

# Green Bond Framework

# 2022



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# About PSP Swiss Property

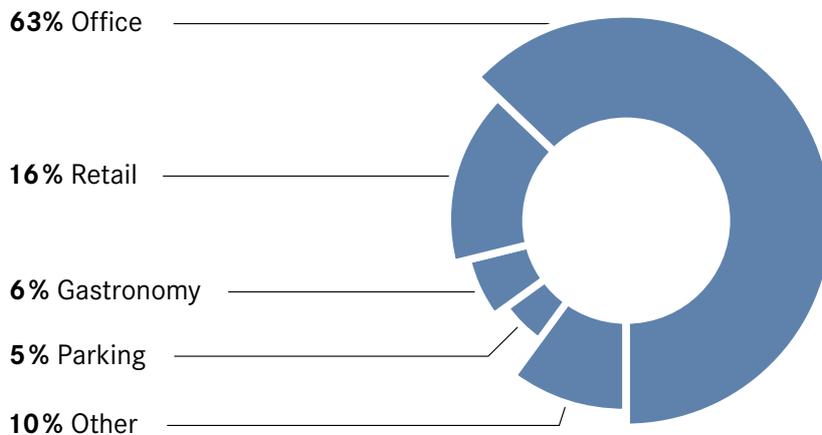
PSP Swiss Property is one of Switzerland's leading real estate companies with a focus on letting commercial properties in the economic centres of Zurich, Geneva, Basel, Berne and Lausanne. The real estate portfolio consists of investment and development properties with a total carrying value of CHF 9.4 billion (as of 30 September 2022).

Most of PSP Swiss Property's lettable space is for office use, followed by retail (especially high-street retail) and gastronomy. PSP Swiss Property is a public listed company, its shares are traded on the SIX Swiss Exchange (Ticker PSPN, ISIN: CH0018294154).

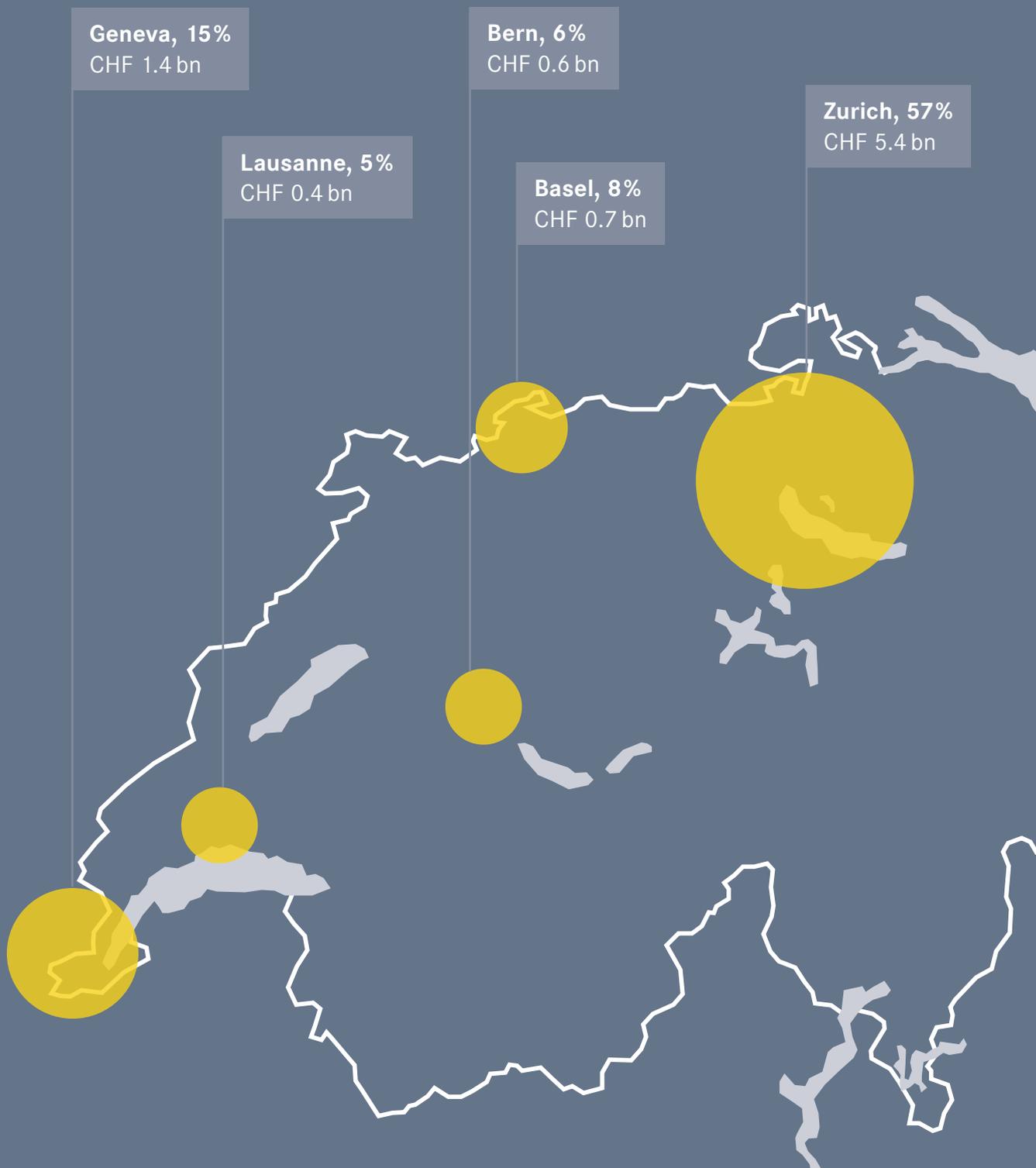
The Company's strategic properties are managed and maintained with a long-term perspective. The goal is to generate income and value appreciation through optimal use of the properties and

comprehensive renovations; thereby, always trying to position the property portfolio for future success. Furthermore, PSP Swiss Property strives to lower operating costs for tenants and to reach a sustainable reduction of the environmental impact in terms of CO<sub>2</sub> emissions as well as energy use and water consumption. PSP Swiss Property aims at generating added value through optimising the existing investment and development portfolio (organic growth) as well as external growth.

## Rent by use (September 2022)



## Property Portfolio (September 2022)



**Organic growth:** Here, the main focus is on the quality- and value-oriented development of the property portfolio. Professional cooperation between the real estate asset management, the construction department and the management activities is key. Letting activities as well as targeted value-enhancing capital expenditures in selected properties remain the core activities in portfolio optimisation.

**External growth:** This may be achieved through company takeovers, property portfolio acquisitions or the purchase of single properties. PSP Swiss Property is extremely selective when evaluating potential acquisitions. Acquisitions will only be made if price, location and future prospects promise added value for shareholders. A careful evaluation of the risk/return profile is fundamental to every acquisition.

Furthermore, a successful real estate portfolio strategy also requires continuous optimisation and streamlining of the existing portfolio through property sales.

PSP Swiss Property is known for its prime portfolio with most of its properties located in the major economic centres of Switzerland. The Company is a pure play in Swiss real estate investments.

With its conservative investment and financing approach and a strong balance sheet, PSP Swiss Property has excellent access to the capital market. The leverage ratio was 33% at the end of September 2022 – one of the lowest in the sector. 100% of the Company's assets and liabilities are denominated in CHF.

PSP Swiss Property's credit strength is underpinned by Moody's A3 rating with stable outlook, which has remained unchanged for many years. The latest update with a still unchanged rating was published in July 2022. With its A3 rating, PSP Swiss Property is among the leaders for real estate investments in Switzerland.



**Löwenbräu Red, Zurich**



# Sustainability in PSP Swiss Property's business strategy

Sustainability has been an integral part of PSP Swiss Property's business strategy for many years, both with regard to its investment portfolio and its development projects.

According to the United Nations' Global Status Report for Buildings and Construction, buildings are responsible for nearly 40% of global energy-related carbon emissions. Property emissions are a combination of the day-to-day running of a building (27%) and emissions tied to the construction process, maintenance and demolition (10%)<sup>1</sup>. Sustainability has been an integral part of PSP Swiss Property's business strategy for many years, both with regard to its investment portfolio and its development projects. Thus, sustainability efforts have been reported in the annual report for more than ten years. The sustainability report provides a comprehensive range of key figures, including performance measures according to the Sustainability Best Practices Recommendations ("sBPR") of the European Public Real Estate Association ("EPRA").

PSP Swiss Property's focus has always been on results, not labels. The goal is not the number of certified buildings, but rather meeting the high standards set across the entire portfolio. This is why both the consumption of resources and the not entirely avoidable environmental impact during the construction, renovation, modernisation and operation of the buildings are kept as low as possible. The same applies, of course, to new developments. The Grosspeter Tower in Basel, for instance, won the first prize for Swiss solar architecture in 2017.

Since the start of the sustainability programme in 2010, specific CO<sub>2</sub> emissions have been reduced by 50% and specific energy consumption by an average of 20%. Today, around 50% of the energy purchased by PSP Swiss Property as a landlord for heating purposes comes from renewable sources, 99% of the electricity needed for this end comes from renewable sources. By 2025, all electricity is set out to come from renewables. Furthermore, the photovoltaic systems installed at PSP Swiss Property's buildings already produced around 1 320 MWh of environmentally friendly solar electricity in 2021, a figure that will continue to rise.

Although the focus is not on the labelling of properties, the excellent performance in the area of sustainability was confirmed by several external parties. PSP Swiss Property received an A- ("Implementing current best practices") in the CDP Climate Change 2021 Survey, along with "Green Star" status under the Global Real Estate Sustainability Benchmark (GRESB), whilst EPRA presented us with the sBPR Gold Award for the sixth time in a row for the disclosures in the sustainability reporting.

<sup>1</sup> Source: <https://www.unep.org/resources/report/2021-global-status-report-buildings-and-construction>



EPRA sBPR Gold-Award



CDP-Score: A-

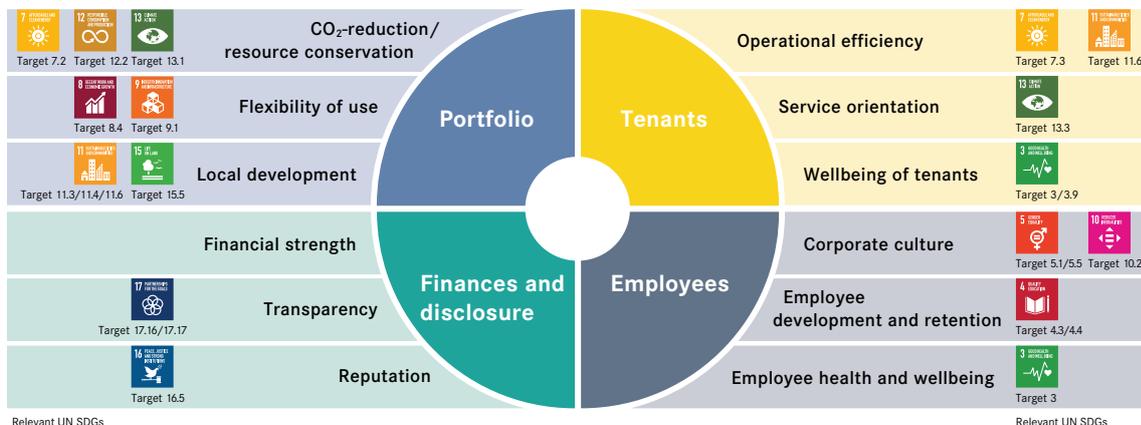


GRESB Green Star



PSP Swiss Property’s core business is the letting of commercial properties in Switzerland. This is only sustainable, if the properties are successfully let with stable rental income in the long term. This presupposes that the properties meet the tenants increasingly demanding expectations in terms of location quality, price and service. Sustainability is therefore an integral part of the business strategy and anchored in PSP Swiss Property’s values.

In 2019 PSP Swiss Property conducted a materiality analysis, assessing whether the demands of stakeholders and the effect of the work on the environment and society are reflected appropriately in the business approach. The objective was to identify those areas which make significant contribution to achieving the UN Sustainable Development Goals (“UN SDGs”). The analysis led to the identification of twelve fields of action which could be aligned with the most important requirements. The twelve fields of action were assigned to the four levels of corporate activity. A few major areas are described below.



## Portfolio

PSP Swiss Property's focus lies on easily accessible, centrally located properties that create not only economic value, but a positive social and environmental impact as well.

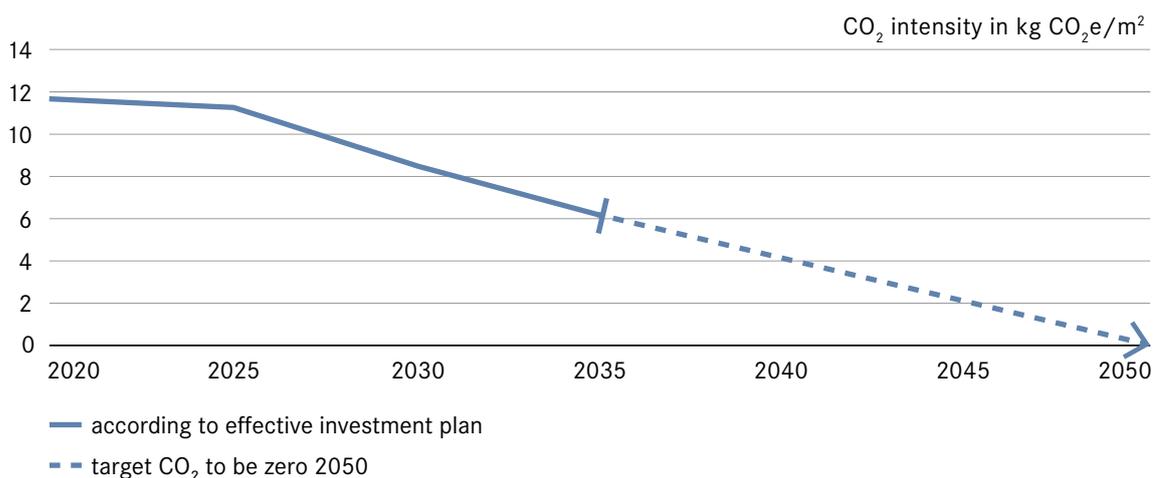
### CO<sub>2</sub> reduction target

In 2020, a CO<sub>2</sub> reduction path was defined. The goal is to cut CO<sub>2</sub> emissions by 2035 in half compared to 2019 and to achieve carbon neutrality by 2050, aligned with the Paris Agreement. In order to achieve these goals, PSP Swiss Property will put even greater emphasis on aspects such as re-usage and recycling at existing properties while planning and constructing new buildings with an eye on the most energy-efficient means possible. One core element of the CO<sub>2</sub> reduction plan is the replacement of fossil heating systems with heating (and cooling) using heat pumps and district heating, which have smaller CO<sub>2</sub> footprints. However, not all CO<sub>2</sub>-saving measures can be self-determined (district heating in particular). If necessary, any potential shortfall in CO<sub>2</sub> reduction might be compensated by purchasing corresponding climate certificates.

The use of resources and environmental pollution caused by construction, modernisation and operation of the buildings should be as low as possible in order to minimise the negative effects this may have on the general public. When using land and building materials as resources, PSP Swiss Property always tries to minimise any negative impacts this may entail. Sustainability considerations are taken into account at all stages of the business operations.

A total of 8.2% of the lettable space is certified according to a label for sustainable construction (Minergie and LEED). However, the percentage of certifications is not the only way to measure the sustainability of a property portfolio. In the construction of new buildings or major renovations, the standard of a sustainable building label is generally targeted, but not necessarily the certification itself. The Minergie standards have been incorporated into many cantonal energy laws. Therefore, such additional certification is of secondary importance. The main focus is not the number of certified buildings, but the impact of the measures taken across the portfolio.

### CO<sub>2</sub> reduction path



Reduction path: Period until 2035 according to the effective investment plan. Period from 2035 until 2050 according to the Paris agreement and under the assumption that at some point district heating will be defined as CO<sub>2</sub> neutral.

Peter Merian-Strasse 88/90, Basel

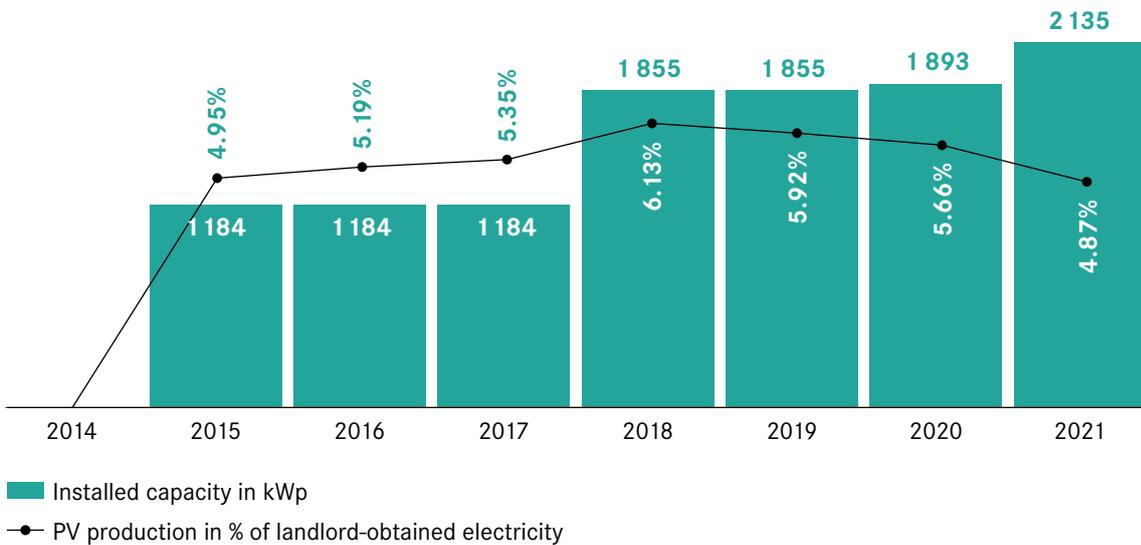


**Photovoltaic installations**

PSP Swiss Property will continue to invest in renewable energy such as solar electricity to make its own contribution to expanding capacity and to give the tenants the opportunity to benefit from clean electricity at favourable costs. If possible, the electricity produced at a property should flow directly into the consumption of this property and thus ease the burden on the grid with green

electricity. Applying this model, the solar power produced by a property will be sold directly to the tenants or consumed in situ in the building’s technical systems (heat pumps, cooling systems, etc.). In the Portfolio, there are already nine systems in place which produce approx. 1 320 MWh of renewable electricity. The development of the production and consumption is shown in the following graph:

**Installed PV capacity and PV production in percent of landlord-obtained electricity**



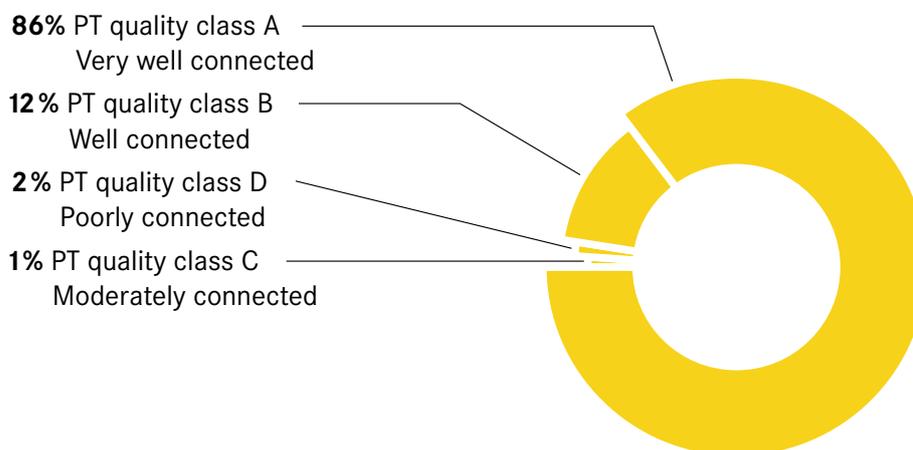
### Local development

Most of PSP Swiss Property's buildings are in central locations and well connected to public transport. This is a great advantage with regard to sustainability, as they are accessible by environmentally sustainable means of transport and do not contribute to urban sprawl. Due to their central locations, these properties also have a special importance in the cityscape and in revitalising the surrounding area. With their spatial presence, the properties influence not only the immediate surroundings and the everyday life of tenants and neighbours, but also the perception of passers-by. For this reason, PSP Swiss Property will continue to attach great importance to the architectural quality of new buildings and conversions as well as major renovations, which ultimately leads to an enhancement of the public space.

**97% of the buildings in the portfolio are well or very well connected to public transport (PT Quality Class A and B).**

### Public transport quality classes

The public transport (PT) quality classes provide information on the accessibility of an area with public transport. Important criteria that are included in this indicator are the distance to the nearest stop, the type of transport and its frequency.



Source: INFOPLAN-ARE, [opentransportdata.swiss](https://opentransportdata.swiss)

## Tenants

Customer satisfaction is one of the most important factors contributing to the success of the Company. Therefore, PSP Swiss Property attaches great importance to the tenants' optimal use of the premises and to tailor-made service. This means that personal contact and working as partners is a top priority. A unique feature is that PSP Swiss Property carries out the management of the properties itself, and has employed own caretakers; this means that its employees are always close to the tenants and know their (changing) needs.

PSP Swiss Property raises the tenants' awareness with regard to sustainability and tries to involve them in its own efforts, for example energy optimisation and water saving. Several leases with one of the largest tenants have been amended with specific sustainability criteria. Important components of these amendments include the exchange of data, energy procurement from sustainable sources, sustainable operations (energy efficiency, ecological cleaning, saving water, minimising waste), sustainable maintenance and other construction measures as well as the promotion of sustainable mobility and biodiversity. The rental space that is already subject to such leases today amounts to 7.4% of the total rentable space; this figure will rise significantly in the future.

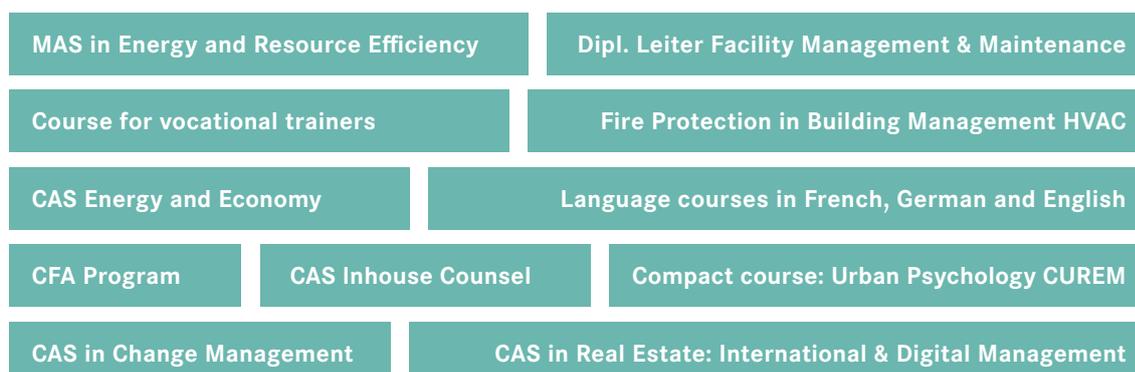
The latest tenant survey was conducted in 2020 with an external partner. The survey covered premium and top tenants, representing approximately 50% of rental income in 2020. The result of the tenant survey showed that the tenants are very satisfied with their landlord-tenant relationship (4 on a scale of 1 to 5).

## Employees

With an open corporate culture, PSP Swiss Property lays the foundation for creating trust, conveying security and convincing all stakeholders involved with optimal solutions. The principles on employment rights and obligations are set out in the code of conduct, as amended from time to time, published on PSP Swiss Property's website<sup>2</sup>. At PSP Swiss Property, all employees enjoy equal opportunity. Discrimination is not and will never be tolerated in any form. It is only by ensuring equal opportunities for all along with a diverse employee team that PSP Swiss Property can draw in an optimal manner on the experiences and perspectives of all employees alike as a source of innovation, problem solving and dedication. In mid-2020 PSP Swiss Property received the certification "Fair-On-Pay+", which confirmed the compliance with regard to equal pay for women and men based on the specifications of the Federal Office for Gender Equality. The "Fair-On-Pay+" certificate was confirmed in June 2022 and certifies that the equal pay requirements continue to be met.

### Employee development and retention

PSP Swiss Property promotes the professional and social skills of its employees and provides support in their professional development with personal training and continuing education. In 2021, PSP Swiss Property employees spent on average 26.9 hours of training and development in internal courses and workshops as well as several external educational programmes. The following illustration shows a selection of training programmes attended by employees in 2021.



<sup>2</sup> See <https://www.psp.info>

### Employee health and wellbeing

PSP Swiss Property employees benefit from a state-of-the-art in-house fitness centre including the possibility to book individual workouts with a coach to improve their fitness. Furthermore, PSP Swiss Property offers courses on nutrition and ergonomics at the workplace.

The latest survey showed that PSP Swiss Property is highly respected by its own employees for its excellent working culture and, as a result, received the “Great Place to Work” award in the category medium-sized companies (50 to 249 employees). With a response rate of 80%, the survey was representative. The Trust Index – the aggregated score of the five relevant criteria – reached 86%, whereas “General Satisfaction” was even 93% among the participants. Details concerning the survey results can be found on the Great Place to Work website<sup>3</sup>.

### GPTW survey 2021: I’m proud to tell others I work here.

*Agree: 96%*

### GPTW Survey 2021

#### Trust Index (average of all questions)



ATMOS, Zurich

<sup>3</sup> See <https://www.en.greatplacetowork.ch/>

# Rationale for the requalification of all outstanding Bonds into a 100% Green Bond Portfolio

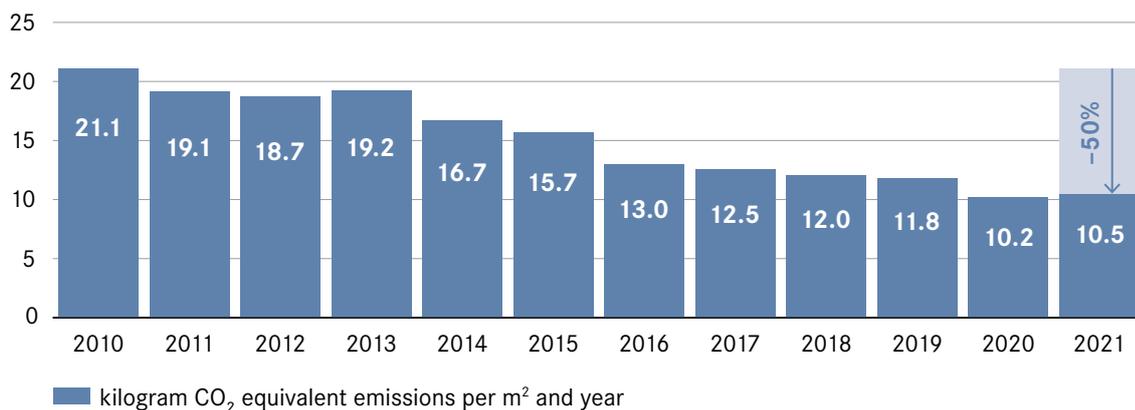
Environmental sustainability measures are more important than ever. The regulatory environment, rating agencies and investors are increasingly focusing on sustainability issues. PSP Swiss Property has always placed great emphasis on sustainability. Thanks to long-term planning and sustainable investments in the portfolio, PSP Swiss Property was able to reduce the CO<sub>2</sub> emissions per m<sup>2</sup> by 50% since 2010. The corresponding reduction path of the last few years can be seen in the chart below.

With a portfolio of sustainable properties, which was built with an eye on the environment and sustainability (and not just on getting the right labels), the time has come for PSP Swiss Property to call its outstanding bonds what they are – Green.

PSP Swiss Property will therefore through its green bond framework requalify all its outstanding bonds as green bonds and plans to issue all future bonds under this framework as Green Bonds, resulting in a 100% Green Bond Portfolio. As outlined below, this will be accomplished by allocating an amount at least equivalent to the amount of all outstanding bonds and any future green bond to a portfolio of eligible green buildings for which the eligibility criteria are described in the chapter “Use of proceeds” (the “Green Asset Portfolio”).

The thresholds are defined in such a way that the criteria for being a green building become more stringent over time, thus improving the impact of the Green Asset Portfolio.

## CO<sub>2</sub>e Reduction over the last 10 Years



# PSP Swiss Property's Green Bond Framework

The main environmental objective to be achieved under this framework is the reduction of CO<sub>2</sub> emissions.

PSP Swiss Property plans to issue “Standard Green Use of Proceeds Bonds” under the Green Bond Framework.

PSP Swiss Property's Green Bond Framework serves as a reference for requalifying all outstanding bonds as green bonds (“Green Bonds”) and as a basis for PSP Swiss Property's future Green Bond issuances.

It is aligned with the four pillars of the Green Bond Principles of June 2022 (“GBP”) provided by the International Capital Market Association (“ICMA”):

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

The Green Bond Framework has been reviewed by two independent third parties and has benefited from two second party opinions. This was done to validate its alignment with the GBPs and assess the consistency of the 100% Green Bond portfolio with PSP Swiss Property's sustainability policy, the relevance as well as the expected positive environmental and climate impact of the Green Asset portfolio.

## Use of proceeds

An amount equal to the proceeds of PSP Swiss Property's Green Bonds will be used to finance or refinance the Green Asset Portfolio in the following category from the Green Bond Principles provided by the ICMA:

**Green buildings that meet regional, national or internationally recognised standards or certifications for environmental performance.**

The definition of eligible green assets is based on two criteria: On the one hand, the effective CO<sub>2</sub> emissions of a property and, on the other hand, the ESG rating of the property provided by Wüest Partner (“Wüest ESG”). Both criteria must be met for the property to be a green building and thereby qualify for the Green Asset Portfolio.

The first criterion, the carbon footprint, is the central component of achieving the Paris climate goals. It is presented in kilogram CO<sub>2</sub> equivalent emissions per m<sup>2</sup> and year (“kgCO<sub>2</sub>e/m<sup>2</sup>/yr”), covering landlord-controlled scope 1 and 2, according to the market-based methodology of the GHG Protocol and is a very important indicator for the definition of a green building because it measures emissions in absolute terms and can be benchmarked against the sector.



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**Grosspeter Tower, Basel**

The second criterion, the property specific ESG rating, follows a holistic approach that covers various aspects in the categories of environmental, social and governance. Wüest Partner was selected as the provider of this rating. Wüest Partner uses the Wüest ESG assessment system to measure the condition of a property in relation to the sustainability issues of environment, social and governance. In terms of content and subject matter, the model, which was created by Wüest Partner itself on the basis of market analyses, covers the most relevant indicators of the labels established in Europe, such as DGNB, BREEAM, SNBS and GRESB, using a simplified measurement method. A major strength of this model is that it does

not focus solely on individual ESG dimensions but offers a balanced weighting of all the dimensions included. Wüest ESG enables a quantitative assessment of the key sustainability indicators of a property as well as an aggregation at a property portfolio level. Further information about the methodology of “Wüest ESG” can be found in annex 1.

Both criteria together represent a valuable indicator for a green building. The specific minimum requirements differ for “investment properties in use”, for “renovation of existing buildings” and for “construction of new buildings” and are shown in the table below:

ICMA Category	Eligible Green Assets	Eligibility Criteria	Contribution to UN SDG	Environmental objectives
Green Buildings	Investment Properties in use	CO <sub>2</sub> emissions below: 12 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2022 11 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2025 9 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2030 6 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2035  <b>and</b>  Classification: Wüest ESG minimum 3.5	  	Climate change mitigation
	Renovation of existing buildings	Expected CO <sub>2</sub> emission after completion below: 12 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2022 11 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2025 9 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2030 6 kgCO <sub>2</sub> e/m <sup>2</sup> /yr at end-2035  <b>or</b>  30% reduction in CO <sub>2</sub> e/m <sup>2</sup> /yr after completion  <b>and</b>  Classification: Expected Wüest ESG minimum 3.5	   	Climate change mitigation
	Construction of new buildings	Expected CO <sub>2</sub> emission after completion below: 5 kg CO <sub>2</sub> e/m <sup>2</sup> /yr  <b>and</b>  No fossil heating systems	 	Climate change mitigation

New buildings completed after the publication of the Green Bond Framework must continue to meet the more stringent criteria from the “Construction of new buildings” category to remain in the Green Asset Portfolio. For quantifying the Green Asset Portfolio, the purchase price invested and value-enhancing investments are taken into account. Valuation changes are excluded. No limited look-back period is applied.

### Process for asset evaluation and selection

PSP Swiss Property has set up a dedicated Green Bond Committee (“GBC”) which consists of members of the Executive Board as well as members of the sustainability, asset management, construction, financing, and energy management departments. The GBC oversees the evaluation and selection of properties for the Green Asset Portfolio. The final list of eligible green assets to be included in the Green Asset Portfolio is approved by the Executive Board.

The GBC is responsible for:

- the review, selection and validation of the pool of eligible Green Assets in accordance with the selection criteria established in the Green Bond Framework
- the monitoring of changes on the sustainable capital markets in terms of disclosure and reporting in order to be in line with market best practices (e.g. Green Bond Principles)
- the review of the Green Bond Framework to reflect any changes with regard to the Company’s sustainability strategy and initiatives as well as any changes in the third-party validation of social and environmental criteria for green buildings
- the establishment and validation of the allocation and impact reporting

The GBC meets on an annual basis, or more frequently as required, to review proposed allocations and ensure that these are aligned with the Green Bond Framework. Properties that are no longer identified as green buildings or Eligible Green Assets respectively, according to the table in the section “Use of proceeds”, fall out of the eligible Green Asset Portfolio.

### Management of proceeds

The allocation of the proceeds from Green Bonds to the Green Asset Portfolio, as described above in the chapter “Use of proceeds”, will be validated at least once a year by the GBC in accordance with the responsibilities described above. If, for any reason, the amount of the Green Asset Portfolio falls below the amount of the proceeds of PSP Swiss Property’s outstanding Green Bonds, the unallocated funds will be temporarily invested in cash and/or cash equivalents. PSP Swiss Property will try to reinvest these unallocated funds as quickly as possible (but within twelve months at the latest).

### Reporting

PSP Swiss Property will prepare and make available to investors an allocation and impact report for outstanding Green Bonds under this Green Bond Framework, specifying the relevant measurement methodologies (“Green Bond Report”).

The report will be published by PSP Swiss Property within one year after the publication of this Green Bond Framework and annually thereafter. The report will be available on the website of PSP Swiss Property and will be verified by an external party.

### Allocation reporting

PSP Swiss Property will report on the allocation of the proceeds of its outstanding Green Bonds. The report will contain the following information:

- the total amount of Green Bonds outstanding
- a breakdown of the total amount allocated by eligible green asset categories
- any remaining portion to be allocated
- the balance of net unallocated proceeds (if any) and the investments in cash and/or cash equivalents

### Impact reporting

PSP Swiss Property will provide quantitative and qualitative performance indicators and may publish several types of indicators for its Eligible Green Assets:

**Investment properties in use**

On an asset basis:

- Location
- Lettable space (m<sup>2</sup>)
- Energy intensity (kWh/m<sup>2</sup>)
- CO<sub>2</sub> intensity (kgCO<sub>2</sub>e/m<sup>2</sup>)
- Water intensity (m<sup>3</sup>/m<sup>2</sup>)
- Wüest ESG rating

On a portfolio basis:

- CO<sub>2</sub> emissions avoided in operations compared with the average market performance for buildings in use
- Energy savings (in kWh/m<sup>2</sup>)
- Water savings (in m<sup>3</sup>/m<sup>2</sup>)
- Own production of renewable energy and in-house consumption

**Renovation of existing buildings**

On an asset basis:

- For each project, CO<sub>2</sub> emissions avoided in operations compared with the initial situation for buildings under development
- General description of the features which are improved the most with regard to sustainability (e.g. biodiversity, photovoltaics, etc.)

**Construction of new buildings**

On an asset basis:

- Expected energy consumption and CO<sub>2</sub> emissions in operations compared with a benchmark
- Calculated embodied carbon emissions

If market figures are available and calculated using a comparable methodology, PSP Swiss Property will compare its performance with that of the market using a benchmark for carbon and energy intensity.

The Green Bond Report will be available on PSP Swiss Property's website under the section "Sustainability".

**External verification****Second-party opinion**

PSP Swiss Property has engaged two external verifiers to review its Green Bond Framework. The second-party opinions prepared by ISS Corporate Solutions and Moody's ESG Solutions on the Green Bond Framework's environmental credentials and its alignment with the Green Bond Principles are available on PSP Swiss Property's website under the section sustainability.

**CO<sub>2</sub> verification by a third party**

The allocation of Green Bond proceeds, adherence to asset-selection criteria as well as environmental metrics will be reviewed by Ernst & Young (EY) or any other third party appointed by PSP Swiss Property as a successor to EY. The report will be made available on PSP Swiss Property's website under the section sustainability.

**ESG property verification by a third party**

The independent real estate consulting firm Wüest Partner was commissioned to assess the buildings' sustainability. An overview of the methodology can be found in Annex 1.

# Disclaimer

The information contained in this Green Bond Framework is accurate only as of the date of this Green Bond Framework and any delivery of this Green Bond Framework at any time subsequent to the date hereof does not imply that the information in this Green Bond Framework is correct at such subsequent time. This Green Bond Framework contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. Such forward-looking statements are based on analyses, forecasts, projections, expectations or estimates of future results, business developments and operational performances not yet determinable or foreseeable. Terms and phrases such as “will”, “expect”, “plan”, “may” and “could”, and similar variations or expressions of these, are used to identify forward-looking statements but they are not to be understood as the exclusive means for such identification. This applies, in particular, to statements in this Green Bond Framework regarding PSP Swiss Property’s strategy, business and management, its growth and environmental impact, general economic factors, the regulatory environment in which it conducts its business as well as other factors affecting PSP Swiss Property, including in particular any statements on future energy consumption, needs and availability.

The forward-looking statements contained herein are based on plans, expectations, estimates and other assumptions that PSP Swiss Property makes to the best of its knowledge as of the date of this Green Bond Framework exclusively. These forward-looking statements are subject to risks relating to future events and other risks, uncertainties and assumptions that could cause actual results or performances to materially differ from, and be worse than, the results or performances that have expressly or implicitly been assumed or described in these forward-looking statements. None of these forecasts, projections, expectations or estimates, on which the forward-looking statements may be based, should be understood as promises or as implying any kind of indication, assurance or guarantee that the assumptions which they base are true, correct or exhaustive.

In consequence, no undue reliance should be placed on these forward-looking statements by investors. Even if the operational performances or the business development of PSP Swiss Property are consistent with the forward-looking statements contained herein in a certain period, such results may not be indicative of results in subsequent periods. In addition, PSP Swiss Property assumes no obligation nor responsibility to update or revise such forward-looking statements, whether as a result of new information, future events, developments or otherwise, which may render them wrong, inaccurate or misleading.

This Green Bond Framework constitutes neither a prospectus nor a similar notice within the meaning of the articles 35 et seqq. and 69 of the Swiss Financial Services Act. The information contained in this Green Bond Framework may not be considered as being a substitute for economic, legal, tax or other advice. An investment decision with respect to securities of PSP Swiss Property must only be made on the basis of the relevant offering prospectus, if any, published in accordance with Swiss law or any other applicable law. Investors must consult their investment advisers or other advisers prior to making any decisions.

Prospectuses and other offering documentation, if any, may from time to time refer to this Green Bond Framework. This shall not be construed as integrating by reference the Green Bond Framework within such prospectus or other offering document.

**PSP Swiss Property reserves the right to adapt, amend, change or delete any and all aspects of this Green Bond Framework, including the framework itself at any time without prior notice. The latest available version of the Green Bond Framework shall be freely available on PSP Swiss Property’s website ([www.psp.info](http://www.psp.info)) and shall constitute at any point in time the only version in force.**

# Annex 1

## Wüest ESG Methodology

The three ESG dimensions are weighted in relation to the overall ESG score in a ratio of: environment (40%), social (30%), governance (30%).

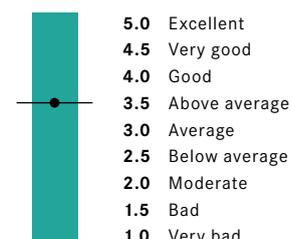
The reason for this is the effective choice of focus in practice in the field of environment. This responds to the existing high weighting in the market (customers as well as internal evaluations and market surveys make this clear).

Weight ESG	ESG	Weight Criteria	Criteria
40.0%	<b>Environment</b>	25.0%	Greenhouse gases
		25.0%	Energy
		25.0%	Resource use
		25.0%	Mobility and outdoor space
30.0%	<b>Social</b>	33.3%	Location
		33.3%	Usability
		33.3%	Well-being and safety
30.0%	<b>Governance</b>	33.3%	Company processes
		33.3%	Building operation
		33.3%	Regional economy and spatial planning



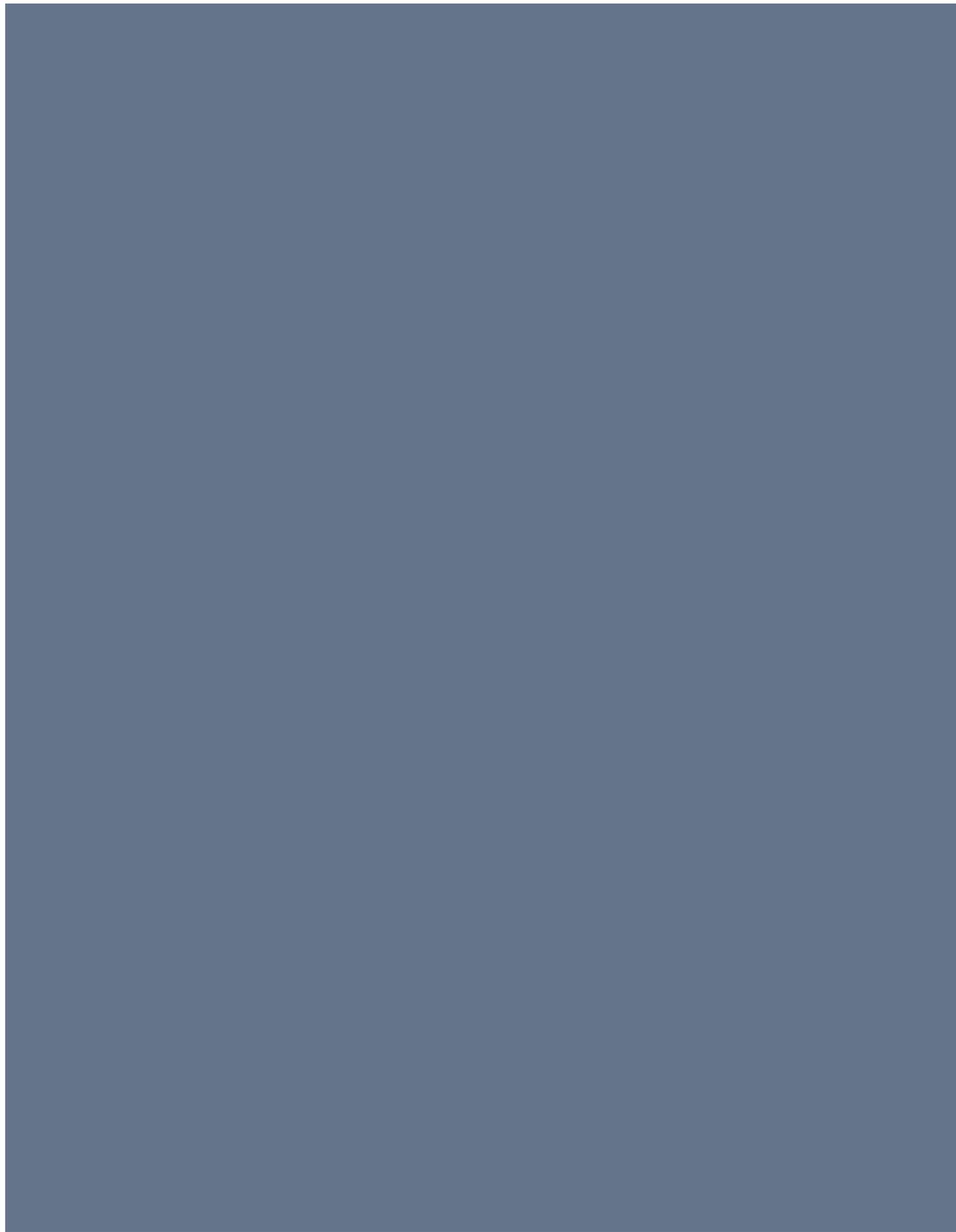
Weighting of the three ESG dimensions

When evaluating the criteria, the rating is based on a scale from 1.0 (very bad) to 5.0 (excellent). This scale is also used by Wüest Partner in various applications, for example in the quality profile of real estate valuations. This is intended to maintain consistency between applications and to establish comparability for the user.



The specific assessment depends on the collected data points. There are three methods with which the indicators are assessed:

- **Quantitative assessment:** All location-level indicators are profiled with scores from A-E, where A is the best score and E is the worst score. These profiles are created based on the distribution of the entire Swiss building stock: The 20% of the worst values belong in category E, the values from the 20th percentile to the 40th percentile in category D, etc. The profiles are then translated directly into grades from 1.0 to 5.0.
- **YES / PARTIALLY / NO-Questions:** YES / PARTIALLY / NO-Questions are directly assigned a grade of 1.0, 3.0 or 5.0. Incorrect data will be penalized with a rating of 1.0. This is intended to promote continuous data quality and reliability as well as care in handling the data.
- **Qualitative assessment:** (external) assessment methods from reference ratings such as GRESB (governance issues) or green property (area efficiency, utilization) are used and converted to the same rating scale from 1.0 to 5.0. This also applies, for example, to raw data (% values, CO<sub>2</sub> values or energy values)



## **Masthead**

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## **Sustainability**

For environmental reasons, there is no printed version of this report.

This report is available as PDF on [www.psp.info](http://www.psp.info).



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