative staff and adherence to the budgets for scheduled and unscheduled maintenance. Measures taken in response to these findings included increasing the size of the vacancy management unit within the administration department. This unit takes a proactive approach to managing vacant floorspace, using innovative methods to market it. In addition, the frequency of changes in administrative staff and budget discipline are now being closely monitored on newly created client dashboards.

As property owners become increasingly aware of the need to operate their buildings sustainably, Wincasa is assisting them in implementing their environmental strategies and is now marketing a range of services in this area. In future, the company will provide its clients with more detailed reporting on the energy consumption of the buildings it manages on their behalf and the CO<sub>2</sub> emissions they generate.

## Financial excellence

### Value-oriented management fosters long-term capital appreciation

Wincasa takes a holistic approach to managing its businesses which reflects the needs of its stakeholders and aims to achieve a sustainable increase in the value of the company by increasing its revenues and profitability. To that end, the company uses a system of controls based on key metrics. The incentive schemes for management and staff are systematically linked to the performance of these metrics, which include factors such as revenue growth, EBIT and client satisfaction. Continuous improvement of its business performance enables the company to ensure its viability over the long term and meet its stakeholder obligations. A key objective for Wincasa is to remain competitive and to maintain the quality of its operations. To that end, the company relies on a range of defined and reliable processes, whose efficiency it is constantly monitoring and improving. In 2017, for example, the handling of telephone conversations with tenants was optimised. Resources at the Customer Value Centre in Winterthur were enhanced and new guidelines for answering questions frequently asked by tenants were drawn up, thus improving the quality of the information provided to them. The number of lost incoming calls was also reduced.

Value-oriented management fosters long-term capital appreciation

GRI 201

Focusing on client needs

GRI 102-40

GRI 102-42

GRI 102-43

GRI 102-44

Following its successful acquisition by Swiss Prime Site, the Group positioned immoveris properties as an agile boutique consultancy operating in conjunction with Wincasa's Letting and Investment Advisory (LIA) service to extend its geographic reach. LIA will be incorporated into immoveris AG with effect from 1 January 2018. This will enable the Group to concentrate its advisory expertise in the fields of marketing, transaction management and strategic consulting in one single entity.

## Compliance and social commitment

### Evaluating client data without compromising data security

Collating and partially evaluating client data also helps Wincasa to maintain a competitive edge. The Group IT and legal departments are responsible for ensuring that these processes adhere to data-protection laws. In order to provide additional data security, Wincasa has also formulated its own data-protection guidelines. The company attentively monitors the evolution of Swiss data-protection legislation, taking appropriate action where necessary. On the IT side, a CISO (Chief Information and Security Officer) is responsible for reviewing security standards on a regular basis and ensuring that they are met. No complaints regarding breaches of data security were received in 2017.

### Furthering the common good

In 2017, Wincasa created 63 new jobs and trained 40 commercial apprentices. The company also supports local associations and events to strengthen its ties to the regions in which it operates. A total of CHF 100 000 was spent on sponsorship contributions in 2017. For the first time, the company directed the CHF 70 000 which had previously been earmarked for presents to clients, employees and retired staff, to two charitable projects with links to Switzerland. The funds allocated to each charity were determined by a digital poll in which the three groups mentioned above were invited to take part.

Wincasa is a member of the Swiss Real Estate Association of Property Trustees (SVIT), the largest association of its kind in Switzerland, and the Swiss Council of Shopping Centers (SCSC). The company is also a member of Bauen digital Schweiz, a group representing the interests of companies using digital technolo-

gies in construction. Wincasa has often supported the SVIT's Real Estate Symposium and the Shopping Center Forum Switzerland meetings. The company is also an accredited member of the Royal Institution of Chartered Surveyors (RICS), the world's largest professional body for real estate practitioners.

## Sustainable investments and services

### Health and safety are the key priority

Ensuring the health and safety of its clients and employees is Wincasa's number one priority. Besides keeping people safe, the company also strives to maintain a high level of business continuity and to minimise the adverse events which could damage its reputation. To that end, a number of tasks are undertaken, whose nature depends on the mandate concerned and the requirements of the individual property owner. Typical duties include fulfilling due-diligence duties for property-management mandates, formulating safety and security concepts, reporting on the performance, safety and condition of buildings and earthquake-resilience projects. 20 property-management safety concepts were drawn up in 2017. All buildings are managed by trained administrators, who ensure that that all applicable directives are followed. In 2017, Wincasa instituted standardised security-officer job descriptions for all the large centres it manages. The company's internal-controls procedures regularly verify that these requirements are being met. Regular reporting and random checks are also used to ensure that the prescribed safety exercises and training sessions are being carried out at these centres. Wincasa maintains an emergency handbook for its own operations. In 2017, local versions of this were produced by each branch to reflect its specific circumstances.

### More purchases from socially and environmentally sustainable sources

A comprehensive sustainability strategy also requires that the supplies a company purchases come from environmentally and socially acceptable sources. Wincasa's policy here distinguishes between suppliers it contracts directly and those contracted by property owners. In 2017, the company purchased some CHF 20 million worth of goods and services from more than 70 direct suppliers.

Wincasa sets store by working with business partners

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**Health and safety are the key priority**

GRI 416

GRI 416-1

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**Evaluating client data without compromising data security**

GRI 418

GRI 418-1

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**Furthering the common good**

GRI 102-13

GRI 203

GRI 203-1

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**More purchases from socially and environmentally sustainable sources**

GRI 102-9

GRI 308

GRI 414

**Its employees are the company's principal asset**

- GRI 102-41
- GRI 401
- GRI 401-2

and suppliers who share its values. Hitherto, quality and value for money were the key criteria used to evaluate suppliers. In 2017, Wincasa began developing internal guidelines on environmental and social parameters. These will be implemented as part of its 2020 facility management strategy. Factors considered include the use of biodegradable cleaning products and the proportion of household equipment which is repaired rather than replaced. Energy efficiency and the possibility of returning equipment for repair are already important criteria in all purchasing decisions. In 2017, the company signed four new master agreements with explicit environmental criteria. Suppliers are evaluated by operational line management and the purchasing and services department.

**Protecting the environment**

**Focusing on environmental impact**

- GRI 302
- GRI 302-4
- GRI 305
- GRI 305-5

**Focusing on environmental impact**

Both in its own day-to-day operations and in managing properties for others, Wincasa strives to protect the environment and limit its use of natural resources. 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 their sustainability initiatives. In this way, Wincasa plays an important part in improving the energy efficiency of the buildings in its management portfolio and cutting their CO<sub>2</sub> emissions.

Because of its nationwide branch network, Wincasa itself is also a tenant. Here, too, it is committed to reducing the energy consumed by the premises it rents, thus reducing their environmental footprint and cutting their operating costs. In 2017, Wincasa published its second annual Sustainability Snapshot. These reports document the company's operational, ecological and social objectives for 2020 and the progress it has made in reaching them. The latest report shows that aggregate CO<sub>2</sub> emissions per FTE employee were cut by 8% in 2017, mainly thanks to fewer purchases of electronic devices and greater use of renewable energy. Since some 55% of the CO<sub>2</sub> emissions it generates are attributable to business and commuter travel, the company is now working with an external consultancy firm to draw up a company-wide mobility concept. The measures thus identified will be implemented throughout the company in a number of stages.

**Attractive working environment**

**Its employees are the company's principal asset**

The service quality, client satisfaction and business performance Wincasa achieves primarily depend on the motivation and professionalism of its employees. Alongside active employer branding, an attractive working environment which encourages performance is the key factor enabling the company to recruit and retain qualified staff. Line managers and human resources also strive to ensure an appealing working atmosphere. Should problems nevertheless arise, the anonymous integrity line available to all employees enables them to seek advice or report issues and grievances.

Wincasa relies on staff feedback to ensure that its structures and processes are continuously improved. To that end, the company conducts an employee survey every two years. Employee satisfaction levels in the 2017 survey were slightly lower than in 2015. This can be seen as a consequence of the transformation process currently under way at Wincasa. Fundamental changes often mean more work for employees, as well requiring them to change their existing habits before the results of these changes are clearly discernible. To involve its employees in the evaluation and improvement of their activity areas and working processes, Wincasa introduced kaizen boards in late 2015. In 2017, a new interactive social intranet network was also established in order to facilitate communication within the company.

Employee benefits are a key factor in determining how attractive a company is as an employer. Benefits for all full-time and part-time Wincasa staff exceed those required by law. Wincasa also grants its staff more days off than other companies. Moreover, depending on their length of service, employees are entitled to up to six months maternity leave and up to five days paternity leave. Wincasa staff are not subject to any collective wage agreements.

## Wincasa, resources used in operations in 2017

Operational energy used in buildings	expressed in	2017
Renewable electricity	kWh	823 092
Conventional electricity	kWh	544 445
Heating oil, HDD adjusted	kWh	153 780
Natural gas, HDD adjusted	kWh	1 547 113
Wood fuel from chips, HDD adjusted	kWh	–
Wood fuel from pellets, HDD adjusted	kWh	–
District heating (from waste incineration), HDD adjusted	kWh	260 343
<b>Total</b>	<b>kWh</b>	<b>3 328 773</b>
<b>Total CO<sub>2</sub> emissions (scope 1, 2, 3)<sup>1</sup></b>	<b>t CO<sub>2</sub>-eq</b>	<b>493</b>

Consumables	expressed in	2017
Fresh-fibre paper	t	33.37
Recycled paper	t	–
Toner cartridges	number	595
Fresh-fibre paper printed matter	t	8.83
Recycled paper printed matter	t	–
Water consumption	m <sup>3</sup>	15 558

<sup>1</sup> Scope 3 emissions incorporated under «KBOB: Ökobilanzdaten im Baubereich 2009/1: 2016» guidelines

Wincasa,  
resources used in  
operations in 2017

GRI 302-1

## Business success based on staff development

In a competitive market, a company's ability to perform successfully and keep ahead of its rivals critically depends on the qualifications and professionalism of its staff. Recruiting well-qualified professionals has been difficult for some time. For that reason, Wincasa's objective is to retain staff for the long term by providing them with scope to develop their careers within the company. Its strategy focuses on building expertise through the internal Wincasa Development programme. This offers training and coaching for apprentices, young talents, managers and staff joining from other sectors and culminates in a two-day preparatory course for future retirees. Internal candidates are systematically considered for key vacancies and all annual appraisals explicitly review continuing education and leadership potential.

As part of its ongoing digitalisation process, in 2017 Wincasa introduced a modular training programme to promote the digital capabilities of all its staff and prepare them to meet the challenges of the future. Modules are offered in digital skills, leadership and project management. 1.33% of overall annual salary costs were invested in continuing education and training in 2017.

Wincasa is also committed to offering all its staff the same development opportunities, irrespective of their origins, gender or age. What counts is the quality of their work. Men and women are employed at all management levels, including the Executive Board, and pay equality is checked on an annual basis. No cases of discrimination were recorded in 2017.

Business success  
based on staff  
development

GRI 404

GRI 404-2

GRI 404-3

GRI 405

GRI 406

GRI 406-1

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Health and safety  
at work keep  
performance  
sustainable

GRI 403

### Health and safety at work keep performance sustainable

Wincasa sets great store by protecting the health of its employees, since their performance and that of the company depend on it. Initiatives to keep staff healthy include subsidised expert advice on optimising nutrition and maintaining a strong metabolism, health-promotion campaigns such as the bike2work programme and contributions to gym membership fees. Wincasa also monitors absences from work throughout the company and maintains a case-management capability. This enables the human resources department to identify cases of long-term or recurring absence among its staff, so that it can proactively engage with employees where necessary. Employees who are ill or have suffered accidents also receive case-management support. As part of its absence-management process, in 2017 Wincasa introduced back-to-work discussions for employees who had been absent, to review their state of health, agree on appropriate action and monitor its effectiveness. Health maintenance is supported by topic-specific training, for which the Executive Board, human resources and line management are jointly responsible. The absentee rate for 2017 was 2.7%.

# Social sustainability is a priority

The energy efficiency, versatility and value retention of a property are by far the most common measures of sustainability used in the real estate sector. While these environmental and economic aspects of sustainability are important to Swiss Prime Site Group companies, they are also mindful of their responsibilities towards society. Based on the example of Wincasa, this section explains the role of social responsibility in staff recruitment and development at Swiss Prime Site.

For a real estate services provider, living and working form the key ecosystem in the social sustainability dimension. The focus here is on projects which promote mixed-use buildings and urban districts. Apartments of various sizes and levels of comfort have to be provided. Good transport links and easy access are needed to provide an appropriate environment for social and cultural initiatives and encounters. Meanwhile, the employment market requires ever greater mobility, flexible schedules and types of work, initiatives to develop young talent and appropriate opportunities for continuing education and training.

Wincasa is aware of the constantly evolving needs of present and future generations. For that reason, it sets considerable store by meeting its social commitments, both in the properties it manages and in its own operations. This not only enhances its position in the market, it also strengthens its employer brand, as Hans-Peter Näf, Head of Human Resources, explains in this interview.

## **Hans-Peter Näf, what specific projects is Wincasa currently supporting?**

Let me cite our work with two external partners. Wincasa is a member and financial sponsor of the Domicil Foundation, which provides suitable low-cost accommodation to people of limited means. We are also a partner of Die Sozialfirma, which provides employment to people with restricted capabilities. This institution's initiatives include providing permanent positions as janitors to handicapped people on the same terms as those offered to staff who are not so afflicted. Some of these jobs are in buildings managed by Wincasa.

## **And within the company itself, where does Wincasa focus its efforts?**

Fostering young talents and recognising and developing the potential of every staff member are both very important for us. To that end, we not only provide continuing education and training programmes but also offer flexible working-time models which accommodate individual employees' working, development

and living requirements. We subsidise our employees' mobility and offer jobs to people from other disciplines and employees aged over 50. Some training courses are provided by us. Others are provided by external partners. In the second half of 2017, we focused our efforts on developing our staff's digital skills. We set great store by ensuring that all our employees can hold their own in this age of digital transformation. We train them in the use of new media and digital systems. We also show them how our company, as a real estate services provider, can meet the challenges of digitalisation.

## **You mentioned opportunities for people from other disciplines. What is Wincasa doing in that area?**

The idea here is for Wincasa to maintain and expand its performance and operational capabilities by including candidates from other industries in its recruitment initiatives. While they may sometimes take longer to acquaint themselves with real estate concepts, these employees also contribute new attitudes and ideas, thus enhancing the diversity of our resources. Conversely, because they have to demonstrate above-average flexibility, they also meet one of the key prerequisites for the successful digital transformation of our business. From that point of view, our internships also provide exciting opportunities for entering the real estate sector.

## **What does Wincasa do to ensure that it retains staff over the long term?**

Our employees need to feel comfortable here and we need to develop and train them. They must be able to express their concerns and act with a degree of autonomy. Our objective is to strengthen their intrinsic motivation. That is the source of long-term success. To encourage employee participation, we introduced kaizen boards in late 2015. These involve individual teams holding half-hour meetings every fortnight. The objective is to identify minor improvements which can be made to working-level processes and to put them into effect as soon as possible. These initiatives result in improvements to quality and/or efficiency, which,

taken together, make a substantial positive contribution to our company and our working environment. So far some 300 kaizen ideas have been put into effect.

**Let us close by looking to the future again. How would Wincasa respond to a possible disruption and what types of jobs will be significantly affected by digitalisation?**

When our working environments change, it is important to ensure that employees can identify closely with their employer and that they can see their duties and objectives as being rewarding and useful. This is essentially a management task, requiring a thorough and transparent discussion of the issues involved. Digitalisation will change the activities carried out in the real estate sector and the skills they require. Administrative and commercial disciplines will be the most affected. That being said, robots cannot do everything. Distinguishing between human and artificial intelligence will become extremely important, as will the honing and development of interpersonal

skills. Humans will be relieved of repetitive and administrative tasks and should thus be able to concentrate on activities which cannot be automated. Skills such as lateral thinking, problem solving, advisory expertise, process know-how and client relationship management are all becoming more important, as are interdisciplinary and social expertise. We support our managers and employees in a number of different ways, so that they are well prepared to meet new challenges and deliver new types of services.



.....  
**Hans-Peter Näf**  
Head of Human Resources, Wincasa

# Tertianum

Tertianum is Switzerland's leading provider of assisted-living services. It is a private company providing residential and care services to older clients at locations throughout Switzerland. The company is noted for its broad and flexible range of modular offerings.

## Integrated value generation

### Business model

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. The Group operates in 76 locations, offering 3000 care beds and some 1800 apartments. The key priority for all Tertianum residences is to ensure the satisfaction and well-being of their guests.

Because its guests have a variety of requirements, Tertianum offers a range of individual, modular solutions. The spectrum ranges from providing living accommodation with the highest possible degree of autonomy, to high-quality catering, to comprehensive health services. All offerings allow a combination of accommodation and care, with each guest free to determine how much support he or she requires.

Municipalities not wishing to maintain their own care homes can enter into specific service agreements with Tertianum. The company will then establish a cooperation agreement with a real estate investor and the municipality, under which the municipality avoids having to invest in real estate or cover any operating deficits which may arise.

### Successful collaboration with the Group

Through Tertianum, Swiss Prime Site is pursuing a uniform growth strategy. The know-how which this Group company has accumulated over the years covers every aspect of the assisted-living sector. This expertise helps the Group to grow its share of this market.

Tertianum operates a total of 76 assisted-living centres, of which 20 are owned by Swiss Prime Site Immobilien. These properties, which are sited in a wide range of locations, have excellent value-retention characteristics, partly thanks to their secure, long-

term leases and partly thanks to the care with which Tertianum operates them. Tertianum provides Swiss Prime Site Immobilien with access to investment properties. Wincasa also benefits, since it is mandated with administering them on behalf of Swiss Prime Site Immobilien.

### Business opportunities and business risks

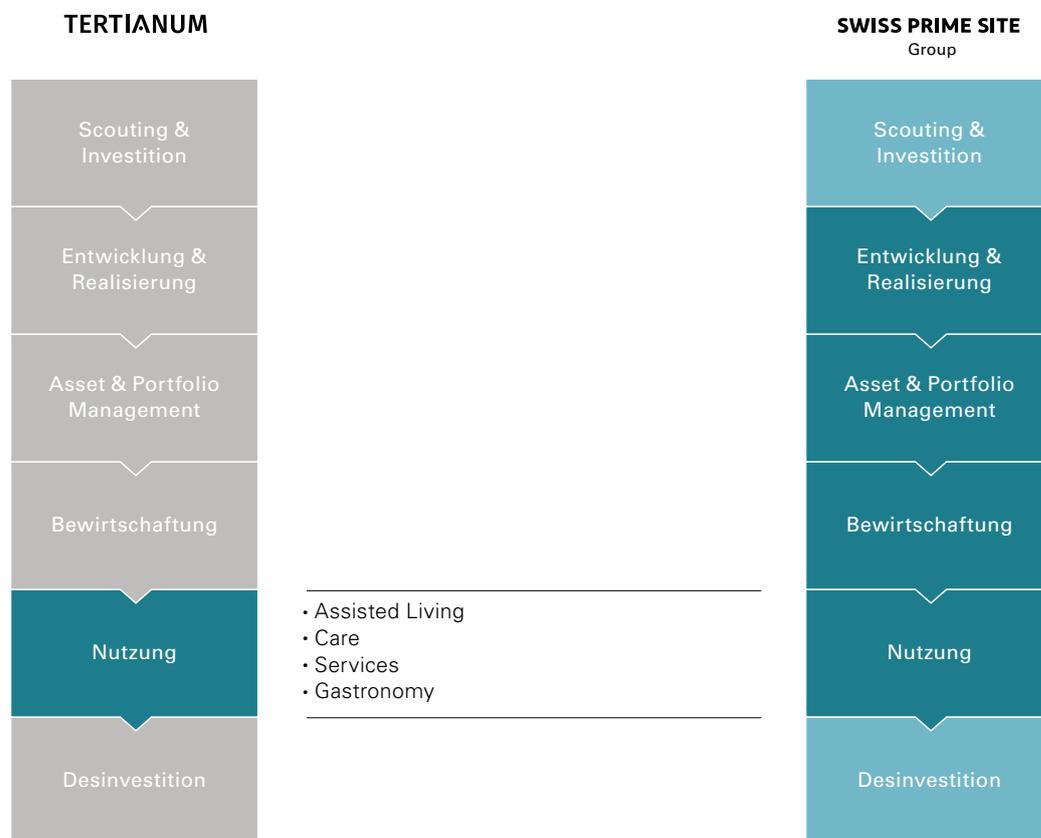
Organisations providing services to older people, some of whom require care, are subject to regulation. Compliance with this regulation involves considerable administrative effort, since regulatory requirements are generally becoming more restrictive and each canton has its own specific rules on subsidising assisted-living places. Economy drives by some cantons are also exerting upward pressure on costs. To counteract these trends, the substantial range of services provided has to be matched by streamlined administrative processes.

In meeting the cantons' requirements, Tertianum can draw on a wealth of internal knowledge. By using standardised processes, the company can open new care centres efficiently, while simultaneously continuing to develop the core services it delivers.

### Value generation

By providing a range of accommodation and care services to some 4200 clients, Tertianum achieved operating income of CHF 449 million in 2017. The high occupancy rates its centres enjoy is testimony both to the company's strong working relationships with doctors and hospitals and to the reputation its care services have earned. In 2017, the company's growth strategy enabled it to build or acquire a number of new facilities, adding a further 230 beds and 109 residential apartments to its overall capacity.

Tertianum's 4303 staff enjoy a high level of job security. The company offers a range of training courses, some of which are organised in collaboration with teaching institutions, to ensure that its employees receive ongoing vocational training. Tertianum's motivated, well-trained staff make a significant contribution to its successful business performance (for more details, see the «Attractive working environment» section on pages 69 ff.).



Tertianum value-generating processes

## Stakeholders

Individually tailored services complemented by active dialogue

- GRI 102-40
- GRI 102-42
- GRI 102-43
- GRI 102-44

One preferred partner for assisted-living services, one preferred brand

- GRI 201

### Individually tailored services complemented by active dialogue

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. Every year, each Tertianum centre organises some four such initiatives.

Tertianum needs to configure its offering to meet the changing needs and expectations of its guests. To ensure that the services it provides to its target clientele properly reflect current local requirements, the

company regularly conducts market analyses and surveys. It also holds an annual strategy meeting.

Every three years, Tertianum carries out a survey to gauge the satisfaction of its guests, suppliers and employees. The insights thus gained assist the company in its ongoing efforts to develop and optimise its operations.

### Financial excellence

#### One preferred partner for assisted-living services, one uniform brand

Tertianum's objective is to maintain its position as Switzerland's leading provider of assisted-living services. In 2017, the company systematically strengthened its ties to local municipalities with a view to facilitating the establishment of public private part-

## Input

<b>Financial capital</b>	
Personnel costs	CHF 250 million
Investment in continuing education as a percentage of annual salary costs	0.97%
Medication and care supplies	CHF 3.44 million
<b>Physical capital</b>	
Centres operated	76
<b>Intellectual and human capital</b>	
Employees (headcount)	4 303
<b>Relationship capital</b>	
Resident guests	1 637
Care guests	2 544
<b>Natural capital</b>	
Energy consumption	50 649.3 MWh
Water consumption	429 218 m <sup>3</sup>



## Output

<b>Financial capital</b>	
Operating income	CHF 449 million
<b>Physical capital</b>	
Capacity utilisation (in care days)	89.2%
Apartment occupancy rate	84.8%
<b>Intellectual and human capital</b>	
Proportion of care staff with secondary or tertiary educational qualifications	52%
Fluctuation rate	22.82%
Absentee rate	4.79%
<b>Relationship capital</b>	
Guest satisfaction (satisfied / very satisfied responses)	from 2018
<b>Natural capital</b>	
CO <sub>2</sub> emissions (scope 1, 2, 3)	6 933 t CO <sub>2</sub> e
CO <sub>2</sub> intensity	15.27 kg CO <sub>2</sub> -eq/m <sup>2</sup> 2 001.45 kg CO <sub>2</sub> -eq/FTE

## Tertianum integrated value generation

GRI 201-1  
GRI 305-1  
GRI 305-2  
GRI 305-4  
GRI 404-1

Tertianum integrated value-generation key metrics

nerships. These initiatives resulted in one new partnership in Richterswil, further development of the Salmenpark accommodation and care centre and the creation of the new Park Ramendingen facility in Gommiswald.

From a business point of view, the decision to apply uniform Tertianum branding to its entire range of assisted-living offerings is highly significant, since it enables the company to raise its profile and strengthen its market. Tertianum also streamlined its legal-entity structure, thus enhancing its administrative efficiency.

By availing itself more systematically of the opportunities offered by digitalisation, Tertianum was able to make significant progress towards a standardised process environment in 2017. Preparations were made for the staged introduction of an enterprise-resource-planning (ERP) system, which will enable the company to control and monitor its administrative processes electronically. Tertianum also purchased the careCoach system in 2017. In future, this will enable the company to manage all its data-processing applications electronically. This will make the planning and documentation processes for all care and support services entirely electronic. Tertianum also formulated a clearly defined strategy for its ambient assisted-living offering. The plan here is to test new technologies which will help older people to continue living in their own homes for longer. Possible concepts include using intelligent sensors to detect and report falls, monitor lavatory use or record food consumption.

## Compliance and social commitment

### Individualised services and regulatory requirements

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.

Organisations providing services and care to older people must hold a number of specific licences and meet a wide range of regulatory requirements. The principal statutory framework here is enshrined in adult-protection law. This legislation determines who represents 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 defined 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 requirements on a regular basis.

### Protecting personal privacy is the key priority

The protection Tertianum affords its guests not only covers their health but also includes a duty to exercise great care in protecting their specifically defined fundamental rights, which are protected by Switzerland's constitution. Service providers such as Tertianum have a special duty of care, particularly towards people who are old, frail or in need of assistance, since they are often less able to ensure that their rights are respected. Personal privacy-protection regulations not only specify how confidential medical information is handled by third parties, they also require assisted-living residences and care homes to ensure that the privacy of their guests is respected. 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.

Tertianum manages sensitive data in a password-protected system. Data protection is integral to the company's quality-management procedures. It also forms part of the ISO and sanaCERT certification processes it undergoes and the audits carried out by its regulators. Furthermore, mechanisms are in place for both guests and employees to lodge complaints should they come across any infringements of data-security regulations. Employees can make anonymous calls to the integrity line. Guests can address their complaints to the care and support management team, the man-

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Protecting personal privacy is the key priority

GRI 418  
GRI 418-1

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Individualised services and regulatory requirements

GRI 417  
GRI 417-1

agement of the centre in which they live, company management and, ultimately, to the cantonal ombudsman or the national data-protection intervention unit.

### **Social commitment and utility to society**

Tertianum takes care to ensure that affordable solutions can be offered to people of limited means. The 76 centres it operates form part of the local and regional healthcare infrastructure. 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 municipalities in which it operates. Furthermore, since the company is a private service provider and does not receive any deficit guarantees from the local communities it serves, this eases the burden on the public purse further. An additional benefit to society is that by living in accommodation which also offers ancillary services, older people are able to live in homes of their own, thus postponing their potential future admission to costly care institutions.

Tertianum is convinced that it is primarily by assuming responsibility as a service provider and focusing on its clients' needs, rather than by adhering to regulations, that it is able to deliver quality care. That is why it supports senesuisse, the Swiss association of economically independent residential and care homes for older people. This association represents the interests and concerns of long-term care providers and is committed to counteracting excessive regulation of the healthcare sector.

In 2017, Tertianum once again supported the St. Gallen dementia conference, which focuses on the provision of person-centred care to people with dementia. In 2012, based on its many years of experience in the assisted-living sector, Tertianum established the Viventis Foundation, to which it contributes CHF 50000 each year. The foundation's objective is to improve the quality of Assisted Living. Viventis provides financial support to older people living in residential and care homes to help improve the quality of their lives.

### **Dialogue fosters identification with local communities**

As a private provider of healthcare services, it is essential for Tertianum to be positively perceived by the

local communities it serves in order to ensure high occupancy rates for the residential and care accommodation it offers. For that reason, the company maintains a regular dialogue with local councillors, local authorities and local communities. The size of each Tertianum centre also affects the range of services it offers. Its offering in each location is determined in accordance with such factors as specific cantonal approaches to care provision, local purchasing power, the rental income required by landlords and the availability of staff in the region concerned. The size of each centre also affects the range of services it offers. In 2017, Tertianum opened three new centres – Park Ramendingen in Gommiswald, Al Vigneto in Tenero and Etzelgut in Zurich Wollishofen. In Wattwil, the newly constructed Krone centre replaced the previous Kronenwiese facility. The existing La Gottaz residence in Morges and the Parco Maraini residence in Lugano were also incorporated into the Tertianum Group.

## **Sustainable products and services**

### **Guest protection is a team effort**

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.

In order to raise the quality of its services further, Tertianum will establish company-wide quality-management procedures in accordance with the revised ISO 9001 standards formulated in 2015. In 2017, the company's centres in German-speaking Switzerland successfully passed their sanaCERT recertification tests. All processes are regularly evaluated in the course of internal audits and external examinations 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.

### **Maintaining sustainable purchasing standards**

In 2017, Tertianum's expenditure on goods and services amounted to some CHF 58 million. The key

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### **Social commitment and utility to society**

GRI 102-13

GRI 203

GRI 203-1

GRI 203-2

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### **Guest protection is a team effort**

GRI 416

GRI 416-1

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### **Dialogue fosters identification with local communities**

GRI 413

GRI 413-1

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### **Maintaining sustainable purchasing standards**

GRI 102-9

GRI 204

GRI 204-1

GRI 308

GRI 414

items purchased were healthcare consumables, food, beverages, maintenance services, water and energy. During 2017, the company was able to reduce its costs significantly by harmonising its supplier portfolio and streamlining the range of goods and services it buys. Supply contracts are awarded on the basis of regular reviews, the next being scheduled for 2018.

For Tertianum to ensure that its purchasing activities remain sustainable, it is essential that its suppliers also adhere to appropriate social and ecological standards. Accordingly, when the company buys a given type of product for the first time, it prioritises those which meet specific ethical and ecological standards and can be delivered and disposed of with minimal environmental impact. In 2017, Tertianum was able to renew two major contracts with Swiss suppliers operating certified, sustainable value chains.

The company's food-purchasing policies give preference to local and seasonal products, because they are more sustainable from an ecological and social point of view. In choosing its suppliers, Tertianum opts for local companies and organisations where possible.

Food	Expressed in	2017	of which sourced domestically
Vegetables	t	721	86.7%
Fruit	t	417	31.9%
Meat	t	162	90.7%
Coffee	t	117	–
Tea	t	14	–
Beverages	l	4 749 222	–
Milk/cream	l	158 684	–

## Protecting the environment

### Steady progress towards environmental sustainability

To the extent its status as a tenant permits, Tertianum implements measures to reduce its energy consumption and its emissions of harmful substances. 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. The energy and emissions savings resulting from these policies cannot yet be quantified, however, since the first en-

vironmental data recordings were made in 2017 (see table). Tertianum also strives to reduce the quantity of water consumed by its laundries and by its 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. Tertianum can, however, only reduce its water consumption to the extent consistent with maintaining the high standards of hygiene it practises. Wherever possible, waste products are recycled, with household rubbish, glass, paper, tins, electrical products, green compost, catering biomass, special waste products and medical-supply waste all being collected separately. Tertianum handles all medical-supply waste in accordance with current regulations.

## Attractive working environment

### Open communication and good health-management practices ensure continuity

Working in the assisted-living sector is a challenging task for Tertianum's employees. They need to be highly qualified in their specific disciplines. They also need to display great empathy in interacting with others. The recruitment and retention of appropriately qualified staff is thus an important task for those managing the company's residential care centres. The Group has developed a uniform process and a range of specific measures to help them in this task. In 2017, the Tertianum Group added a Head of Care Services to its executive-management team, an initiative which emphasises the importance Tertianum attaches to its activities in this area. The company also eliminated one level from its organisational hierarchy in order to bring its Group executive management closer to the management teams at individual centres.

The long working and attendance hours, the physical effort required by daily care activities and the emotional stress resulting from client deaths typically result in high absentee and fluctuation rates. That is why it is indispensable for the company to observe good standards of health management in its operations. Tertianum strives to achieve the best possible levels of health protection for its staff by monitoring their working and attendance hours, ensuring they themselves have appropriate care-management support and arranging for them to have regular health checks

Open communication and good health-management practices ensure continuity

GRI 403

GRI 403-3

Steady progress towards environmental sustainability

GRI 302

GRI 302-4

GRI 303

GRI 305

GRI 306

## Tertianum, resources used in operations in 2017

Operational energy use in buildings	expressed in	2017
Renewable electricity	kWh	20 202 939
Conventional electricity	kWh	–
Heating oil, HDD adjusted	kWh	7 881 983
Natural gas, HDD adjusted	kWh	16 730 489
Wood fuel from chips, HDD adjusted	kWh	857 104
Wood fuel from pellets, HDD adjusted	kWh	536 779
District heating (from waste incineration) HDD adjusted	kWh	4 440 047
<b>Total</b>	<b>kWh</b>	<b>50 649 341</b>
<b>Total CO<sub>2</sub> emissions (scope 1, 2, 3)<sup>1</sup></b>	<b>t CO<sub>2</sub>-eq</b>	<b>6 933</b>

Consumables	expressed in	2017
Fresh-fibre paper	t	4
Recycled paper	t	0.03
Toner cartridges	number	1 314
Fresh-fibre paper printed matter	t	46
Recycled paper printed matter	t	–
Water consumption	m <sup>3</sup>	429 218

<sup>1</sup> Scope 3 emissions incorporated under «KBOB: Ökobilanzdaten im Baubereich 2009/1: 2016» guidelines

and vaccinations.

For employees and managers alike, Tertianum's HR business partners are their primary source of advice and support. Should any employee have a grievance, he or she can turn to appropriate internal units, 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.

### A fair, flexible and modern employer

Tertianum sets store by treating its employees with respect and supporting them in the performance of their duties. Accordingly, its staff policies are based on the principles of open communication, mutual appreciation, fairness, equality of treatment and equality of opportunity. Tertianum regards its multicultural staff as a source of enrichment. While the company has a policy of equal pay for equal work, it does not have a policy of specifically furthering opportunities for women, because they are already well represented in its various professional disciplines and in its management hierarchy.

The recruitment of new staff, adherence to the terms of collective employment contracts, monitoring pay

parity and offering flexible working-time arrangements to its staff are important elements in the company's efforts to ensure that its employees are treated fairly and equally. Responsibility for adherence to these principles rests with the Tertianum Group's executive-management team and its human resources department. Should an instance of discrimination arise, Tertianum employees can lodge a complaint with the integrity line. No cases of discrimination were reported in 2017.

As a forward-looking, attractive employer, Tertianum demonstrates its considerate attitude towards the individual circumstances of its staff through initiatives such as modified working hours for employees with children. Most Tertianum centres have established individual employment contracts which are recognised as equivalent to the relevant collective employment contracts applied throughout Switzerland. Tertianum's staff benefits are available to both full-time and part-time employees and the pensions payable under the company pension scheme are only partially reduced to reflect state pension benefits.

For the last five years, the Tertianum staff association has represented the interests of employees vis-à-vis

## Resources used in operations in 2017

GRI 302-1

GRI 303-1

## A fair, flexible and modern employer

GRI 102-41

GRI 401

GRI 401-2

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management, thus ensuring that the company's staff have their say in the various aspects of Tertianum's operations. In 2017, the staff association was reorganised to reflect Tertianum's current regional structure and mix of national languages. Twelve individual constituencies now elect one staff-association representative each.

The staff association's mission is to ensure that working conditions, the working environment and the range of benefits offered are attractive for employees. It is currently working on harmonising pay levels within a new salary system which Tertianum plans to introduce in stages from 2018.

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Maintaining competitiveness through continuing staff development

GRI 404

GRI 404-2

GRI 404-3

#### Maintaining competitiveness through continuing staff development

In order to meet its growing need for qualified staff, Tertianum pursues an employee-retention strategy based on continuing education and training. Currently, the company trains 330 apprentices in the fields of care, catering, facility management and administration. It also offers a wide range of internal and external training courses and specialisation programmes in areas such as dementia and gerontopsychiatry. In addition, Tertianum runs a continuing-education centre which provides the statutory training that staff working in a number of disciplines are required to attend. In order to ensure that they have the technical, management and personal skills they need, all staff in all functions and at all levels formally review their personal development and the continuing education and training opportunities available to them as part of their annual appraisal process.

# Care and support which allows for self-determination

Every year, well over 20000 people in Switzerland contract one of the various forms of dementia. Alzheimer's disease is the most common and most widely known of these, but there are others. In aggregate, some 110000 people in Switzerland are currently suffering from these incurable and progressive conditions, which are the most common reason why older people require care today. According to projections by the Swiss Federal Office of Public Health, a further increase in patient numbers to 350000 can be expected by 2050.

A visit to the Papillon residential care home in Winterthur provides a telling illustration of how Tertianum's value culture characterises the day-to-day lives of its guests. The care expertise of its staff and the self-determination of its guests are the two key factors in the approach that this human-resource-intensive Swiss Prime Site Group company is taking in discharging its important social responsibilities in this area.

The first thing one notices on entering the unassuming private house on the Wülflingerstrasse is that the front door cannot easily be opened from the inside. Within this protected environment, guests can move about freely, either alone or in company. The corridors are arranged to allow guests to enjoy walking around. At present, the house has 18 in-patient guests living in small groups. The community includes a further two guests who spend their days with their families but sleep in the house.

## A shared mission

As their condition progresses, patients with dementia increasingly seek a community setting. Nevertheless, many children feel guilty and fearful when they decide to arrange for a parent to be looked after in a care institution. The management and staff at the Tertianum Papillon house do everything they can to allay these fears. There is always a warm welcome for relatives wishing to participate in the life of Tertianum's residential care homes.

As Mirjam Roser, the former manager and current head of care and support, explains, «In more and more cases, guests suffering from dementia play a key role in their family's choice of care institution. Both parties work together to define the care objectives and document them in writing. Usually, the key goal is for the guest to maintain his or her faculties and to feel comfortable.»

The relationship-based care system, under which one carer is responsible for up to three guests, creates

ties between the residents and their carers. The overarching services shared between all care groups vary from day to day, with activation therapy sessions held three times a week and music therapy twice. A trained therapy dog brings further variety into the clients' day-to-day lives.

## Taking the tour

Our tour of the Tertianum Papillon house begins in the garden. On warm days, some clients sit outside in the shade provided by a large cherry tree. A circular path leads the way past raised flowerbeds planted with summer flowers, strawberries and herbs. Other guests and their visitors have withdrawn to the yellow-and-white-striped marquee to enjoy a glass of cold beer.

On the ground floor of this former apartment house with its adjacent veterinary practice there is a bedroom occupied by a woman living on her own. A number of personal items adorn her room. Most noticeably, a wealth of framed photographs on the window sill provide testimony to the richly filled life of this elegantly dressed lady who is now sitting in the garden. Mirjam Roser explains how Tertianum always tries to meet the needs of individual guests when allocating rooms. Normally, two guests share a double room. This is apparent from the cabinets on the hall side of each room door, which are used to display objects to which guests have a particular emotional attachment. These are used instead of nameplates, because guests find them easier to recognise and they also help them to navigate around the house.

The basement is the domain of Mr. Gugelmann, who is responsible for all technical services. As he explains, he is kept very busy carrying out minor repairs, monitoring the security infrastructure and taking care of waste disposal. He also attends the Papillon team meetings, which often give rise to new creative ideas for enhancing the guests' well-being. One of his own initiatives was to paint nocturnal stars on the ceiling

of the room occupied by one guest, who likes to spend time lying on his back, as these provide more stimulus than he would get from staring at an expanse of white ceiling plaster.

Visiting the Papillon, it is soon apparent that there is mutual respect between employees and guests. This

view is confirmed by two of the staff, Cindy Zimmermann and Jessy Pagano. As they put it, «The Papillon house is a real home. We can devote plenty of time to our guests and it is important to us to be able to structure this last phase of their lives in such a way as to make it enjoyable.»



.....  
**Jessy Pagano and Cindy Zimmermann**  
Tertianum Papillon, Winterthur

# Jelmoli

Jelmoli is the leading 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. Founded in 1883, Jelmoli is Switzerland's oldest department store. It has always been in Swiss ownership. Beyond its traditional activity of selling top international brands, Jelmoli is also breaking new ground in the fields of entertainment and gastronomy.

## Integrated value generation

### Business model

Its iconic Bahnhofstrasse location and the unique identity it has forged for itself over the decades are essential features of the House of Brands, as Jelmoli calls itself. This well-established department store offers its customers a remarkable lifestyle experience. The sheer range of products it sells make it a small city within the city. Both on stage and off, the emphasis at Jelmoli is on first-class service provided by excellently trained staff. The company is also investing in digitalisation and continues to develop its omni-channel strategy. The idea here is to offer its customers as much freedom as they want. Purchases, deliveries and returns can be carried out online or in store, with every conceivable permutation being supported. Articles purchased in store can be sent to customers at home and goods bought online can be returned to the store. Thanks to the click and collect service, customers can order goods at any time of the day or night and collect them from Jelmoli seven days a week.

Jelmoli's gastronomy offering continues to develop as quality food at reasonable prices becomes ever more popular. While it prepares many of its offerings itself, Jelmoli also works with carefully selected partners. The gastronomy area of the store can be hired for private events even after the store itself has closed for the night. These Jelmoli events can be complemented by a range of exclusive experiences, ranging from food tastings, to style advice to backstage tours. These encounters provide positive points of contact to the House of Brands – even for people who had never visited the department store before.

### Synergies with Swiss Prime Site

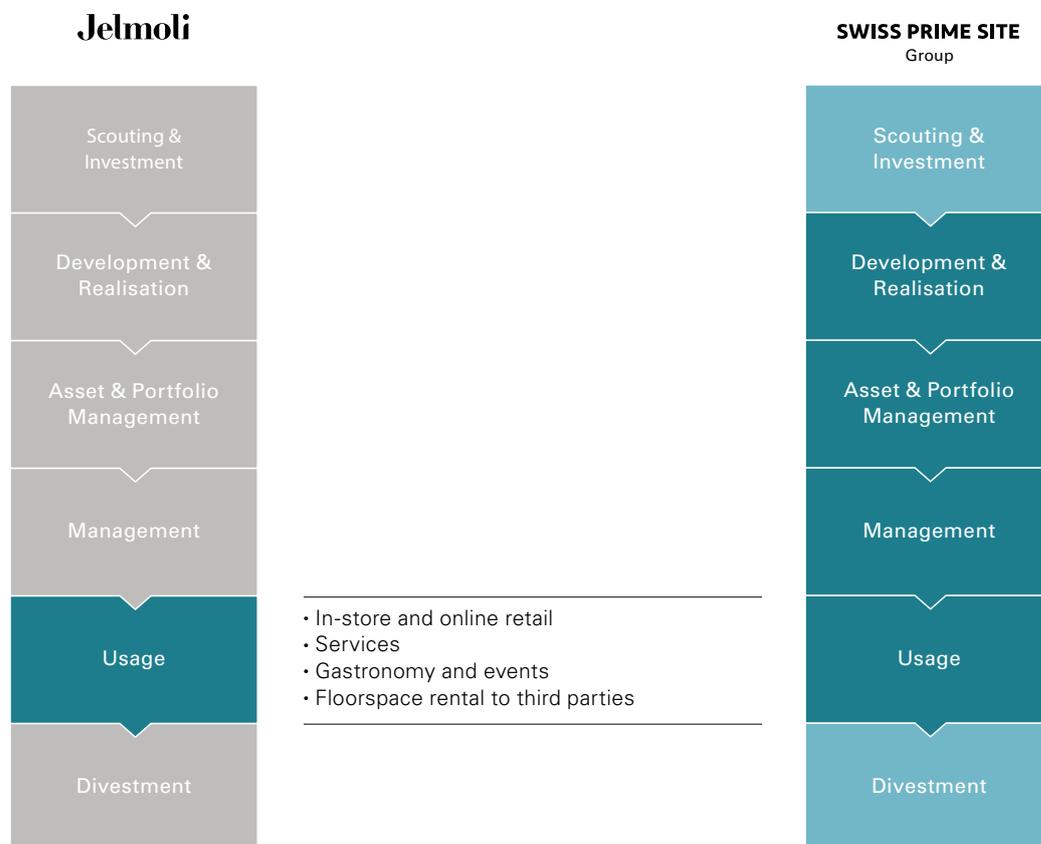
The reliable tenant relationship between Jelmoli and Swiss Prime Site Immobilien is a genuine win-win arrangement. Jelmoli benefits from stable rental terms and secure tenancy for the long term, while Swiss Prime Site Immobilien is able to generate a good level of steady rental income and benefit from the capital appreciation on the building – thanks also in part to the continuing investments being made in it.

Being part of the same group as a department store is a significant advantage to Swiss Prime Site Immobilien when it comes to identifying retail trends at an early stage. The experience gained at Jelmoli helps Swiss Prime Site Immobilien to recognise shifts in the retail landscape and to determine what requirements properties need to fulfil in order to accommodate them. Swiss Prime Site Immobilien, Jelmoli and Wincasa share the costs of employing one person as a trend and innovation scout for the retail sector. This person's job is to detect market trends and interpret them for the benefit of all three parties. In this way, Jelmoli can incorporate global retail trends into its strategy, while Wincasa and Swiss Prime Site Immobilien also both profit from these insights in their respective roles in property management and real estate investment.

### Business opportunities and business risks

Factors such as competition, digitalisation, increased transparency and changes in consumer behaviour have a significant effect on the retail sector. Jelmoli is focusing particular attention on digitalisation, which is constantly challenging the balance between online shopping and bricks-and-mortar retail. The unrelenting pace of social media is another key factor, which can influence customer perceptions of brands and products in the blink of an eye. Jelmoli employs a number of strategies to ensure that it remains advantageously positioned in this changing environment. Product ranges are constantly being reviewed, refined and calibrated to current market trends.

To remain competitive, Jelmoli needs to structure its costs as efficiently as possible. The present scale of its operations, however, makes it difficult to streamline costs much further. The attractive design of the building and the high quality of service it delivers are both essential to Jelmoli and the brands it represents.



**Jelmoli value-generation processes**

The planned expansion which will begin at Zurich Airport from 2020 will create synergies which will generate an enhanced ratio of revenues to fixed costs, thus further strengthening the Jelmoli brand.

**Value generation**

In 2017, Jelmoli generated CHF 153 million in operating income from its retail activities and its various service offerings. The quality of its services – which is regularly subjected to mystery shopping tests and is constantly being enhanced – made for high levels of customer satisfaction, which are clearly reflected in its net promoter score surveys, with 96% of customers saying they would recommend Jelmoli to others. The guest relations desk Jelmoli maintains in Zurich, the only one of its kind in Switzerland, provides the company with additional direct feedback from customers.

The corporate values which Jelmoli has maintained over many years are integral to the company’s DNA. The 623 employees working for Jelmoli fully espouse these principles, as do the 400 or so staff working for its third-party tenants. Employee surveys are regularly carried out to monitor job satisfaction levels (for more details of this, see the «Attractive working environment» section on pages 79 ff.).

Maintaining good relationships with its neighbours is particularly important to Jelmoli. By operating its department store at a first-class location on Zurich’s renowned Bahnhofstrasse, Jelmoli enhances the value of its environment. Conversely, of course, it is very dependent on efficient transport links and a minimum of restrictions to them. Jelmoli is a member of the Bahnhofstrasse Association, whose aim is to maintain the Bahnhofstrasse as an attractive retail thoroughfare.

Value generation  
GRI 102-13

## Input

<b>Financial capital</b>	
Personnel costs	CHF 40 million
Investment in continuing education as a percentage of annual salary costs	1.06%
<b>Physical capital</b>	
Retail floorspace (overall floorspace = 33 000 m <sup>2</sup> )	24 000 m <sup>2</sup>
<b>Intellectual capital</b>	
Number of brands	approx. 1 200
Number of articles	approx. 60 000
<b>Human capital</b>	
Employees (headcount)	623
<b>Relationship capital</b>	
J-Card holders	> 250 000
<b>Natural capital</b>	
Energy consumption	12 663.7 MWh
Water consumption	39 775 m <sup>3</sup>



## Output

<b>Financial capital</b>	
Operating income	CHF 153 million
<b>Physical capital</b>	
Items sold per sales ticket	1.94
<b>Intellectual capital</b>	
New brands added to range	to be monitored from 2018
Discontinued brands	to be monitored from 2018
<b>Human capital</b>	
Management posts held by women	42.86%
Fluctuation rate	19.4%
Absentee rate	3.73%
<b>Relationship capital</b>	
Customer satisfaction (customers who would recommend Jelmoli to others)	96%
<b>Natural capital</b>	
CO <sub>2</sub> emissions (scope 1, 2, 3)	1 382 t CO <sub>2</sub> e
CO <sub>2</sub> intensity	38 kg CO <sub>2</sub> -eq/m <sup>2</sup> 2 760.14 kg CO <sub>2</sub> -eq/FTE

### Jelmoli integrated value generation

- GRI 201-1
- GRI 305-1
- GRI 305-2
- GRI 305-4
- GRI 404-1

### Jelmoli integrated value generation key metrics

The association is also responsible for Lucy, the famous Bahnhofstrasse Christmas illuminations. 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.

## Stakeholders

An exclusive partner for customers and tenants

GRI 102-40

GRI 102-42

GRI 102-43

GRI 102-44

### An exclusive partner for customers and tenants

Its customers are Jelmoli's most important stakeholders. The company offers them a comprehensive range of high-quality services. Should they have any questions or concerns, customers can visit the guest relations desk close to the entrance area. The mystery-shopping tests Jelmoli carries out enable it to identify opportunities for improving the customer experience. These insights are reflected in its staff training programmes.

Thanks to its collaboration with exclusive brands, Jelmoli is always in a position to offer its customers a curated range of products which meet the highest standards of quality and aesthetic appeal. Furthermore, the company always strives to be perceived by its key brands as a high-revenue partner with an excellent image. Innovation and exclusivity enable Jelmoli to define a clear identity of its own, while its carefully selected product range helps it to differentiate itself from its rivals.

Jelmoli's tenants, who occupy roughly half its overall retail floorspace, are another important stakeholder group. By holding regular meetings with them and discussing issues such as profitability and product-declaration requirements for sensitive items such as fur, Jelmoli is able to identify appropriate initiatives to improve its performance. Sales staff also receive specific training from the companies whose products they sell.

## Financial excellence

### Differentiation and innovation drive business success

In 2017, Jelmoli focused its attention on differentiating

itself more markedly from its competitors, developing innovative services and sharpening its own brand and company profile. The purpose of this differentiation strategy is to move the company away from the middle market segment and to develop a premium profile with a clear focus on profitability rather than revenue maximisation. One benefit of this approach is that it should significantly reduce the number of clearance sales, which not only eat into margins but also undermine the credibility of its pricing policies and adversely affect perceptions of the quality of its merchandise. Rather than offering high-quality products at implausibly reasonable prices, Jelmoli now places greater emphasis on promotion campaigns to acquaint its customers with new products. Particular mention should be made here of its range of clothes for men, which has been expanded to include five attractive new high-end brands.

Digitalisation enables Jelmoli to develop innovative business models which create new experiences for its customers. Keeping abreast of these various initiatives and making efficient use of the potential of every part of the company will remain a key challenge for Jelmoli in the years ahead. In 2017, Jelmoli joined forces with the Swiss Post Office to test a delivery robot. During these tests, the robot delivered 170 individual orders and covered an overall distance of 375 kilometres. This experiment provided Jelmoli with valuable insights for the future development of its distribution capabilities.

## Compliance and social commitment

### Product declarations foster transparency

For Jelmoli, providing its customers with appropriate product declarations and comprehensive information on everything they buy are fundamental prerequisites for business success. If its products have adverse effects on its customers, this can significantly undermine Jelmoli's reputation and directly impact its financial performance. 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.

Articles subject to declaration requirements include food, body-care products and household equipment. Typically, these declarations must provide details of a

Product declarations foster transparency

GRI 417

GRI 417-1

Differentiation and innovation drive business success

GRI 201

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. Jelmoli's purchasing and sales departments constantly review these requirements. Jelmoli is working with the Zurich animal protection association to implement the statutory declaration requirements relating to fur products with decisive thoroughness. Jelmoli sees the duty to provide comprehensive product descriptions as resting primarily with manufacturers and suppliers. Where declarations are incomplete or implausible, Jelmoli 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.

**Personal data security guaranteed at all times**

Through the operation of its J-Card customer card programme, Jelmoli collates data on the purchasing preferences of more than 250 000 of its customers. These insights help the company to make continuous improvements to its product ranges. To warrant the trust that its customers place in it by using their cards, Jelmoli has established a comprehensive range of security measures, which minimise the risk of data being lost. Data security requirements are defined by Loyalty, the company's VISA partners and its customer relationship management department. Data security within Jelmoli itself is constantly being monitored. No complaints relating to data security were made in 2017.

**A shared point of reference and a significant economic factor for Zurich's city centre**

Jelmoli attracts large numbers of people to downtown Zurich. Customers, passers-by and people working nearby all benefit from the attractive opportunities it offers for shopping and eating out. Neighbouring businesses also benefit from the magnetic effect the department store exerts and the large customer footfall it generates. Thanks to its location in the middle of the Bahnhofstrasse, Jelmoli is also an ideal place for people to meet, providing a valuable link between the upper and lower end of Zurich's best-known thoroughfare.

As part of its commitment to the society it serves, Jelmoli has been contributing to the costs of Zurich's

so-called Märli tram (in English, «fairy tale tram»), a specially decorated heritage tram which offers children free city-centre round trips at Christmas time. At Christmas, Jelmoli also organises baking courses for children and sells a cuddly toy, donating the proceeds – suitably augmented by a contribution from the company – to a charitable organisation. In 2017, this money was given to the Make a Wish Foundation.

**Sustainable investments and services**

**Far-sighted initiatives from which customers benefit**

Primary responsibility for the products Jelmoli sells lies with the companies which manufacture and supply them. Notwithstanding this, Jelmoli carries out spot checks on its merchandise and systematically removes any items which do not meet its standards from its product range. Quality control is particularly stringent in its food department, where several checks are carried out every day. The requirements laid down by the food hygiene inspectorate are systematically implemented. Thanks to these measures, Jelmoli is able to keep the risk of merchandise jeopardising the health or safety of its customers to a minimum.

Jelmoli places enormous emphasis on the health and safety of its customers. The design of the building itself and the quality of the products sold in it both reflect these priorities. As part of the systematic evaluation of its store, in 2017 Jelmoli invested in a new ventilation system. In the years ahead, it will continue to improve the building. Responsibility for security at Jelmoli does not rest solely with its six internally trained paramedics and the security staff on each floor. It is also borne by all other members of Jelmoli's staff, all of whom have been familiarised with the company's security concept. In 2017, a total of two evacuation exercises were carried out, both of which were highly successful. Two further such exercises are planned for 2018.

**Focusing on sustainability throughout every supply chain**

Jelmoli's product range encompasses some two million articles from over 1 000 different brands. In 2017, the company's purchases totalled some CHF 75 million.

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Far-sighted initiatives from which customers benefit

GRI 416  
GRI 416-1

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Personal data security guaranteed at all times

GRI 418  
GRI 418-1

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A shared point of reference and a significant economic factor for Zurich's city centre

GRI 203  
GRI 203-1

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Focusing on sustainability throughout every supply chain

GRI 102-9  
GRI 308  
GRI 414

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**Reducing and recycling waste**

GRI 306

Many of these items are fashion, beauty, sport and food products. Jelmoli's food-purchasing policies are primarily focused on ecological 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 harsh or unsafe. That being said, Jelmoli's position in the upper segment of the market does mean that, particularly in the field of textiles, it is acquainted not only with its European suppliers but also with their manufacturers. In 2017, this enabled the company to harmonise and streamline its purchasing negotiations and to take sustainability and ethical considerations into account in its final supplier selection. All suppliers are now routinely questioned on their partnerships with the relevant NGOs and their sustainability and ethics policies. Jelmoli also systematically stipulates what sustainability labels each brand can use.

variety of dishes which would otherwise have to be thrown away at closing time.

**Reducing and recycling waste**

Jelmoli strives to use as few natural resources as possible. One way of achieving this is by reducing waste and recycling any waste which is generated as usefully as possible. In 2017, Jelmoli redesigned its waste-management concept. As part of this initiative, the logistics department was tasked with analysing all recoverable substances and waste products generated by the company in its operations, and all processes supporting those operations, with a view to streamlining and optimising procedures wherever possible. The resulting 2017 waste-management concept is in line with current recovery, recycling and waste-disposal practices. In the years ahead, it will constantly be revised to meet new requirements as they arise.

**Protecting the environment**

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**Energy and emissions**

GRI 302

GRI 302-4

GRI 305

**Energy and emissions**

As planned, Jelmoli switched to LED lighting between January and March 2017. This initiative reduced the power consumed by the company's lighting installations by more than 60%, thus achieving annual electricity savings of some 1 200 MWh each year. The project, which received CHF 400 000 in subsidies from the Swiss Confederation, will enable the company to make a substantial and enduring reduction in its electricity costs. An additional benefit of this initiative was that lighting quality and product presentation were both improved.

In order to make the packaging used in its department store more sustainable, in 2017 Jelmoli carried out an internal analysis to determine the feasibility of introducing environmentally friendly carrier bags. The results are now being evaluated and the initial insights thus generated will be assessed in 2018.

**Attractive working environment**

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**Being there for its employees**

GRI 102-41

GRI 401

GRI 401-2

GRI 405

GRI 406

GRI 406-1

**Being there for its employees**

Providing its employees with a positive working environment is an important priority for Jelmoli. The company places particular emphasis on open dialogue to help it achieve that goal. Twice a year, representatives of the Jelmoli staff association, who are elected by the employees, meet with two members of the company's executive board to discuss issues of particular concern to Jelmoli's staff. The executive board also directly addresses the employees on a regular basis through a series of information meetings. In 2017, a special app was developed for all Jelmoli employees enabling them to access news and information about the company rapidly and easily on their smartphones. This ensures that all employees share the same level of knowledge of matters affecting Jelmoli.

**Cutting food waste**

By implementing a new food-waste concept, Jelmoli was able to reduce the amount of food it had to throw away in 2017. The new approach partly relies on the fact that the company's own restaurants can use ingredients from the Jelmoli FOOD MARKET as long as they are in perfect condition. This not only helps to reduce the amount of food thrown away, it also helps to cut costs. Moreover, the new concept provides a welcome challenge to the creativity of Jelmoli's cooks and the versatility of their cuisine. Between 7.00 and 7.30 pm, the new Too Good To Go app enables interested parties to place orders at reduced prices for a

In order to maintain a positive working atmosphere, Jelmoli provides meal vouchers to staff members who

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**Cutting food waste**

GRI 306

## Jelmoli, resources used in operations in 2017

Operational energy use in buildings	expressed in	2017
Renewable electricity	kWh	8 295 249
Conventional electricity	kWh	–
Heating oil, HDD adjusted	kWh	3 923 915
Natural gas, HDD adjusted	kWh	444 527
Wood fuel from chips, HDD adjusted	kWh	–
Wood fuel from pellets, HDD adjusted	kWh	–
District heating (from waste incineration), HDD adjusted	kWh	–
<b>Total</b>	<b>kWh</b>	<b>12 663 691</b>
<b>Total CO<sub>2</sub> emissions (scope 1, 2, 3)<sup>1</sup></b>	<b>t CO<sub>2</sub>-eq</b>	<b>1 382</b>

Consumables	expressed in	2017
Fresh-fibre paper	t	6.72
Recycled paper	t	0.58
Toner cartridges	number	175
Fresh-fibre paper printed matter	t	–
Recycled paper printed matter	t	–
Water consumption	m <sup>3</sup>	39 775

<sup>1</sup> Scope 3 emissions incorporated under "KBOB: Ökobilanzdaten im Baubereich 2009/1: 2016" guidelines

work until 8 pm. Other such initiatives include group breakfasts for all staff before the department store opens for its special Christmas Sunday shopping days in December. Another important component of the attractive working conditions Jelmoli offers its employees is the fact that both full-time and part-time employees receive company pensions in excess of the statutory minimum. One objective of this policy is to help to achieve a steady reduction in staff fluctuation rates. Should circumstances make this necessary, employees can anonymously discuss any grievances they may have by calling the integrity line. Staff members encountering difficulties in their private lives can receive free advice from a specialised counselling firm. Jelmoli employees are not subject to any collective employment contracts. Mutual appreciation, ability to accept criticism and personal commitment are the key values the company seeks to foster among staff in their dealings with others. Jelmoli also sets great store by having a diverse workforce which reflects the heterogeneity of its clientele. In 2017, Jelmoli's staff encompassed employees from 40 different nations and all age groups. No cases of discrimination were recorded in 2017.

### Prevention enhances safety

Besides ensuring that its customers remain safe, Jelmoli also makes the health and safety of its own staff

a key priority. Accordingly, the company has formulated a set of health-and-safety-at-work directives whose observance is regularly monitored by the City of Zurich's employment inspectorate, most recently in 2016. Jelmoli has defined a set of internal directives to complement and lend further substance to the rules and regulations generally applied in the retail sector.

In order to keep their workplaces safe and afford better protection to their health, Jelmoli organises training courses to raise its employees' awareness of the behavioural aspects of safety at work. Should they so wish, Jelmoli staff members can receive free flu vaccinations. Responsibility or employee safety rests with line management.

### Furthering employee development and raising service-quality levels

For Jelmoli, the best way of reaching the high service-quality levels it strives to achieve and retaining employees over the long term is to further their personal development. For new hires, the development process already begins with their Welcome Day, during which Jelmoli's core values and working philosophy are explained. All staff members then attend a number of basic training courses, while retail staff also in service delivery and quality assurance. The company's leadership courses are designed as a series of

## Resources used in operations in 2017

GRI 302-1

## Furthering employee development and raising service-quality levels

GRI 404

GRI 404-1

GRI 404-2

GRI 404-3

## Prevention enhances safety

GRI 403

modules taught over a period of one year. Jelmoli supports its employees' individual development by allowing them to attend language courses and other continuing education programmes. In 2017, Jelmoli invested 1.06% of its overall salary budget in the continuing training and education of its staff. Individual employees' continuing development and training objectives are defined during their annual performance appraisals.

Talented young staff participate in a two-year development programme overseen by a mentor. This involves their assuming responsibility for performing tasks beneficial to Jelmoli. One such example is the Generation Y project, which analyses the purchasing patterns of people born between 1980 and 2000. The com-

pany also offers its promising young employees the opportunity of participating in talent development programmes organised by the IGDS retail association. Conversely, the Jelmoli 50+ programme is specially designed to hire older employees in order to match the heterogeneity of its customer base. This initiative helps the company to recruit sales staff combining many years of experience with a wealth of knowledge and a willingness to go the extra mile in serving their customers. Experience has shown that these attributes are very greatly appreciated by Jelmoli's customers.



Restaurant kitchen, Jelmoli

# The three lives of a delicacy

The beautifully presented fruit and vegetables at the Jelvoli FOOD MARKET are a feast for the eye. They are an important element in the atmosphere at what is arguably Zurich's best gourmet department store. Yet this apparently effortless perfection in fact demands that the entire display be painstakingly checked and visually re-aligned several times each day. As soon as these top-quality food products show the first little scratch, they embark on second and third lives – to become part of a fascinating tale of technological wizardry and enthusiastically practised sustainability.

Thierry Bromberger reaches into a basket of potatoes, holds up an especially good-looking one and smiles. These are an old kind of potato, recently rediscovered by gourmets. Here at the Jelvoli FOOD MARKET they are being showcased as part of a breathtaking artistic display featuring hundreds of other fresh food items. «To put it prosaically, we are actually in the cellar, in a sort of extension to the underground car park. Yet our food department is one of the highlights here at Jelvoli», explains the head of the company's own restaurant operations. That is why we often see tourists who have read about the wondrous bounty of this lovingly curated food market and are determined to fit it into their sightseeing tour of Zurich.

Yet it is the very perfection of this display that makes it so delicate. Once a fruit shows the first signs of discoloration, or a vegetable is ever so slightly bruised, the store staff remove it and replace it with a new, immaculate example. «As far as its taste and quality are concerned, it still maintains all its gourmet credentials», Bromberger confirms. For some time now, the whole issue of food waste has become very emotionally charged. On average, the Swiss food retail industry throws away about 5% of its stock even though it is in fact still perfectly edible. Over time, this not only costs money, it is also not ecologically sustainable.

«It just is not right for us to be throwing away impeccable food. It is not just a question of money, it is a societal issue as well», as Bromberger explains. For this gastronome, the food that is delivered to his kitchen three storeys above the FOOD MARKET is a significant bonus. This is where these delicacies begin their second lives. Fruit is used in making pastry specialities and desserts. Vegetables and other food items are used in daily specials or for the à la carte menu. «Even though our customers do not actually know that we also get our ingredients from the delicatessen department downstairs, I can guarantee that they will taste it. All three restaurants operated by Jelvoli deliver first-class

taste from first-class ingredients!» This initiative to prevent food waste also provides other benefits. «Our chefs respond spontaneously to the food available to them. That helps to promote the creativity and diversity of our cuisine. We are creating and using synergies – while also remaining innovative.»

This collaboration between different departments is an example which is being emulated elsewhere at Jelvoli. By now, many of the independent tenants at the House of Brands are successfully working together, from the fishmonger and the sushi bar, to the butcher and the Market Grill. The only unsold food to leave the building in the evening is bread – which ends up being sold in the Äss-Bar organisation's shops as «freshly baked yesterday».

In fact, Jelvoli's commitment to avoiding food waste actually goes a step further. Thierry Bromberger is one of the first business partners of Too Good To Go, a new start-up. The company's founders had already created something of a media sensation when they appeared on Die Höhle der Löwen, a German TV adaptation of Dragon's Den, and generated sufficient interest from the jury to secure an investment from them.

Shortly before the Jelvoli restaurants close, The Too Good To Go app can be used to buy unsold daily specials at half price, which can then be collected between 7 pm and closing time. This is an ideal concept for people living on a budget, and one which is enthusiastically used by young people and students. There is usually very little left. In fact, Thierry Bromberger generally has too few daily specials available to him and could easily sell more. However, as he explains, «Deliberately producing too much merely in order to sell it cheaply later on is obviously not the goal of the exercise.»

This second step in the overall process successfully prevents food from being wasted yet another time, thus granting these delicacies their third life. A persimmon

that began its Jelmoli career as a slightly scratched fruit at the FOOD MARKET in the morning ends up that same evening as an appetising desert on the kitchen table of a shared student flat.

This sort of commitment to using resources responsibly is typical of Jelmoli's sustainability philosophy. As part of Swiss Prime Site, Jelmoli adheres to the same principles of sustainable management as the rest of the Group. Food waste is a problem which is both societal and environmental. Food production accounts for large quantities of water consumption, energy consumption

and emissions of CO<sub>2</sub> and other gases. Jelmoli's commitment to help to save the 5% of food that would otherwise go to waste also makes financial sense. Besides, Thierry Bromberger has identified yet another benefit of this approach. As he explains, «Many of the students who come by here several times a month are about to graduate. They already visit us regularly now, and appreciate the atmosphere here and the quality of what we have to offer. I am sure we will see them again in the years to come – as loyal customers not only of mine but also of other departments of our store.»



Thierry Bromberger  
Head of Gastronomy and Food, Jelmoli



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# APPENDIX

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# Property data

Properties				Energy consumption in 2017				CO <sub>2</sub> emissions	Energy data-recording	
	Initially constructed	Last renovated	Floorspace [total m <sup>2</sup> excluding GAEP/PPP]	Heating method [type of energy]	Heating energy consumption [kWh/a] (HDD adjusted)	Electricity consumption <sup>1</sup> [kWh/a]	Water [m <sup>3</sup> /a]	Specific CO <sub>2</sub> emissions [kgCO <sub>2</sub> -eq/m <sup>2</sup> a] (heat-adjusted)	in 2017 <sup>2</sup>	Future automation planned
Location and address										
<b>Commercial properties with no significant residential components</b>										
Aarau, Bahnhofstrasse 23	1946	1986	2069	Gas	100 526	130 906	1 345	19.4	■	2018/19
Amriswil, Weinfelderstrasse 74	2004	–	3 084	Gas	106 226	30 512	915	8.3	■	2018/19
Baar, Grabenstrasse 17, 19	2015	–	3 685	Gas	696 733	259 797	613	48.3	■	2018/19
Baar, Zugerstrasse 57, 63	2009	–	8 999	Gas	541 505	35 045	2 866	12.5	■	2018/19
Baden, Bahnhofstrasse 2	1927	1975	979	Gas	91 742	69 038	636	29.4	■	2018/19
Baden, Weite Gasse 34 / 36	1953	1975	1 565	Gas	221 356	15 493	681	29.5	■	2018/19
Basel, Aeschenvorstadt 2 / 4	1960	2005	6 219	District	408 450	264 483	2 774	19.6	■	2017/18
Basel, Barfüsserplatz 3	1874	1993	3 864	District	185 358	10 112	503	9.9	■	2018/19
Basel, Centralbahnplatz 9 / 10	1870/2005	2005	1 445	District	283 460	18 475	3 099	40.8	■	2018/19
Basel, Elisabethenstrasse 15	1933	1993	4 265	Oil	302 862	109 097	1 276	22.7	■	–
Basel, Freie Strasse 26, Falknerstrasse 3	1854	1980	2 870	District	233 541	15 828	1 296	17.0	■	2018/19
Basel, Freie Strasse 36	1894	2003/2015	2 429	District	89 186	567 727	–	43.3	■	2017/18
Basel, Freie Strasse 68	1930	2016	8 200	District	534 834	187 646	6 272	16.4	■	2018/19
Basel, Henric-Petri-Strasse, Elisabethenstrasse 19	1949	1985	6 696	Oil	473 568	49 124	4 223	19.8	■	2018/19
Basel, Hochbergerstrasse 60 / 60A-E	2008	–	37 437	District	1 557 108	802 429	1 917	11.5	■	–
Basel, Hochbergerstrasse 60 / 805	1958	2006	4 782	Gas	589 528	262 526	3 617	32.9	■	2019/20
Basel, Hochbergerstrasse 60 / 860	1990	–	897	District	114 878	42 486	429	32.7	■	–
Basel, Hochbergerstrasse 70	2009	–	54 338	District	2 354 695	1 953 547	32 772	14.1	■	2017/18
Basel, Messeplatz	2003	–	24 093	Gas / district	2 899 170	3 945 851	18 142	49.0	■	–
Basel, Peter-Merian-Strasse 80	1999	–	9 109	District	558 712	411 895	1 567	19.1	■	2017/18
Basel, Rebgasse 20	1973	1998	9 061	District	753 825	722 750	4 463	28.8	■	–
Belp, Aemmenmattstrasse 43	1991	–	9 353	District	–	1 676 810	3 784	27.6	■	2017/18
Berne, Bahnhofplatz 9	1930	1985	1 616	Gas	150 148	113 958	1 050	29.3	■	–
Berne, Genfergasse 14	1905	1998	15 801	District	372 572	748 404	7 565	12.0	■	2018/19
Berne, Laupenstrasse 6	1911	1998	2 067	District	103 009	14 929	532	11.0	■	2018/19
Berne, Mingerstrasse 12 – 18	1969/2009	2009	46 348	Gas	1 032 358	1 081 419	84 056	8.0	■	2017/18
Berne, Schwarztorstrasse 48	1981	2011	8 148	District	1 163 639	385 925	4 338	35.6	■	2017/18
Berne, Wankdorffallee 4	2014	–	33 647	Gas	1 590 353	1 593 668	16 109	16.7	■	2018/19
Berne, Weltpoststrasse 5	1975/1985	2013	25 394	Gas	1 383 994	440 503	4 518	13.5	■	2017/18
Biel, Solothurnstrasse 122	1961	1993	3 319	Gas	179 940	234 051	558	21.6	■	2018/19
Brugg, Hauptstrasse 2	1958	2000	4 210	Gas	269 595	512 522	895	31.4	■	2017/18
Buchs 1, St. Gallerstrasse 5	1995	–	1 784	District	190 078	7626	780	21.8	■	2018/19
Burgdorf, Emmentalstrasse 14	1972	1998	2 061	Oil	224 398	14 216	2 194	29.8	■	2017/18
Burgdorf, Industrie Buchmatt	1973	–	11 967	Gas	573 612	245 422	1 556	12.6	■	2017/18
Carouge, Avenue Cardinal-Mermillod 36-44	1956	2002	35 074	Gas	2 759 622	1 400 736	471	21.7	■	–
Cham, Dorfplatz 2	1992	–	1 067	District	130 921	40 639	266	30.2	■	2019/20
Conthey, Route Cantonale 11	2002	–	7 323	Gas	287 452	399 071	1 156	16.2	■	2017/18
Conthey, Route Cantonale 2	1989	–	2 481	Gas	220 160	174 956	1 612	28.4	■	2019/20
Conthey, Route Cantonale 4	2009	–	4 979	Gas	68 396	491 642	1 433	17.9	■	2018/19
Dietikon, Bahnhofplatz 11	1989	–	1 783	District	120 687	122 996	450	24.0	■	2017/18
Dietikon, Kirchstrasse 20	1988	–	1 894	Gas	112 449	13 748	380	12.9	■	2019/20
Dietikon, Zentralstrasse 12	1965	–	3 268	Oil	183 361	148 738	215	21.8	■	2018/19
Dübendorf, Bahnhofstrasse 1	1988	–	1 671	Gas	144 863	79 146	177	24.5	■	2019/20

Properties	Energy consumption in 2017			CO <sub>2</sub> emissions	Energy data-recording					
	Location and address	Initially constructed	Last renovated			Floorspace [total m <sup>2</sup> excluding GAVE/PPP]	Heating method [type of energy]	Heating energy consumption [kWh/a] (HDD adjusted)	Electricity consumption <sup>1</sup> [kWh/a]	Water [m <sup>3</sup> /a]
Eyholz, Kantonsstrasse 79	1991	-	1 319	Gas	123 023	93 014	857	29.3	■	2019/20
Frauenfeld, Zürcherstrasse 305	1982	2006	4 285	Gas	220 574	7 542	2 674	10.5	■	2018/19
Frick, Hauptstrasse 132	2007	-	4 983	Gas	137 735	42 224	938	6.8	■	2018/19
Geneva, Place du Molard 2 / 4	1690	2002	7 198	Gas	461 406	390 070	3 766	21.0	■	2018/19
Geneva, Route de Meyrin 49	1987	-	10 147	District	1 450 732	807 694	6 732	40.6	■	-
Geneva, Rue Céard 14 / Croix d'Or 11	1974/1985	1981	1 677	Gas	158 812	118 259	1 090	29.6	■	2019/20
Geneva, Rue du Rhône / Place Fusterie	1990	-	11 186	Oil	714 351	1 810 575	22	41.8	■	-
Geneva, Rue du Rhône 48 / 50	1921	2002	33 418	Gas	10 989 223	4 262 436	51 342	84.8	■	-
Gossau, Wilerstrasse 82	2007	-	4 688	Gas	446 666	330 591	3 047	29.7	■	-
Grand-Lancy, Route des Jeunes 10	2002	-	36 095	Oil / gas	9 580 731	2 539 811	30 919	64.4	■	-
Grand-Lancy, Route des Jeunes 12	2003	-	12 759	Gas	614 663	535 006	23 825	16.0	■	-
Heimberg, Gurnigelstrasse 38	2000	-	1 544	Oil	63 319	14 447	1 003	12.2	■	2019/20
Horgen, Zugerstrasse 22	1990	-	2 408	Gas	257 223	114 053	242	28.4	■	-
La Chaux-de-Fonds, Boulevard des Eplatures 44	1972	-	2 506	Gas	217 110	176 719	1 629	28.0	■	2018/19
Lachen, Seidenstrasse 2	1993	-	1 532	Gas	109 979	5 445	675	14.8	■	2019/20
Lausanne, Rue de Sébeillon 9	1930	2001	10 123	Gas	488 713	74 617	2 245	10.7	■	2017/18
Lausanne, Rue du Pont 5	1910	2004	20 805	District	1 304 136	3 483 548	12 792	38.2	■	-
Lutry, Route de l'Ancienne Ciblerie 2	2006	-	3 233	Biomass	306 818	117 627	2 101	6.6	■	2018/19
Lucerne, Kreuzbuchstrasse 33 / 35	2010	-	10 533	Gas	810 230	550 263	10 294	23.3	■	2017/18
Lucerne, Langensandstrasse 23	1969	2007	10 406	Oil	1 027 951	452 263	7 332	27.8	■	2018/19
Lucerne, Pilatusstrasse 4	1979	2008	9 891	Gas	2 866 496	743 992	35 055	69.0	■	2017/18
Lucerne, Schwanenplatz 3	1958	2004	1 512	Gas	114 899	15 513	866	16.6	■	2019/20
Lucerne, Weggigasse 20 / 22	1982	-	1 285	Gas	121 521	90 616	835	29.6	■	2018/19
Meyrin, Route de Meyrin 210	1979	1999	1 116	Gas	105 685	78 699	725	29.6	■	2018/19
Neuchâtel, Avenue J.-J. Rousseau 7	1991	1992	3 127	District	111 048	200 088	1 129	16.9	■	2018/19
Neuchâtel, Rue du Temple-Neuf 11	1953	1993	1 155	Gas	121 185	6 783	470	21.7	■	2019/20
Neuchâtel, Rue du Temple-Neuf 14	1902/2014	-	6 896	Gas	288 932	313 108	1 924	15.3	■	2019/20
Niederwangen b. Bern, Riedmoosstrasse 10	1985	2006	12 926	Gas	634 809	342 174	1 978	13.8	■	2017/18
Oberbüren, Buchental 2	1980	2007	6 486	Gas	401 667	239 885	1 972	18.0	■	2017/18
Oberbüren, Buchental 3	1964	-	2 342	Oil	458 982	127 195	1 593	60.0	■	2017/18
Oberbüren, Buchental 3a	1964	-	2 464	Gas	118 391	50 532	320	12.7	■	2017/18
Oberbüren, Buchental 4	1990	-	9 547	Gas	629 627	438 050	3 892	20.1	■	2017/18
Oberbüren, Buchental 5	1920	-	1 649	Gas	115 856	97 194	174	23.0	■	2018/19
Oberwil, Mühlemattstrasse 23	1986	-	1 652	Gas	49 258	267 162	85	30.8	■	2018/19
Ofringen, Spitalweidstrasse 1	2006	-	19 968	District	341 865	887 200	4 920	10.2	■	2018/19
Olten, Bahnhofquai 18	1996	-	5 134	Gas	651 101	24 754	2 659	25.9	■	2017/18
Olten, Bahnhofquai 20	1999	-	7 366	Gas	572 773	74 862	4 391	17.0	■	2017/18
Olten, Frohburgstrasse 1 / 3	1899	2009	1 196	Gas	131 166	11 922	245	23.2	■	2019/20
Olten, Frohburgstrasse 15	1961	1998	1 882	Gas	137 142	14 271	360	15.6	■	2018/19
Olten, Solothurnerstrasse 201	2006	-	1 592	Gas	151 339	112 265	1 035	29.7	■	2017/18
Olten, Solothurnerstrasse 231	1907	2011	11 617	Gas	824 964	103 807	1 309	15.4	■	2017/18
Otelfingen, Industriestrasse 19 / 21	1965	2000	80 440	District	6 988 278	2 179 353	4 827	21.4	■	-
Otelfingen, Industriestrasse 31	1986	1993	11 561	District	570 198	237 096	1 489	12.9	■	2017/18
Payerne, Route de Bussy 2	2006	-	6 017	Gas	570 561	424 310	3 910	29.6	■	2017/18
Petit-Lancy, Route de Chancy 59	1990	-	22 736	Gas	1 290 926	2 673 842	19 652	29.4	■	2017/18
Rapperswil-Jona, Rathausstrasse 8	1992	2008	3 143	Gas	299 668	193 704	1 146	28.4	■	2017/18

Properties	Energy consumption in 2017			CO <sub>2</sub> emissions	Energy data-recording					
	Initially constructed	Last renovated	Floorspace [total m <sup>2</sup> excluding GAEP/PP]							
Location and address	Heating method [type of energy]	Heating energy consumption [kWh/a] (HDD adjusted)	Electricity consumption <sup>1</sup> [kWh/a]	Water [m <sup>3</sup> /a]	Specific CO <sub>2</sub> emissions [kgCO <sub>2</sub> -eq/m <sup>2</sup> a] (heat-adjusted)	in 2017 <sup>2</sup>	Future automation planned			
Romanel, Chemin du Marais 8	1973	1995	6791	Oil / gas	438 763	278 541	671	19.5	■	2017/18
Schwyz, Oberer Steisteg 20	1988	2004	2669	Oil / gas	202 251	59 097	1 278	19.0	■	2017/18
Solothurn, Amthausplatz 1	1955	1988	3353	Gas	148 173	134 040	1 317	14.9	■	2019/20
Spreitenbach, Industriestrasse	1974	2010	980	Gas	91 836	69 108	637	29.4	■	-
Spreitenbach, Müslistrasse 44	2002	-	516	Gas	193 056	354 495	487	179.9	■	-
Spreitenbach, Pfadackerstrasse 6	1972	2003	27371	Gas	1 665 366	1 319 160	6421	19.5	■	-
St. Gallen, Spisergasse 12	1900	1998	1070	Gas	59 068	1 923	145	11.2	■	2019/20
St. Gallen, Zürcherstrasse 462-464	2008	-	39489	Oil / gas	1 602 206	3 515 753	10 997	21.7	■	-
Sursee, Moosgasse 20	1998	-	2409	Oil	137 241	125 408	880	23.0	■	2018/19
Thalwil, Gotthardstrasse 40	1958	2004	986	Gas	92 590	3 294	631	19.1	■	2019/20
Thun, Bälliz 67	1953	2001	3 173	Oil	320 737	31 134	1 148	28.1	■	2017/18
Uster, Poststrasse 10	1972	2012	1 431	Gas	124 603	4 341	147	17.7	■	2019/20
Uster, Poststrasse 14 / 20	1854	2000	3 194	Oil	284 408	190 853	2 942	32.7	■	2017/18
Vernier, Chemin de l'Etang 72	2007	-	13681	District	455 503	623 629	4 046	13.6	■	-
Vevey, Rue de la Clergère 1	1927	1994	3 055	Gas	311 283	28 338	603	21.6	■	2017/18
Wattwil, Ebnaterstrasse 45	1986	-	335	Gas	16 237	76 428	1 420	44.7	■	-
Wil, Obere Bahnhofstrasse 40	1958	2008	2 877	Oil / gas	169 076	151 998	266	21.9	■	2018/19
Winterthur, Theaterstrasse 17	1999	-	14 532	District	1 380 423	588 144	6 320	25.0	■	-
Winterthur, Untertor 24	1960	2006	1 364	Gas	127 807	96 187	886	29.4	■	-
Worblaufen, Tiefenaustrasse 6	1999	-	18 213	District	2 199 194	862 646	6 255	31.2	■	2017/18
Zollikon, Bergstrasse 17 / 19	1989	2004	2 126	Gas	209 528	54 548	597	23.5	■	2018/19
Zollikon, Forchstrasse 452 / 454	1984/1998	-	2 251	Gas	224 780	153 226	552	30.3	■	2018/19
Zuchwil, Dorfackerstrasse 45	1997	-	13 271	Gas	527 484	305 718	3 104	11.4	■	-
Zug, Zählerweg 4, 6	2002	-	15 805	District	850 534	214 910	3 503	12.7	■	-
Zug, Zählerweg 8, 10	2003	-	19 903	District	949 364	255 150	5 636	11.4	■	-
Zurich, Affolternstrasse 52	1889	2012	2 776	Gas	132 322	131 483	1 329	16.7	■	2017/18
Zurich, Affolternstrasse 54, 56	2001	-	23 486	District	2 996 357	1 024 419	18 964	32.0	■	-
Zurich, Albisriederstrasse 203, 243	1942-2003	-	12 686	Oil	4 319 693	1 073 912	6 411	80.5	■	2017/18
Zurich, Bahnhofstrasse 106	1958	-	1 196	Gas	75 498	20 083	940	15.1	■	2019/20
Zurich, Bahnhofstrasse 42	1968	1990	2 003	Gas	172 056	343 829	833	43.4	■	2018/19
Zurich, Bahnhofstrasse 69	1898	2007	1 120	Gas	118 998	38 914	152	26.4	■	2019/20
Zurich, Flurstrasse 55	1979	2013	24 244	Gas	1 479 304	811 279	4 653	17.2	■	2018/19
Zurich, Flurstrasse 89	1949	2003	3 331	Gas	204 960	2 194	4 341	12.3	■	2018/19
Zurich, Fraumünsterstrasse 16	1901	1990	7 896	District	575 265	57 651	2 585	15.5	■	-
Zurich, Hagenholzstrasse 60	2014	-	41 251	District	2 800 044	1 953 826	19 749	20.7	■	2017/18
Zurich, Hardstrasse 201	2011	-	48 138	Electricity / district	329 872	4 722 050	56 004	16.5	■	-
Zurich, Hardstrasse 219	1929-1978	-	7 183	District	1 041 554	693 208	3 673	43.6	■	2017/18
Zurich, Josefstrasse 53 / 59	1962/1972	2001	12 114	Gas	757 271	115 572	4 233	13.8	■	-
Zurich, Maagplatz 1	2011	-	20 319	-	-	1 365 956	12 549	10.4	■	-
Zurich, Manessestrasse 85	1985	2012	8 270	Gas	735 078	432 441	2 372	25.7	■	2017/18
Zurich, Ohmstrasse 11	1927	2007	6 010	District	437 798	1 010 113	3 108	40.3	■	2017/18
Zurich, Schaffhauserstrasse 339	1957	1997	1 726	District	178 463	17 627	484	22.0	■	2018/19
Zurich, Seidengasse 1	1898	2010	36 777	Oil	4 429 804	8 295 249	39 775	65.7	■	2017/18
Zurich, Siewerdstrasse 8	1981	-	3 687	District	614 219	80 065	1 775	36.3	■	2017/18
Zurich, Sihlcity	2007	-	23 634	Electricity	-	4 803 560	15 360	31.3	■	-

Properties	Energy consumption in 2017			CO <sub>2</sub> emissions	Energy data-recording					
	Initially constructed	Last renovated	Floorspace [total m <sup>2</sup> excluding GA/EP/PP]							
Location and address	Heating method [type of energy]	Heating energy consumption [kWh/a] (HDD adjusted)	Electricity consumption <sup>1</sup> [kWh/a]	Water [m <sup>3</sup> /a]	Specific CO <sub>2</sub> emissions [kgCO <sub>2</sub> -eq/m <sup>2</sup> a] (heat-adjusted)	in 2017 <sup>2</sup>	Future automation planned			
Zurich, Sihlstrasse 24	Gas	199361	168345	1 129	22.9	■	–			
Zurich, Stadelhoferstrasse 18	Gas	170937	35961	923	20.6	■	2018/19			
Zurich, Stadelhoferstrasse 22	Gas	232444	104025	1485	20.2	■	2017/18			
Zurich, Steinmühleplatz 1	Gas	733781	455145	2943	34.7	■	2017/18			
Zurich, Talacker 21 / 23	District	733514	274599	1898	38.2	■	2017/18			
<b>Mixed-use properties</b>										
Berlingen, Seestrasse 110	Gas	109704	42285	314	15.0	■	2018/19			
Berlingen, Seestrasse 83, 88, 101, 154	Oil / gas	816983	1 218489	9344	40.6	■	2017/18			
Frauenfeld, St. Gallerstrasse 30-30c	Gas	877161	411917	10285	24.9	■	2017/18			
Geneva, Route de Malagnou 6	Gas	232331	17797	5790	30.1	■	2018/19			
Geneva, Rue de la Croix d'Or 7	Gas	549116	237360	3452	41.8	■	2017/18			
Geneva, Rue des Alpes 5	Gas	344297	19123	978	26.5	■	–			
Meilen, Seestrasse 545	Gas	217829	127421	1356	25.5	■	2018/19			
Opfikon, Müllackerstrasse 2, 4	Gas	530043	277207	12963	13.7	■	2018/19			
Ostermundigen, Mitteldorfstrasse 16	WP <sub>thermic</sub>	415547	690175	7502	12.1	■	2018/19			
Pfäffikon, Huobstrasse 5	District	834127	502318	10890	20.8	■	2017/18			
St. Gallen, Spisergasse 12	Gas	94753	5770	204	31.8	■	2019/20			
Stadel bei Niederglatt, Buechenstrasse 80	Oil	286088	210353	1798	40.3	■	–			
Thônex, Rue de Genève 104-108	Gas	716247	795883	12112	22.6	■	2017/18			
Thun, Göttibachweg 2-2a, 4, 6, 8	Gas	889206	569486	10339	22.8	■	2017/18			
Wabern, Nesslerenweg 30	District	566961	257268	10560	24.2	■	2017/18			
Zurich, Carl-Spitteler-Strasse 68 / 70	Gas	1573701	835001	16082	22.8	■	2017/18			
Zurich, Jupiterstrasse 15 / Böcklinstrasse 19	Oil / gas	199525	116518	1977	34.8	■	2017/18			
Zurich, Kappelbühlweg 9, 11 / Holbrigstrasse 10	Gas	1569600	531980	14529	26.6	■	2017/18			
Zurich, Nansenstrasse 5 / 7	District	462235	985775	2807	41.5	■	2017/18			
Zurich, Querstrasse 6	District	74027	1375	493	26.4	■	2019/20			
Zurich, Restelbergstrasse 108	Gas	246284	59848	1032	86.3	■	2019/20			
Zurich, Schulstrasse 34 / 36	District	233766	5817	1174	27.4	■	2018/19			
<b>Car parks</b>										
Basel, Hochbergerstrasse 40	–	–	21346	26	–	■	–			
Basel, Hochbergerstrasse 60	–	–	29921	–	–	■	–			
Neuchâtel, Rue de l'Ecluse 19	–	–	1090	–	–	■	–			
Oberbüren, Buchental	–	–	2744	–	–	■	–			
Zurich, Steinmühleplatz	–	–	8625	31	15.8	■	–			
<b>Overall total<sup>3</sup></b>	–	–	<b>1 495 879</b>	–	<b>120 600 239</b>	<b>91 232 941</b>	<b>888 586</b>	<b>80.6</b>	–	–

<sup>1</sup> Depending on the characteristics of each property, electricity data relates to general consumption or power fed in.

<sup>2</sup> In 2017: ■ automatic [hours] ■ manual [per year] ■ calculated [per year]

<sup>3</sup> Minor discrepancies are due to rounding differences

# About this report

This 2017 sustainability report has been prepared in accordance with the standards defined in the core option of the Global Reporting Initiative (GRI) standards. The reporting process applied the GRI principles relating to report content and report quality. This report has successfully met the requirements specified as part of the GRI Materiality Disclosures Service (see the GRI table of contents index on pages 92 ff.). The company has elected not to have the content of this report externally audited.

Material topics were selected on the basis of the materiality analysis carried out in 2016. These were then evaluated during the stakeholder panel discussions held in 2017 and further refined. Apart from «Lokale Beschaffung», «Landdegradierung, Kontaminierung und Sanierung» and «Lokale Gemeinschaften» all topics in the «Übersicht wesentliche Themen» table on page 91 are material for all Group companies. «Lokale Beschaffung» is only material for Tertianum, «Landdegradierung, Kontaminierung und Sanierung» is only material for Swiss Prime Site Immobilien and «Lokale Gemeinschaften» is only material for Swiss Prime Site Immobilien and Tertianum. The boundaries for all the topics classified as material were determined for all Group companies' value chains.

Swiss Prime Site's 2017 sustainability report is the first such report to be published. The company's sustainability reporting for 2016 was carried out as part of the Strategie- und Lagebericht section of the 2016

annual report, which was published in March 2017. In future, the company will publish a sustainability report every two years.

Any questions on the 2017 sustainability report should be addressed to Urs Baumann, Head of Sustainability and Innovation at Swiss Prime Site ([urs.baumann@sps.swiss](mailto:urs.baumann@sps.swiss)).

Information regarding changing in the methodology used to measure environmental performance is provided in the Protecting the environment section of this report. The statement contained in the 2016 annual report to the effect that the Jelmoli Group company adheres to the provisions of a collective employment contract was incorrect and has been rectified for 2017 (see Jelmoli, Attractive working environment).

In addition to Swiss Prime Solutions AG, Swiss Prime Site Immobilien AG has also been operating as a new Group company since 2017. Further details regarding the structure of Swiss Prime Site can be found in the annual report. Swiss Prime Site's consolidation scope is defined in the financial report.

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## Information regarding sustainability reporting

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<sup>1</sup> new topics put forward by 2017 stakeholder panel

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<b>Economic performance</b>								
103-1	Explanation of the material topic and its boundaries	27, 45, 57, 65, 77	x	x	x	x	x	
103-2	Management approach and its components	27, 45, 57, 65, 77	x	x	x	x	x	
103-3	Evaluation of the management approach	27, 45, 57, 65, 77	x	x	x	x	x	
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201-2	Financial implications and other risks and opportunities due to climate change	21	x	x	x	x	x	
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103-1	Explanation of the material topic and its boundaries	29, 46, 58, 67, 78	x	x	x	x	x	
103-2	Management approach and its components	29, 46, 58, 67, 78	x	x	x	x	x	
103-3	Evaluation of the management approach	29, 46, 58, 67, 78	x	x	x	x	x	
203-1	Infrastructure investments and services supported	29, 46, 58, 67, 78	x	x	x	x		
203-2	Significant indirect economic impacts	46, 67		x		x		
<b>Local procurement</b>								
103-1	Explanation of the material topic and its boundaries	68				x		
103-2	Management approach and its components	68				x		
103-3	Evaluation of the management approach	68				x		
204-1	Proportion of spending on local suppliers	68				x		
<b>Combating corruption</b>								
103-1	Explanation of the material topic and its boundaries	28	x	x	x	x	x	
103-2	Management approach and its components	28	x	x	x	x	x	
103-3	Evaluation of the management approach	28	x	x	x	x	x	
205-2	Communication and training about anti-corruption policies and proedures	28	x	x	x	x	x	
205-3	Confirmed incidents of corruption and actions taken	28	x	x	x	x	x	
<b>Energy</b>								
103-1	Explanation of the material topic and its boundaries	30, 48, 59, 69, 79	x	x	x	x	x	
103-2	Management approach and its components	30, 48, 59, 69, 79	x	x	x	x	x	
103-3	Evaluation of the management approach	30, 48, 59, 69, 79	x	x	x	x	x	
302-1	Energy consumption within the organisation	31, 48, 60, 70, 80	x	x	x	x	x	
302-3	Energy intensity	32	x	x	x		4a	
302-4	Reduction of energy consumption	48, 59, 69, 79		x	x	x	4b	
<b>Water</b>								
103-1	Explanation of the material topic and its boundaries	48, 69		x		x		
103-2	Management approach and its components	48, 69		x		x		
103-3	Evaluation of the management approach	48, 69		x		x		
303-1	Water withdrawal by source	48, 70		x		x		
<b>Emissions</b>								
103-1	Explanation of the material topic and its boundaries	30, 48, 59, 69, 79	x	x	x	x	x	
103-2	Management approach and its components	30, 48, 59, 69, 79	x	x	x	x	x	
103-3	Evaluation of the management approach	30, 48, 59, 69, 79	x	x	x	x	x	
305-1	Direct (scope 1) GHG emissions	23, 44, 56, 66, 76	x	x	x	x	x	
305-2	Energy indirect (scope 2) GHG emissions)	23, 44, 56, 66, 76	x	x	x	x	x	
305-4	GHG emissions intensity	23, 32, 44, 56, 66, 76	x	x	x			
305-5	Reduction of GHG emissions	59	x	x	x	x	4a	

Material/relevant for

Information on specific standards		Page(s)	Swiss Prime Site	Swiss Prime Site Immobilien	Wincasa	Tertianum	Jelmoli	Why not shown
<b>Effluents and waste</b>								
103-1	Explanation of the material topic and its boundaries	48, 69, 79		x		x	x	
103-2	Management approach and its components	48, 69, 79		x		x	x	
103-3	Evaluation of the management approach	48, 69, 79		x		x	x	
306-2	Waste by type and disposal method			x		x	x	4a
<b>Land degradation, contamination and restoration</b>								
CRE5	Land degradation, contamination and restoration	49		x				
<b>Environmental compliance</b>								
103-1	Explanation of the material topic and its boundaries	28	x	x	x	x	x	
103-2	Management approach and its components	28	x	x	x	x	x	
103-3	Evaluation of the management approach	28	x	x	x	x	x	
307-1	Non-compliance with environmental laws and regulations	28	x	x	x	x	x	
<b>Supplier environmental assessment</b>								
103-1	Explanation of the material topic and its boundaries	47, 58, 68, 78		x	x	x	x	
103-2	Management approach and its components	47, 58, 68, 78		x	x	x	x	
103-3	Evaluation of the management approach	47, 58, 68, 78		x	x	x	x	
308-1	New suppliers that were screened using environmental criteria			x	x	x	x	4a
<b>Employment</b>								
103-1	Explanation of the material topic and its boundaries	36, 49, 59, 70, 79	x	x	x	x	x	
103-2	Management approach and its components	36, 49, 59, 70, 79	x	x	x	x	x	
103-3	Evaluation of the management approach	36, 49, 59, 70, 79	x	x	x	x	x	
401-1	New employee hires and employee turnover	38	x	x	x	x	x	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	49, 59, 70, 79		x	x	x	x	
<b>Occupational health and safety</b>								
103-1	Explanation of the material topic and its boundaries	36, 49, 60, 69, 79	x	x	x	x	x	
103-2	Management approach and its components	36, 49, 60, 69, 79	x	x	x	x	x	
103-3	Evaluation of the management approach	36, 49, 60, 69, 79	x	x	x	x	x	
403-2	Key health and safety at work metrics	38	x	x	x	x	x	
403-3	Workers with high incidence or high risk of diseases related to their occupation	69				x		
<b>Training and education</b>								
103-1	Explanation of the material topic and its boundaries	36, 49, 60, 71, 80	x	x	x	x	x	
103-2	Management approach and its components	36, 49, 60, 71, 80	x	x	x	x	x	
103-3	Evaluation of the management approach	36, 49, 60, 71, 80	x	x	x	x	x	
404-1	Average hours of training per year per employee	23, 44, 56, 66, 76	x	x	x	x	x	
404-2	Programmes for upgrading employee skills and transition assistance programmes	36, 49, 59, 71, 80	x	x	x	x	x	
404-3	Percentage of employees receiving regular performance and career development reviews	49, 60, 71, 80		x	x	x	x	
<b>Diversity and equal opportunity</b>								
103-1	Explanation of the material topic and its boundaries	36, 49, 60, 70, 79	x	x	x	x	x	
103-2	Management approach and its components	36, 49, 60, 70, 79	x	x	x	x	x	
103-3	Evaluation of the management approach	36, 49, 60, 70, 79	x	x	x	x	x	
405-1	Diversity of governance bodies and employees	37, 38	x	x	x	x	x	

			Material/relevant for					
Information on specific standards	Page(s)		Swiss Prime Site	Swiss Prime Site Immobilien	Wincasa	Tertianum	Jelmoli	Why not shown
<b>Non-discrimination</b>								
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103-2	Management approach and its components	36, 49, 60, 70, 79	x	x	x	x	x	
103-3	Evaluation of the management approach	36, 49, 60, 70, 79	x	x	x	x	x	
406-1	Incidents of discrimination and corrective actions taken	36, 49, 60, 70, 79	x	x	x	x	x	
<b>Local communities</b>								
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103-2	Management approach and its components	46, 68		x		x		
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413-1	Operations with local community engagement, impact assessments and development programmes	46, 68		x		x		
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103-2	Management approach and its components	47, 58, 68, 78		x	x	x	x	
103-3	Evaluation of the management approach	47, 58, 68, 78		x	x	x	x	
414-1	New suppliers that were screened using social criteria			x	x	x	x	4a
<b>Customer health and safety</b>								
103-1	Explanation of the material topic and its boundaries	47, 58, 68, 78		x	x	x	x	
103-2	Management approach and its components	47, 58, 68, 78		x	x	x	x	
103-3	Evaluation of the management approach	47, 58, 68, 78		x	x	x	x	
416-1	Assessment of the health and safety impacts of product and service categories	47, 58, 68, 78		x	x	x	x	
<b>Marketing and labelling</b>								
103-1	Explanation of the material topic and its boundaries	67, 77				x	x	
103-2	Management approach and its components	67, 77				x	x	
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417-1	Requirements for product and service information and labelling	67, 77				x	x	
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<b>Customer privacy</b>								
103-1	Explanation of the material topic and its boundaries	29, 46, 58, 67, 78	x	x	x	x	x	
103-2	Management approach and its components	29, 46, 58, 67, 78	x	x	x	x	x	
103-3	Evaluation of the management approach	29, 46, 58, 67, 78	x	x	x	x	x	
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103-2	Management approach and its components	28	x	x	x	x	x	
103-3	Evaluation of the management approach	28	x	x	x	x	x	
419-1	Non-compliance with laws and regulations in the social and economic area	28	x	x	x	x	x	

**Reasons why data is not shown**

<sup>1</sup> Not applicable

<sup>2</sup> Confidential

<sup>3</sup> Disclosure forbidden by law

<sup>4a</sup> Information not available

<sup>4b</sup> Information not partially available

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