SFP
Swiss Finance & Property Group

# ESG Report 2024

Strategic Sustainability
at the SFP Group

# Introduction

## Dear readers,

The SFP Group is an independent financial services provider specialising in real estate and infrastructure investments. We see sustainability as a meaningful necessity and are committed to climate-friendly products and services. In Switzerland, the building sector is the second-largest emitter of greenhouse gases after domestic transport. We have therefore committed ourselves to the achievement of the net-zero target by 2050. This commitment is reflected not only in our environmental initiatives, but also in our endeavour to create long-term value that benefits both people and the environment. Hence, sustainability is fully integrated into our corporate strategy.

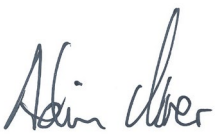
In this sustainability report we would like to give you a transparent overview of our activities, actions and progress. We show how we are setting the course for a sustainable future through construction and renovation projects, the promotion of energy-efficient and environmentally friendly solutions, and the integration of social responsibility into everything we do. Our aim is to minimise $CO_2e$ emissions, use resources efficiently and at the same time ensure a high quality of life for the users of our buildings. We adopt the stewardship approach for indirect real estate investments and take our responsibility as an investor seriously in the associated stakeholder dialogue.

For us, sustainability means more than just adhering to legal requirements – it is a continuous process of improvement. The purpose of this report is not only to document our successes, but also to highlight the challenges we face if we are to achieve our ambitious goals.

We firmly believe that a sustainable future is only possible if we act responsibly, take a holistic view of the environmental, social and economic aspects of the real estate and infrastructure sector, and engage in transparent dialogue with stakeholders.

I hope you enjoy reading this report.

Kind regards,



Adrian Murer
Chief Executive Officer

## Sustainability at the SFP Group

## Economy

## Environment

## Social Responsibility

## Governance

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The images in this report are of Swiss Finance & Property Group properties and were generated using artificial intelligence. The illustration on the left shows the original state, while the image on the right depicts the project planned or already implemented, underlining the company's forward-looking ESG approach.
This report constitutes a translation of the original German version which is binding.

# Portrait of Swiss Finance & Property Group

## Corporate Structure

Swiss Finance & Property Group Ltd (SFP Group Ltd) is a stock company established under Swiss law. The company operates in the financial sector and is one of the largest independent real estate asset managers in Switzerland. The internationally active Group is headquartered in Zurich and employed 121 people as at the end of the year.

The Swiss Finance & Property Group (SFP Group) comprises the following stock companies:

- Swiss Finance & Property Group Ltd (Zurich, Group parent company/holding company)
- Swiss Finance & Property Ltd (Zurich, FINMA[1]-regulated securities firm)
- Swiss Finance & Property Funds Ltd (Zurich, FINMA[1]-regulated fund management company)
- Viga RE Management ApS (Copenhagen, real estate asset manager)
- SFP Infrastructure Partners Ltd (Zurich, infrastructure partner of the SFP Group)
- Swiss Finance & Property UK Ltd (London)

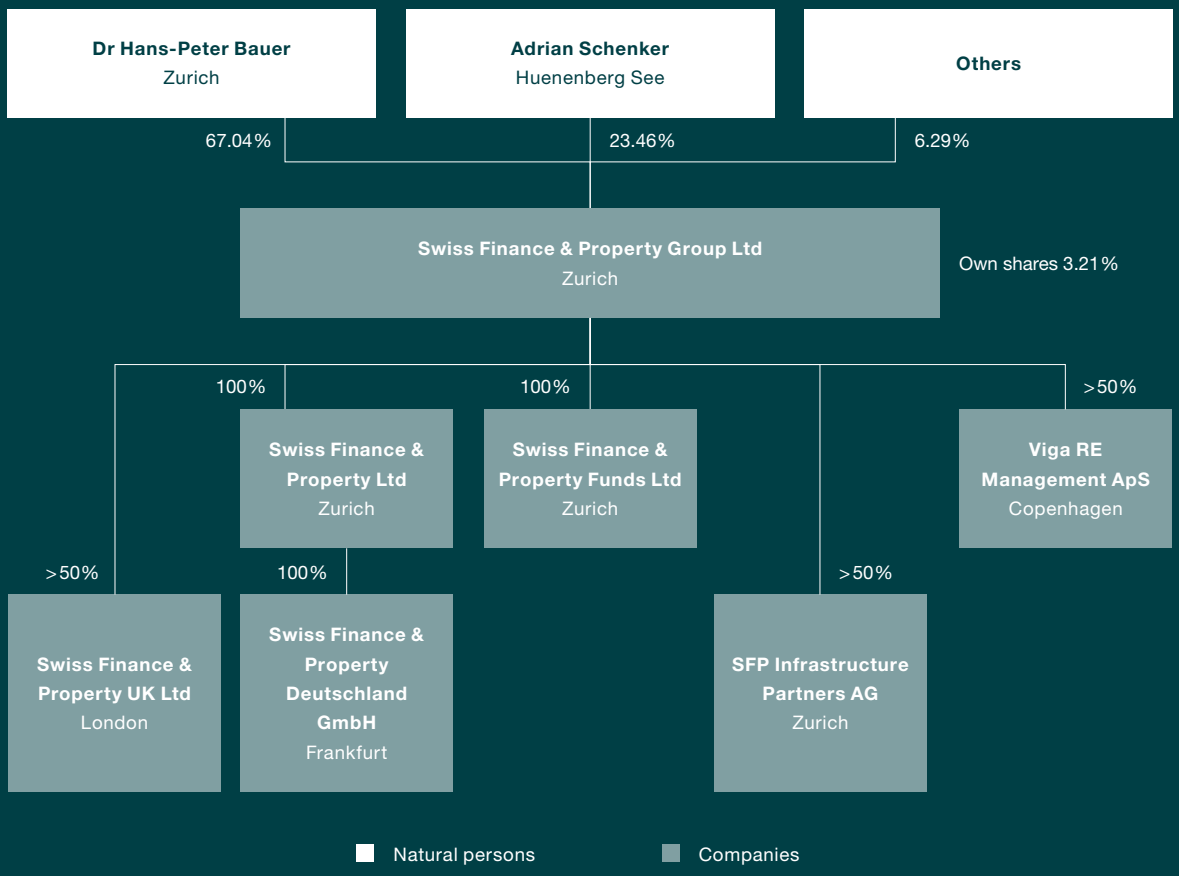
SFP Group Ltd holds 100% of the registered shares of the two subsidiaries Swiss Finance & Property Ltd (SFP Ltd) and Swiss Finance & Property Funds Ltd (SFP Funds Ltd). The respective annual financial statements are consolidated in the Group financial statements. SFP Ltd in turn holds 100% of the shares of Swiss Finance & Property Deutschland GmbH in Frankfurt.

[1] Swiss Financial Market Supervisory Authority FINMA

The SFP Group is the majority shareholder in the Danish real estate asset manager Viga RE Management ApS (Viga RE). This company is registered with the Danish Financial Supervisory Authority as an alternative investment fund manager (AIFM).

SFP Infrastructure Partners Ltd (SFP IP), in which the SFP Group holds a majority stake, is an investment advisor based in Switzerland that focuses on traditional infrastructure investments around the world. The company provides access to investments in sustainable energy, telecommunications, transportation and utilities.

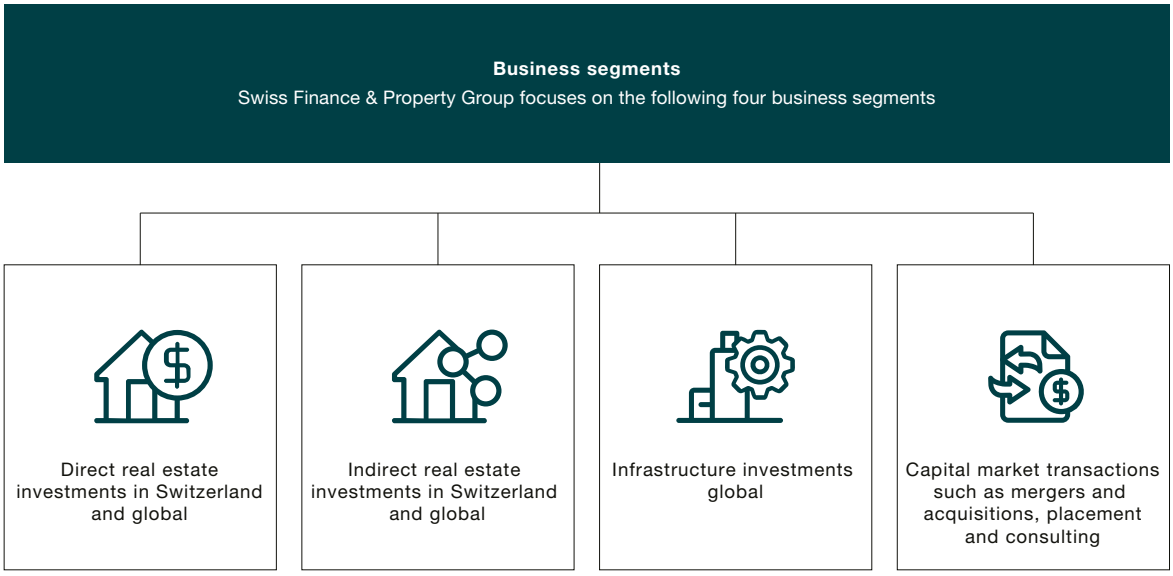
Swiss Finance & Property UK Ltd (SFP UK), a subsidiary of SFP Group Ltd, is headquartered in London and focuses on investments in the residential sector, primarily in the build-to-rent sector, but also in the medium term with a view to broader Core-plus opportunities.


Dr Hans-Peter Bauer
Zurich
Adrian Schenker
Huenenberg See
Others
67.04%
23.46%
6.29%
Swiss Finance & Property Group Ltd
Zurich
Own shares 3.21%
100%
100%
>50%
Swiss Finance & Property Ltd
Zurich
Swiss Finance & Property Funds Ltd
Zurich
Viga RE Management ApS
Copenhagen
>50%
100%
>50%
Swiss Finance & Property UK Ltd
London
Swiss Finance & Property Deutschland GmbH
Frankfurt
SFP Infrastructure Partners AG
Zurich
Natural persons
Companies

# Business Model

The core business of the SFP Group comprises asset management of direct and indirect real estate and infrastructure investments as well as capital market transactions, placement and advisory services. Activities span different regions, including Switzerland, Germany, the United Kingdom and Denmark (see “Corporate Structure”). The customers of the SFP Group include both private and institutional investors.

We provide our services in cooperation with numerous business partners, such as property management firms, consultants, banks, auditing firms, insurance companies, IT providers, real estate valuation firms, construction companies and developers.



## Direct Real Estate Investments

Direct real estate investments refer to investments where the real estate is physically acquired and held directly in the portfolio.

"Direct" listed real estate funds include the three funds focusing on sustainable residential use (SF Sustainable Property Fund), retail (SF Retail Properties Fund) and commercial properties (SF Commercial Properties Fund). SF Urban Properties Ltd is a real estate company listed on SIX Swiss Exchange. It is not part of the SFP Group. Under a service agreement, the company has delegated asset management to SFP Funds Ltd. The SFP AST Swiss Real Estate investment group of the SFP Investment Foundation offers investment opportunities in direct real estate investments exclusively for Swiss pension funds. In addition, under "Investment Solutions Direct Mandates", provide fiduciary portfolio and asset management services for various pension funds and employee benefit foundations.

The SFP Group, SFP UK Iberian Hotel Operations Ltd (SFP UK Holdco) and Redevco B.V. (Redevco) entered into a joint venture and equity transaction in the lodging sector at the beginning of 2024. SFP UK Holdco holds a majority stake in a seed portfolio consisting of six properties in Spain and Portugal (EUR 76.6 million), which will be realigned and repositioned to create modern and sustainable tourist accommodation.

| | SF Commercial Properties Fund | SF Retail Properties Fund | SF Sustainable Property Fund | SF Urban Properties Ltd[2,3] | SFP AST Swiss Real Estate[2] | Direct Mandates[4] |
|---|---|---|---|---|---|---|
| Number of properties 2024 | 16 | 87 | 103 | 50 | 44 | 167 |
| Number of properties 2023 | 16 | 83 | 107 | 47 | 37 | 168 |
| Total assets in CHF million 2024 | 286 | 1 028 | 1 464 | 873 | 849 | 1 401 |
| Total assets in CHF million 2023 | 310 | 904 | 1 470 | 746 | 684 | 1 336 |

[2] Asset management delegated to SFP Funds Ltd
[3] Number and asset value of investment properties
[4] This ESG Report of the SFP Group does not provide any further information on "Direct Mandates", as an individual ESG report is prepared for customers for this purpose.

## Indirect Real Estate Investments

Unlike direct investments, indirect real estate investments refer to investments in real estate funds, companies, investment groups or other financial instruments that invest in real estate. The “indirect” real estate funds include SF Property Securities Fund and SF Property Selection Fund. Individual asset management mandates are also an important aspect of this business area. The two investment groups of the SFP Investment Foundation are exclusively available to Swiss pension funds: SFP AST Global Core Property Hedged CHF/Unhedged.

| | SFP AST Global Core Property Unhedged | SFP AST Global Core Property Hedged CHF | SF Property Selection Fund | SF Property Securities Fund | Indirect Mandates |
|---|---|---|---|---|---|
| Total assets in 2024 in CHF million | 19 | 155 | 303 | 642 | 3187 |
| Total assets in 2023 in CHF million | 22 | 156 | 152 | 505 | 2188 |

## Infrastructure Investments

Infrastructure investments are managed by SFP Infrastructure Partners Ltd (SFP IP). It pursues integrated and thematic investment advice in the traditional infrastructure segment, combining primary, secondary and direct investments to ensure efficient portfolio construction. In terms of sectors, SFP IP pursues a niche approach that grants access to infrastructure assets in the sustainable energy, communications, transport and utilities sectors and helps make customer portfolios more resilient. At the end of 2024, the portfolio built up by SFP IP had assets under management of approximately CHF 107 million and is a fast-growing segment within the SFP Group.

## Capital Market Transactions

The Corporate Finance & Capital Markets team offers specialised services for institutional customers. It assists issuers in structuring and launching new real estate investment vehicles, from equity and debt financing right through to ongoing investor support. This includes supporting IPOs. Advisory services are also offered for third parties. The Securities Trading & Brokerage department facilitates on- and off-market trading and market making and serves institutional customers as a broker. Our specialists provide customers with access to comprehensive market information and trading opportunities.

# Sustainability at the SFP Group

## Sustainable investments protect the environment and promote the common good

SF Urban Properties Ltd, Walzwerk site, Münchenstein: The renovation of the J3 building on the Walzwerk site was completed in 2024. The aim was to preserve the industrial character of the building while implementing energy efficiency improvements for two restaurants and a commercial space. These include a new roof structure, improved insulation, new windows and more efficient underfloor heating.

# Organisational Anchoring in the Company

The ESG Steering Committee is responsible for climate and sustainability topics within SFP Group Ltd. This Committee is chaired by the CEO, who reports directly to the Board of Directors of SFP Group Ltd (hereinafter referred to as the “Board of Directors”).

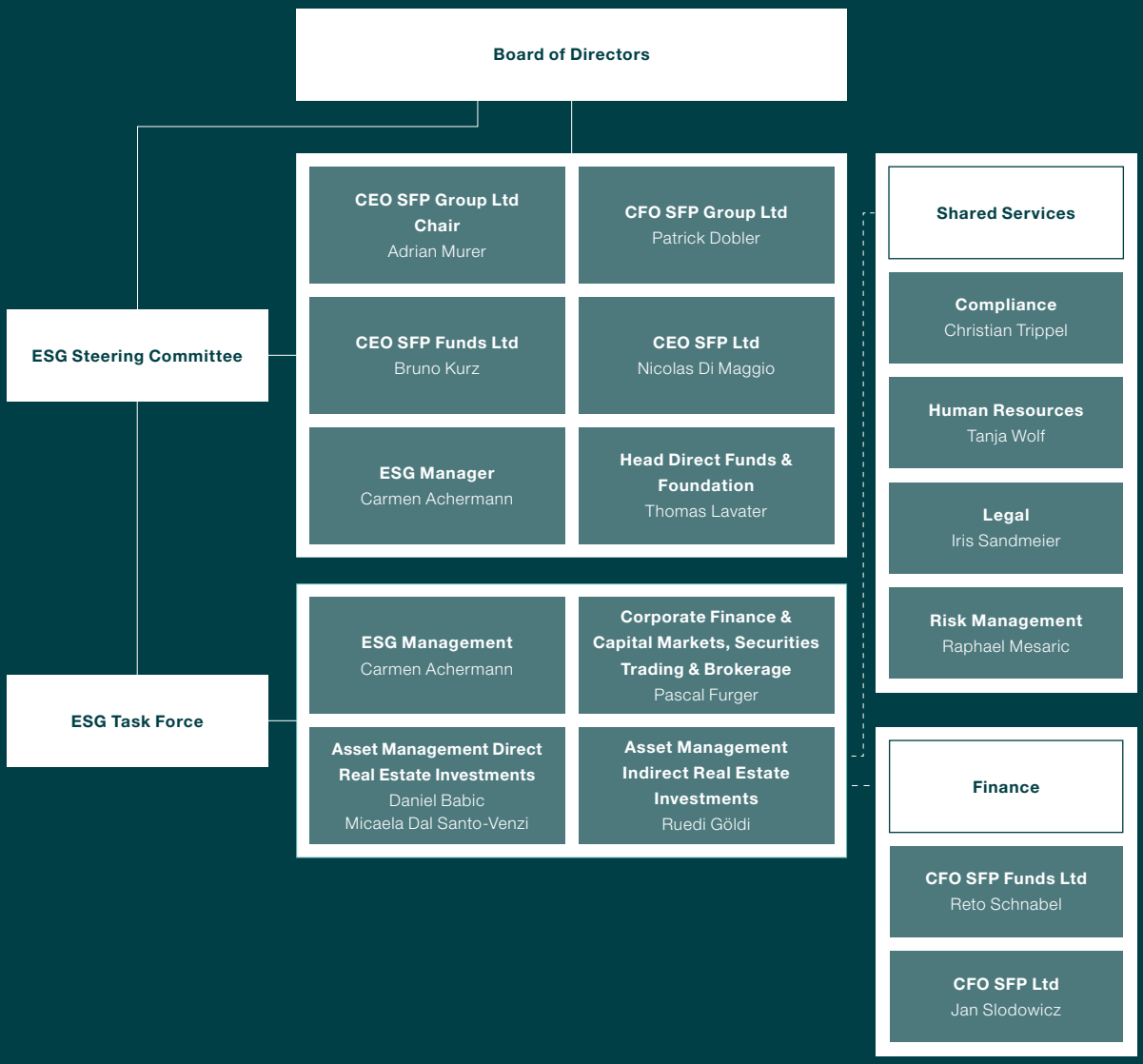
The ESG Task Force, which is headed by the ESG Manager, plays an important part in ESG integration. This Task Force develops proposals and initiates projects on current sustainability topics and submits them either to the ESG Steering Committee or the Executive Board. Once these have been approved, it is responsible for the operational implementation of the measures.

To ensure that the sustainability strategy is broadly anchored, representatives from various departments are involved in the process. Regular dialogue between the CEO and the ESG Manager and advice from independent Group functions and the CFO ensure transparent and efficient communication.

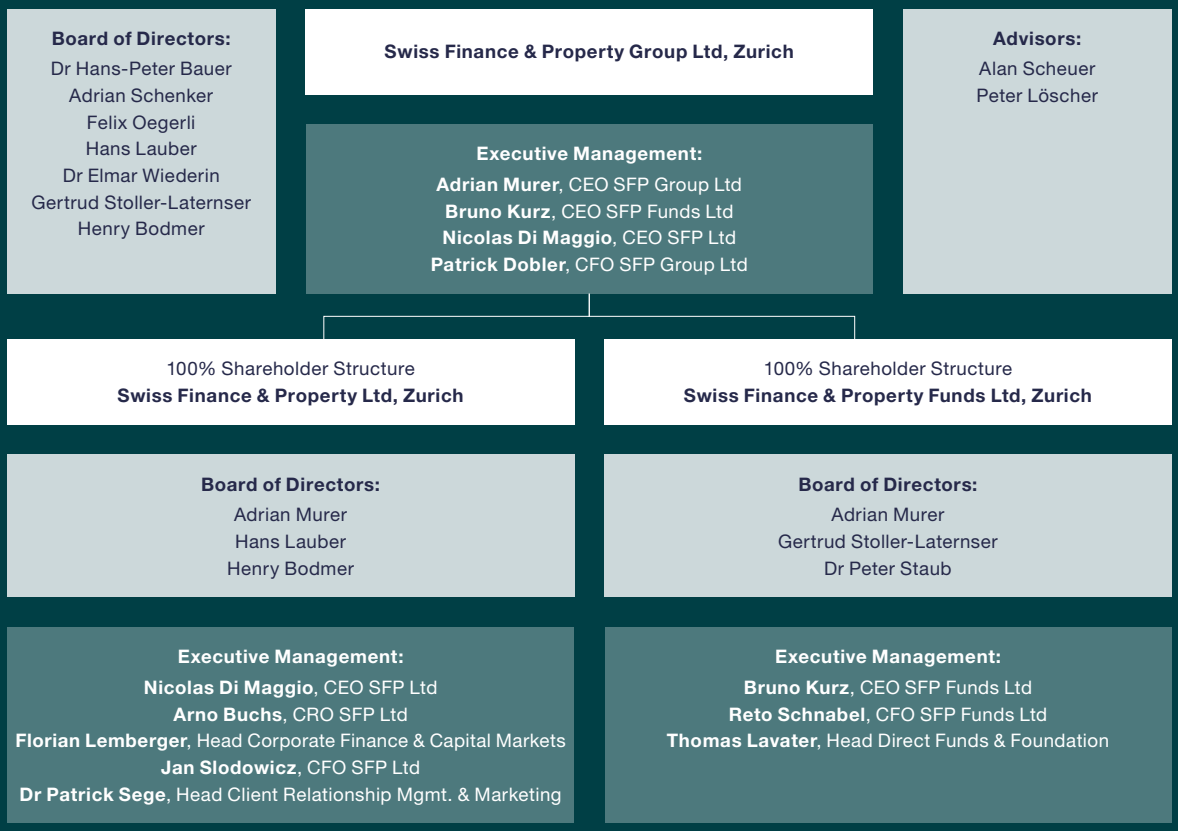
The CEO is responsible for the strategic integration of sustainability topics, while the CFO is responsible for financial integration.

> Our sustainability policy expresses a holistic approach.

## ESG Organisational Organigram



## Governance Structure



## Board of Directors

The Board of Directors (BoD) is responsible for the ultimate management, supervision and control of the Group Board and the Group companies in accordance with the requirements of the law and the Articles of Incorporation. It does so in a way that ensures appropriate corporate governance within the Group. The BoD defines the strategic objectives and decides on the financial and human resources required in this respect. It is also responsible for appointing the members of the Group Board. The highest governance body is chaired by Dr Hans-Peter Bauer, Chairman of the Board of Directors. Eight of the nine members of the Boards of Directors of the SFP Group companies are non-executive members. The exception is Adrian Murer, who is both CEO of SFP Group Ltd and Chairman of the Board of Directors of SFP Ltd and SFP Funds Ltd. Thomas E. Kern stepped down from the Board of Directors of SFP Group Ltd in the reporting year. Felix Oegerli was elected as a new member.

The Board of Directors regularly assesses whether the Board has the necessary expertise. In addition to subject expertise, the focus is also on independence, the avoidance of conflicts of interest and diversity within the BoD. These criteria also play a key role when selecting new members.

## Board of Directors' Focus on Sustainability

Sustainability is an integral part of the work of the Board of Directors. ESG (environmental, social and governance) matters are dealt with in a separate agenda item in Board meetings and are discussed openly. For example, the Board of Directors approves the definition of material topics (see "Materiality"). The ESG Report is also presented to the BoD prior to publication. In addition, the Audit Committee regularly reviews the sustainability topics and carries out a critical evaluation.

Each year, the Board of Directors undertakes an assessment of its performance. The results are discussed and minuted. Potential for improvement is actively addressed and appropriate action identified.

## Executive Board

To the extent permitted by law and the Articles of Incorporation, the overall management of the company is delegated by the Board of Directors to the Executive Board. The Group Board has overall responsibility for developing the strategy of the SFP Group and its divisions and implementing the strategies approved by the Board of Directors. In particular, its remit includes formulating the principles of the Group-wide general business and risk policy, corporate plans, corporate objectives, investment policy, the overall concept for Group-wide risk management and the budget for the attention of the Board of Directors, as well as their implementation. In addition, the members of the Executive Board are authorised to represent the company externally. The "Organisational Anchoring" chapter describes how the Executive Board and the members of the ESG Steering Committee are involved in ESG topics.

Matthias Gattiker left the SFP Group in 2024 and is therefore no longer member of the Executive Board of SFP Ltd. Arno Buchs is a new member.

## Remuneration Policy

The remuneration policy is described in the Group directive on the remuneration system and can be accessed online. The directive sets out the principles of the Group-wide remuneration system and defines the remuneration policy of the SFP Group.

The remuneration of the Executive Board and employees consists of a basic salary and a performance-related variable component (cash only). There are no provisions for severance payments and repayment obligations in the event of termination.

The remuneration policy of the SFP Group is designed such that it does not encourage excessive risk-taking, avoids conflicts of interest and promotes the long-term success of the company. The consideration of sustainability aspects in the remuneration system has an impact on the bonus components.

The remuneration of the members of the Board of Directors and its committees is fixed for each period and is not linked to performance components. This is purely basic remuneration, which is paid in cash. It includes a basic fee and, if applicable, an expense allowance, but does not include bonus payments or other financial benefits. Board members with additional functions within the SFP Group or as shareholders are an exception.

The remuneration of the Board of Directors and the Executive Board is regularly reviewed, revised and determined in line with the strategic objectives of the SFP Group.

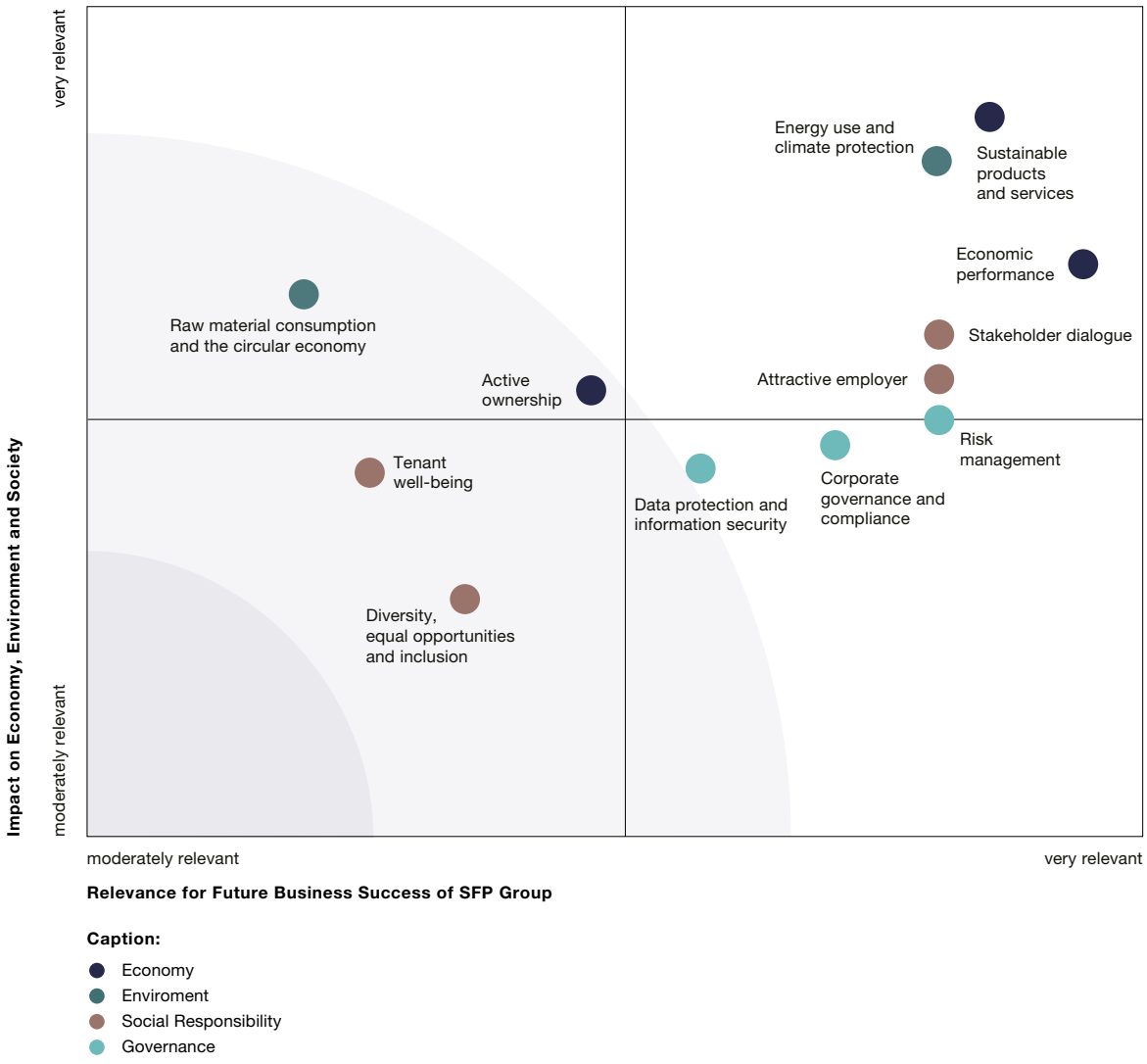
# Materiality

The SFP Group identified the sustainability topics that were important to it for the 2021 ESG Report as part of a detailed materiality analysis. Based on the GRI Standards, ESG ratings and an analysis of competitors, the impact of the SFP Group on its ESG environment (inside-out impact) and the impact of the ESG environment on the organisation (outside-in impact) were recorded and compiled in a comprehensive list of potentially material topics. This list was consolidated with a view to the SFP Group and its business model. The impact assessment was carried out by selected stakeholders as part of a survey. The management of the SFP Group assessed the impact of these topics on business relevance. The resulting materiality matrix was finally checked for plausibility and validated by the management of the SFP Group in a workshop.

During the reporting year the members of the ESG Task Force (see “Organisational Anchoring in the Company”) checked the plausibility of the positioning of the material topics and partly adjusted them. We consider the topic of economic performance to be more relevant, as our economic conduct forms the basis for all our activities. We perceive from dialogue with our most important stakeholder groups that the topics of stakeholder dialogue, active ownership, raw material consumption and the circular economy are being increasingly discussed and are thus becoming more relevant. Ultimately, the regulatory burden on sustainability topics is increasing, so we also rate the topic of corporate governance and compliance as more relevant than in the previous year. Hence the positioning on the materiality matrix of these four topics has changed slightly.

The topic of living spaces with character now falls under tenant well-being. Ethical management has been combined with the topic of corporate governance and compliance. As a result, twelve topics are now classified as material. Both the ESG Steering Committee and the Board of Directors discussed and formally confirmed these changes.

**Materiality Matrix of the SFP Group**



# ESG Strategy

In its corporate strategy, the SFP Group pursues three ambitions that determine the direction of the company:

- Together with its fund management company and securities firm, the independent SFP Group specialises in the entire value chain of real estate and infrastructure investments
- Combination of real estate and financial market expertise
- Sustainable and steady growth in assets under management

We pursue sustainable and steady growth within the framework of our strategic foundation. It is important for the SFP Group as a leading independent real estate asset manager to consider ESG aspects in investment decisions and portfolio management. Since 2020 we have been pushing ahead with their integration into our operational investment and decision-making processes.

We depict our sustainability strategy as a house (see graphic below). Our core values form its foundations:

- Exemplary corporate governance
- Compliance with laws and regulations
- (Climate) risk management
- Ethical behaviour as a company
- Integrity and transparency

The four strategic pillars of products, customers, the environment and social responsibility are built on these. The core values form the basis for the credibility of our four strategic pillars and are key to the reputation of the SFP Group. They oblige us to act responsibly – both in environmental matters and towards our employees and society and in corporate governance.

## The ESG Sustainability House

The SFP Group takes ESG criteria into consideration in its products and business activities. We thus take responsibility for our impact on the environment, society and the economy, and continuously reduce our environmental footprint.

### Our Ambition

| Products | Clients | Environment | Social Responsibility |
|---|---|---|---|
| The SFP Group consistently takes sustainability into consideration throughout its entire product portfolio. | Transparent and trustworthy ESG reporting for clients and other stakeholders. | Active reduction of the negative environmental impact of our investment products. | Maintenance of a secure, innovative, inclusive and inspiring work environment. We maintain open communication. |

### Our Commitment

| | | | |
|---|---|---|---|
| Our investment products are rated with regard to their social and environmental sustainability. Directly held properties report their $CO_2e$ emissions and endeavour to continously reduce them. | Supporting stakeholders and offering training on ESG criteria to employees who deal with clients, and practising active ownership as an investor. | We are halving our operational $CO_2e$ emissions (Scope 1 and 2) across all our direct products and reducing our energy consumption in comparison to 2019 by 2030, investing in renewable energy sources and procure at least 50% of our electricity from renewable sources. | We promote active dialogue with our stakeholders and empower our employees to do their best. We aim to have an employee turnover rate of less than 18% by 2030 and have zero tolerance of discrimination. |

### Our Core Values / Governance

With ethically sound and exemplary corporate governance as a basis, we comply with all applicable statuory, environmental and social requirements. Thanks to our comprehensive precautionary meausures, our risk management activities are well founded, robust and also take climate-related risks into consideration. Not only do we not tolerate corruption and give our employees regular training on guidelines and procedures for tackling it, we also expect our business partners to do the same.

# Stakeholder Engagement

The SFP Group conducts all business with customers, agents, suppliers and partners fairly and in good faith. This requires all parties involved to adhere to the principles of integrity, honesty and transparency and to avoid unfair advantages over customers, agents, suppliers or competitors.

The list of stakeholders of the SFP Group is reviewed annually and adjusted if necessary. Our most important stakeholders are listed in the table below and in the chapters indicated.

| Stakeholder Group | Involvement/Commitment | Topics and Concerns |
|---|---|---|
| Employees | See the chapters on “Attractive Employer” and “Diversity, Equal Opportunities and Inclusion”. | |
| Shareholders | The SFP Group creates an attractive environment for shareholders and promotes their sustainable participation. | Shareholders want transparent reporting, including in relation to sustainability. |
| Private and institutional customers | See the chapter on “Sustainable Products and Services”. | |
| Construction companies/ developers | Direct real estate investments are the subject of regular, informal discussions at industry events, when acquiring projects and during tenders for construction services. | Building contractors value a cooperative relationship with the SFP Group. Contact is maintained at various industry events. In the project acquisition and investor search phase, developers expect informal dialogue with the SFP Group. |
| Financial service providers | An intensive dialogue is maintained with individual providers of investment solutions. The timing is based on the publication of the annual and semi-annual reports and ad hoc events. | Open, active and transparent dialogue leads to trusting and efficient collaboration. This dialogue not only makes it possible to obtain information on the business performance of the individual investment vehicles, but also to examine non-financial aspects. Mutual expectations with regard to the content of reporting can be exchanged and coordinated. |
| Tenants (private and commercial) | See “Tenant Well-Being”. | |
| Municipalities, authorities, politicians, public sector | All direct real estate investment vehicles apply for a certain number of building permits each year. For this it is essential to involve the authorities in the planning processes at an early stage. | Topics include preliminary investigations for construction projects, planning applications and approval, adjustments to requirements arising from planning applications, district planning procedures across all levels such as the site development committee, the municipality’s building department, the municipal assembly and the cantonal council. Municipalities can benefit from the SFP Group’s expertise in various sustainability-related topics (see “Tenant Well-Being”). |

| Stakeholder Group | Involvement/Commitment | Topics and Concerns |
|---|---|---|
| Neighbourhood, local community | Depending on the situation, we proactively establish contact with property owners in the immediate vicinity to jointly address important issues and prepare projects. | The local community wants good neighbourly relations. They are informed about major changes and construction strategies and are involved in the process of finding good solutions. |
| Media | There is regular contact with the main media and news agencies. | Media representatives want to be able to raise environmental and social concerns on a basis of trust. This leads to regular background discussions and publications in all major media in Switzerland. |
| Rating agencies, analysts | Informal dialogue; contact with advisors, initiatives and rating agencies is mainly maintained by the Client Relationship Management team and the members of the ESG Task Force. | The majority of analysts in the financial sector take ESG criteria into account. They are therefore dependent on up-to-date reporting and the disclosure of comparable information. ESG stakeholders and advisors appreciate ongoing contact. |
| Initiatives (GRESB, UNPRI, etc.) | As a signatory of the United Nations Principles for Responsible Investment (UNPRI) and a GRESB (Global Real Estate Sustainability Benchmark) investor and participant member, the SFP Group maintains contact with interest groups and idealistic investor initiatives. | The SFP Group can raise concerns with the relevant contact persons or provide feedback on reports and processes. The initiatives provide an opportunity for training courses, working groups and surveys with evaluations. |
| Real estate managers | Real estate managers are in direct contact with tenants, and also regularly with the SFP Group as the owners' representative. Contact between the SFP Group and the real estate managers is generally handled by our asset managers. | Real estate managers are kept informed of the sustainability strategies of the individual products and implement these within their sphere of influence (e.g. green lease clauses). In some cases, they have their own sustainability strategies. |
| Informal working groups | Working groups cooperate with interested parties to develop solutions that, in addition to bringing market players together, also include the relevant transfer of knowledge to the industry organisations. | Current developments and upcoming regulations in the area of sustainability are addressed. |

# Global Real Estate Sustainability Benchmark (GRESB)

## Direct Real Estate Investments

In 2024 SFP Funds Ltd published the GRESB results for the five direct real estate investment vehicles for the second time.

| | SF Commercial Properties Fund | SF Retail Properties Fund | SF Sustainable Property Fund | SF Urban Properties Ltd | SFP AST Swiss Real Estate |
|---|---|---|---|---|---|
| GRESB rating | **** | *** | **** | **** | *** |
| GRESB score | 85 out of 100 | 80 out of 100 | 85 out of 100 | 82 out of 100 | 81 out of 100 |

## Indirect Real Estate Investments

The Group company SFP Ltd has been a GRESB Investor Member since 2021 and can evaluate a large part of its Swiss and all global indirect investments individually and in aggregate using the GRESB portfolio analysis tool. All products achieved results in line with the market.

| | SFP AST Global Core Property Hedged CHF/Unhedged | SF Property Selection Fund | SF Property Securities Fund |
|---|---|---|---|
| GRESB rating | **** | **** | **** |
| GRESB score | 85 out of 100 | 85 out of 100 | 85 out of 100 |
| Degree of coverage[5] | 100% | 72% | 69% |

[5] The degree of coverage refers to the assets under management that are covered by a GRESB rating.

# Economy

## Economic Responsibility for a Sustainable Future

SF Sustainable Property Fund, Luzernerring 148, Basel: The energy efficiency measures included renovating the façade and roof, including thermal insulation, and replacing all windows. The building draws its heat from the municipal district heating network. All building services were also renewed, thereby increasing the attractiveness of the property.

# Sustainable Products and Services

## Approach

The real estate sector occupies a prominent position when it comes to sustainability, on the one hand due to its large demand for resources and high greenhouse gas emissions, and on the other due to its great economic and social importance. As the SFP Group wants to live up to its responsibility and actively contribute to a sustainable future, all its business areas are committed to sustainability. The company meets the demands placed on it and promotes its own economic success.

Our institutional customers in particular expect us to manage their investments carefully and provide a trustworthy ESG report, including environmental indicators as well as aspects of corporate governance and social issues. Pursuing sustainable real estate development means being aware of the conflicting objectives between the environmental, economic and social dimensions of sustainability and weighing these up when making investment decisions.

## Key Areas of Action and Progress

### SFP Group

**Transparent Information and Dialogue**

We aim to inform our stakeholders regularly about the sustainability performance of our products. We do this by publishing our annual SFP Group ESG Report, the sustainability sections in the annual reports of the individual products, and by being a member of the UNPRI investor initiative.

### Direct Real Estate Investments

**Full Transparency at Product Level**

Our customers expect us to present the products transparently, integrate ESG criteria into valuation and investment processes, and publish detailed information on ESG performance. Sustainability reports including the reduction path for energy intensity and greenhouse gas emissions have been published for each investment vehicle since 2020. In accordance with the recommendation of AMAS (Asset Management Association Switzerland), the environmental indicators were calculated using the methodological principles of REIDA (Real Estate Investment Data Association). In addition, the SFP Group once again published the GRESB reports for the five direct real estate investment products in the reporting year. Responsibility for this ESG focus lies with the portfolio managers in charge of selecting and assessing investments.

**Integration of Sustainability Aspects Into the Product Portfolio**

The data and reduction path of the real estate investment vehicles managed by us are revised annually by a specialist partner and allow us to calculate the reductions in $CO_2e$ emissions and resource consumption per property. By laying this groundwork, we are increasing transparency for investors and creating the basis for focused, sustainable product development (see also “Energy Use and Climate Protection”).

**ESG Approaches in Our Direct Investment Products**

SF Sustainable Property Fund follows the sustainability approaches of environmental impact investing, ESG integration and negative screening. SFP AST Swiss Real Estate, SF Retail Properties Fund and SF Commercial Properties Fund apply the climate-alignment sustainability approach. Their sustainability strategies aim to gradually optimise the properties in terms of defined environmental criteria. ESG requirements are taken into account throughout the entire investment process across the real estate life and investment cycles. Further information can be found under the product links of the SFP Group.

The listed company SF Urban Properties Ltd also strives to continuously optimise its existing portfolio in terms of economic, environmental and social

criteria. By integrating ESG criteria into all management processes, the company wants to make a long-term contribution to society and the environment. Further information can be found at sfurban.ch.

## Indirect Real Estate Investments

**Indirect Real Estate Investments Are Aligned with Current Sustainable Investment Approaches**

For our indirect investments in real estate, we have been screening potential target funds and companies for ESG criteria since 2019 and incorporate the insights gained into our investment decisions. We continually question and review our sustainable investment approach (see "Energy Use and Climate Protection"). For example, we have taken up the revised AMAS self-regulation on transparency and disclosure for sustainability-related collective assets (version 2.0) and clarified the sustainable investment approaches chosen. Incorporation into the fund contracts of the indirect funds took effect at the start of 2025. The analysis of published ESG reports is supplemented by dedicated commitments. This means that not only key figures and reduction path are taken into account, but innovative solutions are considered too. We demand comparable environmental indicators from all funds and companies. For foreign providers, we rely on the GRESB rating system, which covers all target funds and thus allows for a comprehensive sustainability assessment. Wherever possible, we rely on GRESB for domestic providers. In addition, we expect everyone to commit to the net-zero target.

**ESG Approaches in our Indirect Investment Products**

SF Property Securities Fund and SF Property Selection Fund pursue the sustainable investment approaches of ESG integration, exclusions and stewardship (active ownership), in consideration of engagements, voting and climate focus. SFP AST Global Core Property Hedged CHF/Unhedged also implements an ESG engagement approach and creates comparability through full coverage with GRESB reports.

**Encourage Constructive Exchange**

Our engagements increase the awareness and appreciation of responsible investment among our stakeholders and contribute to an in-depth and differentiated examination of the topic of sustainability. Discussions with all providers are based on an evaluation of environmental indicators, GRESB reports and individual sustainability reports. At the same time, our contribution to making discussions more objective is an incentive for providers to improve the quality and comparability of their reporting.

Calculating the environmental indicators as recommended by AMAS in accordance with the methodological principles of REIDA helps improve comparability. Our policy on voting is based on the guidelines of the Swiss Stewardship Code.

# Economic Performance

## Approach

Sustainable growth and stable returns guarantee the survival of our company. The SFP Group can only have a sustainable impact if it generates a satisfactory return for its investors. Continuously optimising efficiency and synergy potential is key to improving our economic performance and ensuring the long-term impact of our sustainability activities.

## Key Areas of Action and Progress

### SFP Group

**Profitability in the Interests of all Stakeholders**

Economic efficiency and profitability are of great importance to us and our stakeholders (shareholders, business partners, customers, investors, real estate users). Our decisions influence the value created in the form of returns, taxes, wages, dividends and payments to suppliers.

- In the reporting year, we generated positive returns for investors and shareholders. The returns for the indirect products were well above the benchmarks.
- The value of services purchased amounted to CHF 60.7 million.
- Our employees received remuneration totalling CHF 27.5 million.
- Expenditure on taxes and levies amounted to CHF 9.2 million.

Our main stakeholders – the investing Swiss pension funds – attach the greatest importance to stability and returns, as they invest employee pension assets for the long term. All other customer relationships are also geared towards the long term. Accordingly, we want to offer risk-adjusted outperformance – measured across different market cycles.

We use two tools to check how we are improving our economic performance:

- We do a budget/actual comparison and carry out market benchmarking analyses.
- We set specific performance objectives for the organisation and expand the performance indicators.

The challenges lie in continuously improving the risk-adjusted performance and the additional costs for sustainability investments.

### Direct Real Estate Investments

Falling interest rates, ongoing immigration and rising employment have brought the real estate investment market back into the focus of investors. The distribution yields of all direct real estate funds are above the benchmark.

### Indirect Real Estate Investments

Indirect funds for Swiss real estate investments once again outperformed in 2024. The targets set against the peer group were achieved.

At the LSEG Lipper Fund Awards 2024 Switzerland, the two indirect real estate funds were honoured in the Equity Sector Real Estate Europe category: SF Property Securities Fund as the best fund over three years and SF Property Selection Fund as the best fund over five years. This is the second award in a row.

### Infrastructure Investments

SFP IP successfully raised funds for its first infrastructure fund in 2024, benefiting from the growth and momentum in the infrastructure secondary market. The performance was positive.

# Active Ownership

## Approach

The SFP Group exercises shareholder rights on behalf of investors. In doing so, it takes account of verifiable sustainability criteria and thus makes a positive contribution. ESG aspects are incorporated through the exercise of voting rights. We provide input relating to boards of directors, climate strategy and monitoring. For example, we consider it a good idea for a board of directors to have a range of skills. In the interests of sustainable succession planning, we set limits on terms of office. The climate strategy should have clearly defined and measurable reduction targets, and progress in achieving these targets has to be reported regularly. In this way, the SFP Group ensures that we invest in companies which set themselves sustainability targets and report on progress in implementing them.

## Key Areas of Action and Progress

### Indirect Real Estate Investments

**Stewardship**

In addition to voting, our stewardship (active ownership) sustainable investment approach also relates to engagement. We combine these opportunities to achieve long-term financial, environmental and social benefits.

**Voting**

The actions of the SFP Group are driven by investors' interests. It goes without saying that we always exercise voting rights in indirect real estate funds. The SFP Group has defined its fiduciary obligations in an internal directive and accompanying guidelines on the “Exercise of Voting Rights” and published these on its website. The document is based on the requirements of the Swiss Stewardship Code and certain criteria of economiesuisse’s Swiss Code of Best Practice for Corporate Governance 2023.

When voting, after thorough consideration we generally follow the proposals of a company's board of directors, as the board is responsible for the company’s economic survival and progress. We pay close attention to the composition of boards of directors. We not only attach importance to regular renewal and a balanced composition of the board of directors, but also to the available sustainability expertise. We also expect a verifiable commitment to the achievement of the net-zero target. The Compliance department monitors the observation of the guidelines as part of its annual audits.

**Engagement**

We see our constructive engagements as a fiduciary duty and create trust and an in-depth understanding of investor needs in terms of sustainability. In the reporting year, we carried out 29 engagements and saw positive developments from all providers. Thematic focal points included data quality and commitment to the achievement of the net-zero target by 2050. We also addressed the significance of greenhouse gas reduction path, dealing with grey energy, the concepts of the circular economy and the protection of biodiversity.

In the case of individual asset management mandates, voting rights may be exercised by the customers themselves or by proxies appointed by them.

**Careful Monitoring of ESG Criteria**

During the reporting year, the SFP Group subjected all indirect real estate investments to an environmental and social audit.

# Environment

## Energy Efficiency as Lever for Sustainable Real Estate Development

SFP AST Swiss Real Estate, Route de Troinex 71, Troinex: The property with 27 apartments is part of the Parc des Crêts development, which was designed to offer its residents a privileged living environment between the city and the countryside. The Parc des Crêts is characterised by a very high energy standard (“très haute performance énergétique”, “THPE”). The entire development was planned and built from the outset as an ecologically sustainable development.

# Energy Use and Climate Protection

## Approach

The SFP Group is well aware of the responsibility of the real estate sector to help alleviate the negative impact of climate change. In all its investment decisions, the SFP Group attaches great importance to the decarbonisation of buildings. In the case of new buildings and total renovations, attention is paid to low $CO_2e$ emissions during construction and operation. For existing properties, the aim is to reduce $CO_2e$ emissions in accordance with the Federal Government's energy strategy and net-zero target for 2050. Our efforts in the area of energy efficiency can lead to cost reductions while at the same time strengthening our market position so that our long-term business success can be secured.

## Key Areas of Action and Progress

### Direct Real Estate Investments

The most important areas of action for reducing greenhouse gas emissions are heat generation and the building envelope. The net-zero target by 2050 should primarily be reached by replacing fossil fuels, expanding photovoltaic plants and energy-related refurbishments to increase building energy efficiency.

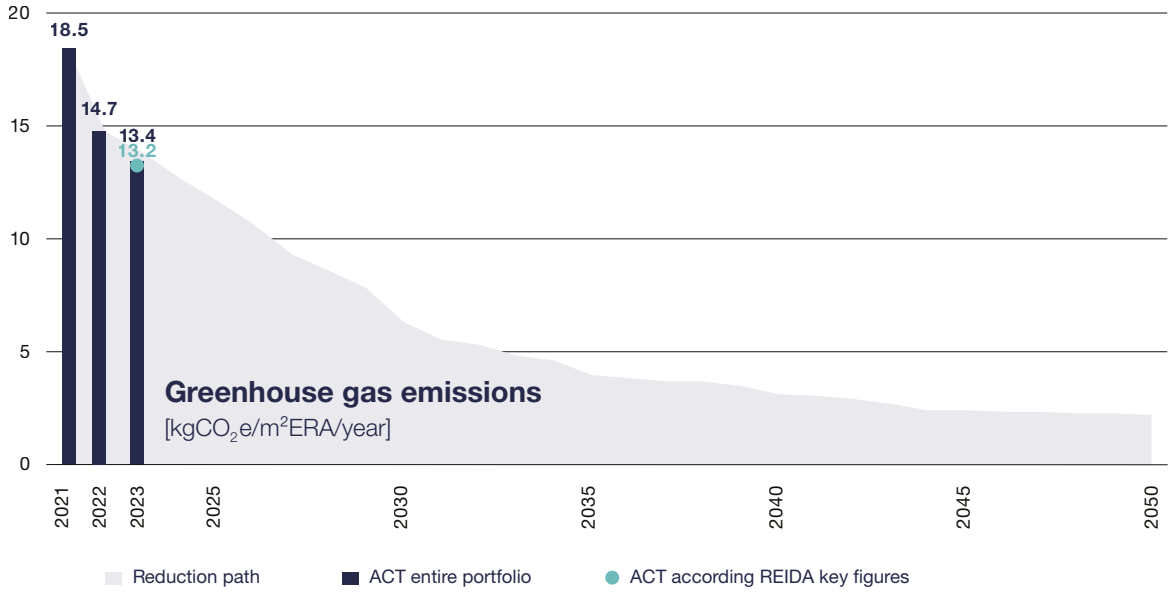
In terms of achieving the climate target, our focus is on monitoring the measures and their impact. If necessary – for example, if the composition of a real estate investment vehicle changes due to purchases and/or sales – the planned measures can be adjusted. To this end, energy consumption data is collated annually by a specialist partner, and used to calculate the greenhouse gas emissions of all properties directly held or managed by the SFP Group. The trend in energy consumption and greenhouse gas emissions is disclosed for each portfolio in the "Sustainability Report" section of the respective annual reports.

When it comes to new-build projects, we are guided by SIA standard 112/1 "Sustainable Building – Structural Engineering" and the fact sheets on green building according to the building cost plan (eco-BKP) issued by the eco-bau association, which has set itself the goal of promoting green and healthy building.

**Reduction Path Pave the Way**

A sustainability cockpit has been set up for the focal topic of climate protection, permitting an annual review of KPIs, an energy-related portfolio analysis and long-term planning of renovation measures. The reduction path for greenhouse gas emissions shows the impact of the planned measures and the achievement of targets by 2050.

**Energy intensity reduction path total for direct investment products**



Based on current GHG emissions, reduction path for direct Scope 1 and indirect Scope 2 emissions are drawn up for each property and at Group level as part of the multi-year planning. The useful lives of the various building elements are shown for investment properties. When renovating the building envelope, we aim to meet the Minergie standard. We are also switching to green electricity and district heating where possible and installing photovoltaic systems if they make economic sense. The figures calculated specify the share of renewable district heating in accordance with the Swiss mix. Higher shares of renewable district heating were not taken into account.

Due to the fact that data is only available one year in arrears, the analysis of the SFP Group always refers to the previous year, i.e. 2023. Owner- and tenant-controlled properties were taken into account. Construction projects and new acquisitions are excluded from the analysis. For better comparability, properties with insufficient data coverage are also included in the graph showing the $CO_2$e-intensity reduction path.

**Measures Carried Out and Some Sample Projects**

In 2024, the SFP Group

- generated more than 2 200 MWh of solar power on the properties in its portfolios, i.e. 140% more than in the previous year. completed ten new systems.
- optimised processes at 22 properties.
- switched 14 heating systems to renewable energy.
- implemented measures to improve the insulation values of the building envelope at six properties.
- installed charging stations for electric vehicles at five properties.
- certified 19 properties as “Buildings in Use” according to the Swiss Sustainable Real Estate Council (SGNI) and 87 properties with the Wüest Partner ESG Rating Plus.

The SFP Group offers properties for tenants with different financial perspectives. Under the current framework conditions, energy costs can be a decisive cost factor we are able to contain with targeted optimisation and renovation measures. To this end, we centralised purchasing for gas, oil and electricity in 2024, so tenants will benefit from lower heating and operating costs in future. SF Commercial Properties Fund also successfully replaced the oil heating system by a connection to the district heating network for the properties in Lyss and St. Gallen. In addition, installation and commissioning of a photovoltaic system in St. Gallen was completed.

The project of SFP AST Swiss Real Estate at Körnerstrasse/Badenerstrasse in Zurich aims to meet at least the Minergie-P-Eco standard, and SNBS certification is still under review. SNBS certifications are also being audited for the project of the SF Sustainable Property Fund at Brauerstrasse in St. Gallen.

Further details can be found in the “Sustainability Report” section of the respective annual reports.

**Energy Consumption and Greenhouse Gases at Product Level and in Total**

| | Unit | SF Commercial Properties Fund 2023 | SF Retail Properties Fund 2023 |
|---|---|---|---|
| Properties | Number | 12 | 54 |
| Energy reference area (total) | $m^2$ | 168 421 | 253 384 |
| Energy reference area (relevant) | $m^2$ | 127 109 | 194 273 |
| ERA degree of coverage | % | 75 | 77 |
| Total energy consumption | MWh/year | 7 353 | 15 312 |
| Energy intensity | kWh/$m^2$ERA/year | 57.8 | 78.8 |
| Share of renewables | MWh/year | 1 560 | 5 415 |
| Share of fossil fuels | MWh/year | 5 253 | 8 056 |
| Share of waste heat/anergy | MWh/year | 605 | 2 420 |
| | | | |
| $CO_2$e emission intensity Scope 1 and 2 | kg$CO_2$e/$m^2$ERA/year | 9.1 | 10.7 |
| $CO_2$e emission intensity Scope 1 | kg$CO_2$e/$m^2$ERA/year | 8.4 | 9.2 |
| $CO_2$e emission intensity Scope 2 | kg$CO_2$e/$m^2$ERA/year | 0.7 | 1.5 |
| $CO_2$e emissions Scope 1 and 2 | t$CO_2$e/year | 1 158 | 2 085 |
| $CO_2$e emissions Scope 1 | t$CO_2$e/year | 1 073 | 1 787 |
| $CO_2$e emissions Scope 2 | t$CO_2$e/year | 85 | 299 |

## Calculation Method

The SFP Group works with a specialist partner to continuously improve the data collection process. On the one hand, this is important for submitting the GRESB reports and calculating the reduction path of the individual products, and on the other, it improves the transparency and comparability of the data.

The environmental indicators according to AMAS were supplemented by a best practice to be applied by the end of 2024, meaning that comparisons with the previous year are only possible to a limited extent. A key difference from the previous year is the definition of the degree of coverage. The use of benchmark values in the REIDA heat certificate is excluded. The degree of coverage for the SFP Group is 83%. In addition, the varying heating periods from year to year are taken into account. As well as the climate correction, the monthly consumption values are scaled using a smoothing parameter.

The total surface area includes all properties that were in the portfolio during the 2023 reporting period (twelve months), excluding construction projects and new acquisitions.

| SF Sustainable Property Fund 2023 | SF Urban Properties Ltd 2023 | SFP AST Swiss Real Estate 2023 | Total |
|---|---|---|---|
| 83 | 40 | 28 | 217 |
| 312 162 | 136 216 | 108 481 | 978 664 |
| 274 343 | 130 188 | 85 555 | 811 468 |
| 88 | 96 | 79 | 83 |
| 28 437 | 13 242 | 7 575 | 71 919 |
| 103.7 | 101.7 | 88.5 | 88.6 |
| 5 936 | 4 895 | 2 258 | 20 064 |
| 21 212 | 6 618 | 4 440 | 45 579 |
| 1 289 | 1 729 | 1 100 | 7 143 |
| | | | |
| 17.1 | 12.8 | 13.0 | 13.2 |
| 16.3 | 10.3 | 11.2 | 11.9 |
| 0.7 | 2.4 | 1.8 | 1.3 |
| 4 684 | 1 660 | 1 112 | 10 699 |
| 4 482 | 1 346 | 961 | 9 649 |
| 202 | 314 | 151 | 1 051 |

Greenhouse gas emissions are broken down into emission scopes in accordance with the Greenhouse Gas (GHG) Protocol.

- Scope 1: Direct emissions resulting from the property itself (heating oil, natural gas).
- Scope 2: Indirect emissions that are linked to the property but not generated there (e.g. general electricity, district heating).

**Improving Data Quality**

In the case of direct real estate investments, improving the data quality and degree of coverage remains a major challenge. Since 2020 $CO_2e$ intensity has been determined on the basis of primary data. The share of primary data will be steadily increased over the next few years by implementing measurement concepts. Improved data quality makes it possible to better estimate actual use and take appropriate measures. The SFP Group has been optimising the collection of consumption data since 2023. The aim is to use reliable, efficient processes to achieve the desired data quality for the new regulatory requirements and to reduce the collection effort for management companies. For example, since 2024 data has been collected by means of creditor invoices by a specialist partner whose energy accounting system is based on decades of experience.

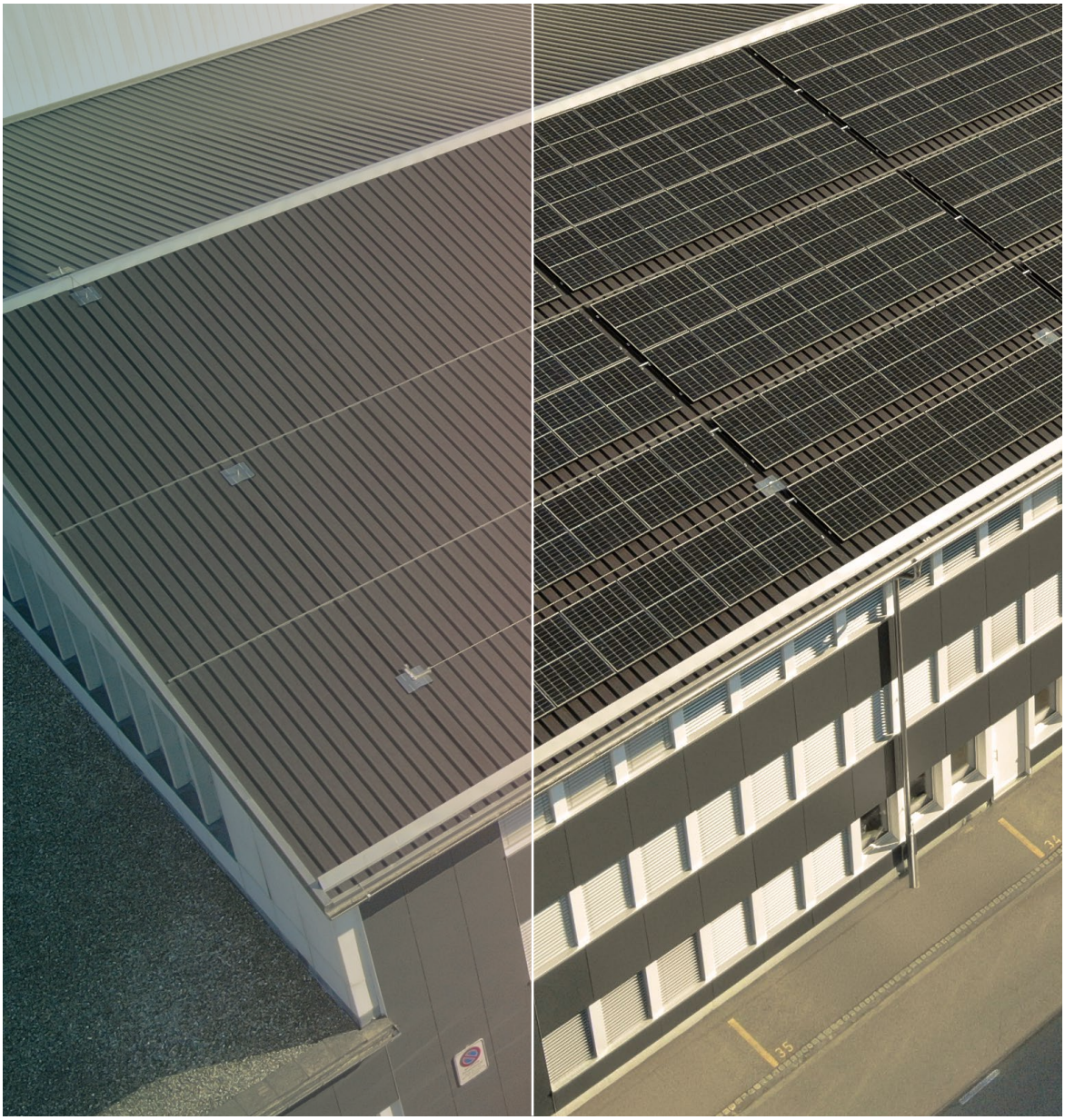
**The Viga Portfolio – Residential Properties in Copenhagen**

At the end of 2024 the Viga portfolio was managing 22 properties in central Copenhagen, with a clear focus on Core/Core+ residential properties. As a real estate investor, Viga RE is part of a sector that provides an essential service to society. Viga RE wants to be a responsible real estate investor. This means minimising the negative impact of its actions on the environment and social factors.

Viga RE is a signatory of the UNPRI and the United Nations Global Compact. In addition, a GRESB report was presented for the second time in 2024 and a GRESB rating of three out of five stars was achieved.

| The Viga Portfolio | Unit | 2024 | 2023 |
|---|---|---|---|
| Properties | Number | 22 | 22 |
| Energy reference area | $m^2$ | 55 190 | 55 190 |
| Total energy consumption (excl. tenant electricity) | MWh/year | 4 021 | 3 371 |
| Energy intensity | kWh/$m^2$ERA/year | 73 | 61 |
| **Energy mix** | | | |
| **Fuels** | | | |
| Heating oil | MWh | 36 | 31 |
| Natural gas | MWh | 178 | 144 |
| Biogas | MWh | 0 | 0 |
| Biomass (wood chips, pellets) | MWh | 2 438 | 2 190 |
| **Heating** | | | |
| District heating | MWh | 3 623 | 3 138 |
| **Electricity** | | | |
| Electricity for heat pumps | MWh | 0 | 0 |
| Heating electricity excl. electricity for heat pumps | MWh | 0 | 0 |
| General electricity | MWh | 398 | 233 |
| Share of renewables | MWh | 3 492 | 23 922 |
| Share of fossil fuels | MWh | 315 | 471 |
| **$CO_2$e emission intensity Scope 1 and 2** | **kg$CO_2$e/$m^2$ERA** | **0.6** | **0.8** |
| $CO_2$e emission intensity Scope 1 | kg$CO_2$e/$m^2$ERA | 0.0 | 0.0 |
| $CO_2$e emission intensity Scope 2 | kg$CO_2$e/$m^2$ERA | 0.7 | 0.6 |
| **$CO_2$e emissions Scope 1 and 2** | **t$CO_2$e** | **39** | **35** |
| $CO_2$e emissions Scope 1 | t$CO_2$e | 0 | 0 |
| $CO_2$e emissions Scope 2 | t$CO_2$e | 39 | 35 |

> Targeted measures are cutting energy costs and reducing the burden on our tenants.



SF Commercial Properties Fund, Zürcherstrasse 493, St. Gallen: In 2024, a photovoltaic system was installed at this logistics and commercial property, the heating was converted from oil to district heating, and partial renovation of the façade, windows and roof was carried out.

## Indirect Real Estate Investments

The GRESB scores for the respective investments are used to prepare the energy assessment of the international indirect real estate investments. For Swiss investments, the assessments are based on the environmental indicators reported by the companies. GRESB scores that are not based on the calculation method established in Switzerland are considered less meaningful.

**Environmental Indicators for Indirect Real Estate Investments in Switzerland**

The data base for environmental indicators is largely based on the REIDA methodological principles. Data collection is being improved by the majority of providers, which increases the quality of primary data. Sustainable investment planning for each property enables providers to gain a better understanding of the sustainability aspects of their properties, which is also relevant for calculating greenhouse gas reduction path. A uniform calculation method will be presented in summer 2025. Until this is implemented by the individual providers, aggregated reduction path are merely an indicative guideline.

Taking the ESG objectives of the SFP Group into account, the intensities of greenhouse gas emissions, energy and water consumption as well as other key figures for the individual investment vehicles are systematically recorded and aggregated. This approach allows meaningful comparisons to be made.

| SF Property Selection Fund | Key Figures Portfolio | Key Figures Benchmark[6] |
|---|---|---|
| **Energy mix** | | |
| **Fuels** | **58.7%** | **61.0%** |
| Heating oil | 20.6% | 21.4% |
| Natural gas | 37.1% | 38.5% |
| Biomass (wood chips, pellets) | 1.0% | 1.1% |
| **Heating** | **26.9%** | **25.9%** |
| District heating | 23.5% | 22.3% |
| Local heat | 0.0% | 0.3% |
| Environmental heat | 3.4% | 3.2% |
| **Electricity** | **14.4%** | **13.1%** |
| | | |
| Share of renewables[7] | 31.2% | 28.3% |
| Share of fossil fuels[8] | 58.6% | 60.7% |
| **Energy intensity (kWh/m$^2$/year)** | | |
| 2022 | 105.7 | 104.9 |
| 2023 | 104.6 | 104.5 |
| **$CO_2$e emission intensity Scope 1 and 2 (kg$CO_2$e/m$^2$/year)** | | |
| 2022 | 15.2 | 16.6 |
| 2023 | 14.0 | 15.1 |

6 Benchmark: SXI Real Estate Funds Broad
7 A REIDA indicator
8 An AMAS indicator: Due to the data coverage and calculation methodology, these key figures do not add up to 100%

| SF Property Securities Fund | Key Figures Portfolio | Key Figures Benchmark[9] |
|---|---|---|
| **Energy mix** | | |
| **Fuels** | **55.6%** | **57.3%** |
| Heating oil | 14.5% | 15.6% |
| Natural gas | 40.3% | 40.8% |
| Biomass (wood chips, pellets) | 0.9% | 0.9% |
| **Heating** | **33.3%** | **32.8%** |
| District heating | 30.7% | 30.0% |
| Local heat | 0.0% | 0.2% |
| Environmental heat | 2.6% | 2.6% |
| **Electricity** | **11.1%** | **9.9%** |
| | | |
| Share of renewables[10] | 41.2% | 38.2% |
| Share of fossil fuels[11] | 55.4% | 57.0% |
| **Energy intensity (kWh/m$^2$/year)** | | |
| 2022 | 111.4 | 113.2 |
| 2023 | 104.7 | 105.7 |
| **$CO_2$e emission intensity Scope 1 and 2 (kg$CO_2$e/m$^2$/year)** | | |
| 2022 | 13.3 | 13.2 |
| 2023 | 11.4 | 12.2 |

[9] Benchmark: 50% SXI Real Estate Funds Broad and 50% SXI Real Estate Shares Broad

**Environmental Indicators at a Glance**
The table is based on key figures published by providers and was created taking Scope 1 and 2 into account with all available data as at 31 December 2024. The calculation bases of the individual providers have not yet been fully aligned, which limits meaningfulness. Restatements are taken into account. For both funds, a lower $CO_2e$ intensity can be reported for 2023 compared to both the benchmark and the previous year. With the net-zero target in mind, we aim to continue this trend.

The share of fossil fuels cannot be derived directly from the table, as individual providers communicate the share of fossil fuels in detail and, for example, take the share of fossil fuels from district and local heating into account.

**Towards Better Data Quality Step by Step**
Since we are a member of GRESB, we can use GRESB reports for 72% of the assets under management at SF Property Selection Fund and 69% of the assets under management at SF Property Securities Fund for analysis, and evaluate the data in an aggregated manner using the GRESB portfolio analysis tool. The number of participants and associated market coverage in terms of assets continue to increase steadily.

When analysing and evaluating individual ESG reports it remains a considerable challenge to collate the published information as consistently as possible and make it comparable. Thanks to cooperation across the sector a standard has emerged which can be further developed. There are challenges when it comes to standardising greenhouse gas reduction path and limiting Scope 3 emissions.

# Raw Material Consumption and the Circular Economy

## Approach

The building sector is one of the world's largest consumers of resources – especially water and sand to produce cement. The SFP Group takes the efficient use of these resources into consideration in line with its ESG core values and the increasing relevance of this aspect for the assessment of sustainable corporate governance in the real estate sector. By promoting the circular economy, the SFP Group can help to curtail the consumption of resources and materials, reduce the production of waste and thus protect the environment.

## Key Areas of Action and Progress

### Direct Real Estate Investments

Our Sustainable Building Guidelines integrate the topic of raw materials into the planning for total renovations and new buildings. These specifications are based on the sustainable building requirements of the KBOB (Coordination Conference for Public Sector Construction and Property Services) and Minergie-Eco. We weigh up the choice between renovating and building a replacement; the latter is only preferred if very specific criteria are met. Requirements for environmental aspects are included in tenders in the form of a quality description. By separating systems and components, components of varying operational and technical quality are separated from each other as strictly as possible during the planning and implementation phase. In addition, components with different useful lives are no longer linked. This makes it possible to replace individual elements without having to destroy parts that are still fit for purpose, which conserves resources.

When designing apartment floor plans, attention is paid to ensuring that technical rooms such as kitchens and bathrooms are as close to each other as possible. This allows for efficient technical installation and at the same time offers the flexibility to allocate certain rooms to different apartments as required.

The consideration of grey energy, i.e. the energy expended in manufacturing, transporting and disposing of building materials, also plays a major role for the SFP Group in the sustainable improvement of properties. The aim is to optimise the entire life cycle by means of a life cycle assessment. At Körnerstrasse/Badenerstrasse in Zurich (project of SFP AST Swiss Real Estate), the property at Badenerstrasse 155 will not be demolished and rebuilt so as to preserve the urban context and maintain the existing building fabric. Additional stories will be added to create more living space. At Rütistrasse in Schlieren (project of SF Sutainable Property Fund), cement bricks in communal areas no longer in use are being removed, cleaned and relocated to create new spaces for residents.

# Social Responsibility

## Shaping the Future Together as an Attractive Partner

SF Retail Properties Fund, Rue du Rhône 28, Aigle: The property in Aigle underwent extensive renovation in 2023/2024. In addition to the new design and improved access, the building was renovated to improve its energy efficiency. The gas heating system was replaced and the property is now heated using waste heat from the commercial cooling system. A photovoltaic system with a capacity of 289 kWp produces electricity for the operation of the property and its tenants. The complete renovation has eliminated $CO_2$ emissions and significantly improved sustainability.

# Attractive Employer

## Approach

As an attractive employer, the SFP Group wants to attract skilled employees and retain them in the Group over the long term, as they are key to the company's success. We not only offer good working conditions, but also opportunities for further professional training. We want to involve all employees more closely and give them more responsibility and decision-making powers. Motivated and highly qualified employees enable us to continuously increase our economic performance, develop further and meet the requirements of our customers, business partners and other stakeholders. We also foster a fair and trusting culture so our employees can reach their full potential. Satisfied employees stay with the same employer for longer, are loyal and undergo further training within and outside the company. We therefore attach great importance to using our influence on the satisfaction, health, education and commitment of our employees to both retain staff and strengthen our image as an employer.

## Key Areas of Action and Progress

### SFP Group

**Responsibility of the Executive Board**

Along with the HR department, the Executive Board of the SFP Group is responsible for protecting and promoting the company's reputation as an attractive employer. Values and conduct that characterise the identity of the SFP Group have been defined. These form the basis for all actions within the SFP Group and include honesty, respect, commitment, shared responsibility and communication. These values are shared with the employees and exemplified in a respectful manner by managers in their day-to-day work. Managers are approachable and easy to reach, as well as open and honest in their communication. The Code of Conduct serves as a compass for all of us.

**Favourable Working Conditions Mean Employees are Satisfied over the Long Term**

Attracting and retaining the best talent is crucial, especially when employees have the upper hand in the labour market. The SFP Group offers staff attractive working conditions to allow a healthy work-life balance and making it easy to combine family and career. This includes salaries in line with the market as well as an attractive total remuneration (see "Remuneration Policy" in the chapter on "Anchoring in Corporate Governance"). In addition, the SFP Group offers all employees the opportunity to work from home and part-time, as far as permitted under the relevant regulations. Our employees also benefit from an attractive pension fund solution. To ensure this is optimal at all times, in the reporting year we put the pension fund out to tender in cooperation with the pension fund committee and our insurance broker, resulting in a change of provider after consultation with the employees.

All employment contracts are based on the applicable legal requirements; no profession within the SFP Group is subject to a collective labour agreement.

Our employees receive five weeks of vacation (six weeks from the age of 50) and one free vacation day on 24 December. In the event of the birth of a child, we grant 16 weeks of maternity leave and two weeks of paternity leave with continued payment of the full salary after completion of the first year of service.

We foster a strong welcome culture and ensure that new employees settle in quickly and integrate into the team. For this purpose, for example, the onboarding process is constantly reviewed and optimised where necessary. One of the SFP Group's greatest strengths is collaboration with each other and trusting relationships between employees. We strive to respond ever more closely to the concerns and needs of our employees in order to further reduce staff turnover and increase motivation and satisfaction. We have set ourselves the target of

having a staff turnover rate below 18% by 2030. In the reporting year the turnover rate was 16.2%.

In general, we have a high number of direct applications to our advertised positions. In order to find suitable new employees even more quickly in the future who will remain with the SFP Group over the long term, we reward our employees for proposing new colleagues. If a new appointment is made on the basis of a recommendation from one of our employees, they receive a referral bonus that depends on the role. This procedure was introduced in 2022 and is very popular.

Another employee satisfaction survey was carried out in the reporting year. The response rate was a pleasing 69%. The topics of company and leadership, equipment and support, managers and teams, and pride and motivation were surveyed. Overall, the satisfaction of all employees was 69%.

**Training and Further Education**

The SFP Group not only offers a pleasant working environment and family-friendly working hours, but also actively promotes and supports its employees. We create opportunities to establish a foundation on which our people can take responsibility and make progress. This approach is appreciated by our employees. In the annual performance appraisal, employees and line managers work together to determine individual performance, target achievement and the development path. In 2024 all of our employees once again had a performance interview with their line managers.

The training and development programme of the SFP Group is structured by a set of rules that define clear responsibilities, objectives and content. We encourage our employees to expand their knowledge through further training. It is important to us to ensure that employees have up-to-date knowledge and skills to meet the ever-changing demands of the market. That is why we offer both internal and external training opportunities for all employees at all functional levels. These training measures enable employees to remain motivated, engaged and productive, which ultimately contributes to the company's success. Thanks to well-trained employees, the SFP Group remains competitive and gains an advantage over other companies. In the reporting year, for example, an internal seminar on project management was held for members of management. The costs of external courses or seminars are often covered directly by the SFP Group. In the case of longer training courses, the contribution paid by the SFP Group is set out in an individual agreement. In the reporting year, 16 employees took advantage of the support for longer training and development courses, and on average around 27.7 hours per person were invested in training and development during working hours.

> We motivate our employees to expand their knowledge through capacity building.

**Transferring Knowledge and Promoting Young Talent: Our Contribution to Education**

The SFP Group brings together a wide range of professions and generations, and where many knowledgeable people come together, new practical concepts and approaches emerge. As a society we benefit from this, and we share this knowledge at courses offered by prestigious universities in German- and French-speaking Switzerland. The focus of knowledge transfer is on analysing indirect real estate investments from both a fundamental and a sustainability perspective. We see this as an important contribution to the further professionalisation of our working environment.

In 2024 we launched our second trainee programme, which enables university graduates to get to know the financial sector with a focus on real estate over a period of 18 months. During the programme, experience is gained under professional supervision in the various specialist areas of the SFP Group. The successful graduate of the first trainee programme has already signed a permanent employment contract from spring 2025 and will remain with our company.

The Master of Science in Real Estate offered by the Lucerne University of Applied Sciences and Arts (HSLU) prepares people for working in the real estate industry. The SFP Group was responsible for introducing participants to the topic of real estate strategies in practice as part of the "Real Estate Intensive 2024" module. The portfolio manager of SF Urban Properties Ltd gave insights into practical work and the challenges of active portfolio management.

There is also a cooperation agreement between the SFP Group and the Lucerne University of Applied Sciences and Arts which underlines the SFP Group's commitment to education. The SFP Group sponsors a study prize that is awarded and celebrated annually for the best master's thesis in the field of real estate investments.

On 14 November 2024 we had the pleasure of holding an inspiring Future Day with eight children. The day gave the four girls and four boys exciting insights into the world of real estate. A special highlight was live trading, where the children were introduced to the dynamics of trading. Another special feature was the visit to their parents' workplaces, which gave the children a personal insight into their families' professional world. The day ended with a session where the children shared their impressions and experiences.

**Promoting Health**

With regard to the occupational health concept, the SFP Group has been regularly training first aid workers since 2023 to provide first aid to employees and visitors at the Zurich site. A special emergency kit has also been rented. This is a first aid emergency system with integrated defibrillator. The emergency kit is also available to the general public during office hours. It has been registered on Defikarte.ch for this purpose.

An external point of contact is also available to our employees. In the event of a traumatic or medical emergency, employees can dial a hotline for mental support. A trained care team is available for follow-up in the event of such incidents, regardless of whether they occurred in a business or private setting.

| Key Personnel Figures of the SFP Group | 2024 | 2023 |
|---|---|---|
| Permanent employees | 113 | 112 |
| Female | 30 | 35 |
| Male | 83 | 77 |
| Fixed-term employees | 8 | 2 |
| Female | 2 | 2 |
| Male | 6 | 0 |
| Full-time | 87 | 78 |
| Female | 18 | 17 |
| Male | 69 | 61 |
| Part-time | 34 | 36 |
| Female | 14 | 19 |
| Male | 20 | 17 |

**Digitised HR Management**

The SFP Group relies on digitised HR management and regularly makes IT investments in Human Resources. For example, our recruitment tool enables efficient management of applications and simplified cooperation between Human Resources, the line managers of the positions advertised as well as applicants and any headhunters or recruitment agencies. It provides a user-oriented platform to appeal to new talent via our website and various online channels. The tool centralises the entire applicant management process and speeds up contact with the candidates. We also regularly revise and update our online presentation of career opportunities at the SFP Group.

In addition we have a user-friendly IT tool that allows employees to easily manage all administrative matters, such as absences, time recording and expenses, and updating of personal data.

**Global Real Estate Run**

In the reporting year our employees once again showed their sporting side for a good cause by taking part in the Global Real Estate Run. The aim of this event is to draw attention to the importance of the real estate industry in achieving climate targets. In addition, one tree is planted for every one kilometre run. Our team was responsible for 84 trees being planted. The SFP Group thus once again sent an effective signal for greater sustainability in the real estate sector.

**Details of SFP Group Headcount**

Of the total of 121 employees at the end of 2024, 27% were women and 73% men. As at 31 December 2024, 33% were employed on a part-time basis. In the reporting year, the Executive Board was composed solely of men. The Board of Directors was composed of one woman and eight men. Eight people had a fixed-term employment contract at the end of the year, while all other employees had permanent contracts. In 2024 the SFP Group employed one person indirectly. Average length of service for all employees as at 31 December 2024 was 4.3 years, compared with 4.1 years the previous year.

# Diversity, Equal Opportunities and Inclusion

## Approach

Thanks to their broad knowledge base, diverse teams can take well-founded decisions and help the company to become more adaptable. That is why we believe in equality and inclusion for all as a matter of course, regardless of origin, gender, age, religion, sexual orientation, physical ability or world view. We distance ourselves from all discriminatory acts. We actively foster diversity and inclusion and reflect these at all stages: during the recruitment process, in employment and in all management decisions. The staff regulations include a statement from the SFP Group about the ban on discrimination, the protection of privacy, and information on the complaints procedure in the event of internal differences.

We are committed to gender blindness and want to offer all employees attractive opportunities to have a good work/life balance, even those in positions of responsibility (part-time working models, flexible working hours, extended maternity leave, extended maternity and paternity leave compensation).

By promoting diversity, equal opportunities and inclusion, the SFP Group can contribute to the elimination of discrimination and have an impact on equality and social stability within the company and in society as a whole.

## Key Areas of Action and Progress

**SFP Group**

**Commitment Backed by Specific Measures**

Our Code of Conduct and the values we embody in our day-to-day business are supplemented by regulations on protection against sexual harassment, bullying and discrimination in the workplace. We are aware of unconscious bias when it comes to filling positions on governance bodies. By unconscious bias we mean unconscious thought patterns, automatic stereotypes and blind spots that cognitively influence us in our everyday behaviour. We are committed to seeking professionals with the appropriate expertise for the position, regardless of origin, gender, age, religion, sexual orientation, physical ability or world view.

**Reporting Misconduct**

Employees can report cases of discrimination via three escalation levels within the company: line managers, HR managers or the Compliance team. A letterbox in the HR department gives employees the opportunity to submit enquiries or notifications about discrimination anonymously. In addition, there is an email address (verhaltenskodex@sfp.ch) managed by the Compliance team to which complaints can be submitted. Upon joining the company, new employees are informed by the HR department both in writing and verbally about the various ways to report misconduct and the internal and external points of contact. This information is also published on the HR intranet and can be viewed at any time. During the reporting year there were again no reports of cases of discrimination to the HR department or the Compliance team.

For employees who do not want to raise their issue internally, the company provides an independent external point of contact. This external, psychologically trained contact person may not disclose the names of the employees who contact them to the SFP Group, ensuring the protection of anonymity and integrity, unless the employees concerned consent to their disclosure. Employees can discuss their concerns with this contact person and receive support in dealing with and resolving a difficult situation. In 2024 there was one person who on advice from the HR department sought additional support via the external contact point.

| Members of the Executive Board by Age Group | | |
|---|---|---|
| Under 30 | % | 0 |
| Aged between 30 and 50 | % | 43 |
| Over 50 | % | 57 |

| Employees by Age Group, excluding Apprentices, Interns, Trainees, External Staff | | |
|---|---|---|
| Under 30 | % | 16 |
| Aged between 30 and 50 | % | 64 |
| Over 50 | % | 20 |

# Tenant Well-Being

## Approach

The quality of life of most people is influenced to a large extent by their home, place of work and opportunities to socialise in public spaces – including our real estate. The well-being of tenants is a decisive factor in this. The SFP Group creates added value for its tenants by optimising its existing portfolios in terms of economic, environmental and social criteria. Dissatisfied tenants, or even changes of tenants, generally involve significant expenditure. Conversely, a satisfied tenant is the best ambassador and can help reduce vacancies. Satisfied tenants and stable tenant relationships are therefore very important to us. We can influence this by providing comfortable interiors, among other things, but also through communication and dialogue (see "Stakeholder Dialogue"). Living spaces with character can also enhance the attractiveness of real estate and thus lead to more demand, higher potential rent and fewer changes of tenants.

We also want to create added value for the local area, the environment and our investors. This means that the SFP Group can influence the character of a location by developing living spaces and contributing to local infrastructure and services. An important criterion for tenants is good mobility, with locations connected by different means of transport. We have defined target values for SF Sustainable Property Fund for the number of electric vehicle charging stations from 2030 to 2050. In addition, properties may not be located further than one kilometre away from a railway station or comparable public transport connection to a metropolitan area. We strive to optimise our portfolio in such a way that our tenants feel comfortable in the long term.

## Key Areas of Action and Progress

### Direct Real Estate Investments

**Modern Design and Inviting Surroundings**

When carrying out construction and renovation projects, we attach great importance to the maximum possible comfort of interior rooms. Safety, optimal use of daylight, the choice of materials and fittings, and a high level of thermal and acoustic comfort are of particular importance in this regard. We also pay attention to flexible floor plans, additional lettable space and semi-public or public meeting rooms. Community rooms and meeting places promote tenant interaction and cohesion amongst tenants. This includes, for example, SIA-compliant specifications for barrier-free buildings and for the infrastructure for electric vehicles. In addition to a modern and adaptable design of rental spaces, the SFP Group is increasingly focusing on an appealing and inviting environment. This includes, for example, planting gardens that take biodiversity into account in order to promote species diversity. In addition, emphasis is placed on protecting old trees when putting up new buildings and doing conversions.

**Green Lease Rental Agreements**

We have been including a green lease clause in our rental agreements for the past three years. This clause governs the sustainable use and management of the rental property. For example, we provide our tenants with information on how to use water and energy efficiently and how to avoid and separate waste. In the case of commercial space, there is the option of jointly realising projects in addition to the lease. Particularly when it comes to structural investments in the area around the rental space, having tenants involved in identifying needs and achieving long-term improvements is a major advantage.

**Tenant Satisfaction**

We regularly measure tenant satisfaction with the help of surveys. In residential buildings, the topics of comfort, safety and satisfaction with the management company are assessed. In the case of commercial space, the focus also falls on the functionality and flexibility of floor space. The results are evaluated in detail, and possible measures are reviewed and discussed with the management team. Through the tenant survey, which was conducted for the third time in the reporting year, we were once again able to evaluate feedback on satisfaction. Based on this, we have, for example, completely renovated a playground, planned electric vehicle charging stations and defined specific improvement measures for our property management services.

In addition to the opportunities to make a positive statement, we also have a potentially negative impact on the local community – for example, through our construction activities. Proactive information enables us to keep in touch with our tenants and neighbours. Through open dialogue, misunderstandings can be cleared up and solutions to problems can be found together.

> We hold a proactive dialogue with our tenants and neighbours.

# Stakeholder Dialogue

## Approach

An attractive return and rents in line with the market are important to satisfy investors, customers and tenants. The SFP Group stands for direct dialogue and sophisticated services. The SFP Group also sees its comprehensive commitment to sustainability as an investment in customer orientation as growing numbers of investors and tenants view sustainable action as a condition for a stable partnership.

As a service provider, the interests of investors, customers and tenants are at the heart of all activities at the SFP Group. As part of our annual customer satisfaction survey, we received valuable feedback that allows us to tailor our offers and services even more specifically to customer needs. Only if we satisfy our stakeholders, ensure value creation and offer added value can we build lasting relationships and compete successfully in the long term. Many investors and customers judge the SFP Group on the basis of the investment yield. But we have other strengths – such as direct dialogue with portfolio managers, tailored services and in-depth knowledge of the real estate investment universe. Open and transparent communication enables stakeholders to make informed decisions.

## Key Areas of Action and Progress

**SFP Group**

**Taking Complaints Seriously**

Investor complaints from direct customers of the SFP Group and investors in collective investment schemes are handled in accordance with a defined directive that includes decision-making and escalation bodies as well as controls. The contact person for investor complaints is the competent Customer Relationship Manager (CRM). All investor complaints are filed in the CRM tool.

Tenants' contact partners are primarily the competent property managers, who inform the asset managers of the SFP Group of complaints in periodic reports. The property managers' periodic reporting includes proceedings before the tenant arbitration board as well as complaints under public law and objections in connection with construction activities.

## Direct Real Estate Investments

**Active Dialogue as the Key to Business Success**

Active dialogue with our investors is relevant in all phases of customer care, from acquisition to portfolio management. This involvement strengthens the bond with investors, which is important for business success in addition to all quantitative factors.

**Solution-oriented Exchange with Tenants**

We seek a direct, open and solution-oriented dialogue with our tenants. Cooperation between the employees of the SFP Group and the external property management companies also takes place on a regular and professional basis. In addition, we promote interaction between tenants through active tenant management. Not only do we hold regular tenant interviews, we also try to strengthen the tenant community within a property through targeted event campaigns, thus contributing to social sustainability. In the reporting year, for example, a tenant event was held at the Buchs property of the SF Commercial Properties Fund.

## Indirect Real Estate Investments

**Active Involvement to Develop Tailor-Made Solutions**

Active dialogue with our mandate customers is relevant in all phases of customer support. By involving our customers in designing the guidelines and reporting we strengthen customer loyalty and achieve the agreed objectives together.

**Regular Dialogue with Market Participants**

Our regular dialogue with a large number of market participants on sustainability topics enables us to achieve the transparency and comparability required by our investors and to collect information. We believe that our approach encourages providers to improve the quality and level of detail of their data (see “Environment”).

## Capital Market Transactions

**Focus on Transparency and Sustainability**

We are in close contact with investors and customers in order to combine economic factors with sustainability and social aspects. In the context of our advisory mandates, we actively support our customers in improving their ESG ratings and scores. Through targeted recommendations and by ensuring capital market viability, we promote transparency and comparability. In this way, we create long-term value and support a responsible capital market strategy.

# Governance

## Responsible Corporate Governance for a Strong Future

SF Sustainable Property Fund, Via Ronchetto 16–22, Lugano: The building complex from the 1970s is being completely renovated and brought up to current standards. This mainly involves energy-efficient renovation of the building envelope and, where feasible, optimisation of the mix and layout of the residential and commercial space. The heating system (including heating pipes), ventilation system and electrical distribution system will also be replaced. The aim is to achieve the Minergie standard. As part of the renovation, the outdoor areas will also be upgraded and optimised.

# Corporate Governance and Compliance

## Approach

Companies nowadays are in the public eye, both as market participants and as a part of society. If a company even appears to behave in a way that does not comply with the rules, it risks sanctions and financial losses or damage to its reputation. Accordingly, the organisational anchoring of corporate governance and compliance ensures fairness and accountability while at the same time providing an effective system for managing compliance and legal risks. This also safeguards the interests of all stakeholders.

As part of our corporate governance we define clear rules and responsibilities that help employees perform their duties correctly. It is crucial that all employees are informed about their decision-making powers and scope for action. The compliance function plays a key role in this: It draws up specific instructions, conducts regular training sessions and ensures that all requirements are observed.

## Key Areas of Action and Progress

**SFP Group**

**Corporate Governance put into Practice**

The SFP Group has a large number of directives that contain detailed requirements and applicable rules for specific topics relating to the business areas. These directives are regularly updated and adopted by the Board of Directors. As the supreme governance body of the SFP Group, it is responsible for structuring and complying with corporate governance. The Group Board and the executive boards of the Group companies implement these requirements within their areas of responsibility and in accordance with the organisational and competency regulations issued by the Board of Directors.

The SFP Group attaches great importance to sustainability, social commitment and reliable governance. For the SFP Group, integrity and ethically correct conduct form the basis for sustainable economic development. Our understanding of sustainable management and ethics should be reflected in all our processes.

This makes good management and an open communication culture even more valuable. Managers are approachable and easy to reach, as well as open and honest in their communication (see also the section on “Attractive Employer”). Regular town hall meetings are held to inform employees promptly about changes, current trends and topics in the departments. In addition, the CEO Breakfast was introduced in 2024 to improve internal communication and further facilitate access to the Group CEO.

**Compliance as a Matter of Course**

Compliance with laws, rules and voluntary codes is as important as it is a matter of course for the SFP Group. On the one hand, this applies for formal reasons, as the SFP Group is under the supervision of the Swiss Financial Market Supervisory Authority FINMA. The resulting obligations and regulatory requirements must be observed, documented and notified at all times. On the other hand, compliance reflects our corporate values and the way we see ourselves at the SFP Group. The scope and depth of company-wide controls were once again strengthened in the period under review. The system of directives was also further strengthened by issuing new and revised area-specific directives. No sanctions were imposed on the SFP Group in 2024 for failure to comply with requirements or legislation. There were no confirmed incidents of corruption and no legal proceedings for anti-competitive behaviour or violations of antitrust law.

Critical concerns notified to the Compliance function and to the email address verhaltenskodex@sfp.ch are handled by Compliance and reported anonymously to the Board of Directors, if necessary with the involvement of other departments and following consultation with the Executive Board. No critical concerns were reported to the Board of Directors in 2024.

**The Code of Conduct Governs How Values are Lived in Practice**

The Code of Conduct sets out the values, principles and practices that govern the business conduct of the SFP Group. The company's management promotes compliance with ethical standards and aims to create a working environment that nurtures integrity, respect and fair conduct. A business policy that strictly complies with the law and our principles serves the long-term interests of the SFP Group. In addition, the ethical conduct defined in the Code of Conduct helps prevent corruption and anti-competitive actions.

Our values define our day-to-day conduct and form the basis of our corporate success:

- We act independently
- We are professional and reliable
- We act responsibly

The aim of the Code of Conduct is to promote compliance with ethical standards and create a working atmosphere that encourages integrity, respect and fair conduct. It provides employees with a framework for complying with the rules and tries to prevent improper conduct by means of clear regulations. We always act in the interests of our stakeholders (in particular employees, shareholders, investors, tenants, service providers and other contracting partners) and align our actions in such a way that they do not adversely affect their interests. We avoid situations that may lead to a conflict of interest or give the appearance of a conflict of interest. If a conflict of interest cannot be avoided, we report it immediately and communicate it transparently to the stakeholders concerned. The Code of Conduct is supplemented internally by specific directives, such as the directive on own-account transactions and the directive on pecuniary benefits.

**Employee Training on Compliance**

The Compliance function conducts annual employee training courses in which the Code of Conduct and the specific directives are explained to all employees of the SFP Group. This covers the following topics in particular: Market conduct, own-account transactions, addressing conflicts of interest, due diligence obligations, pecuniary benefits and corruption (active and passive bribery), money laundering, terrorist financing, cyber risks and business continuity management. Attendance at this training course is mandatory for all employees. As a rule, all new employees are trained by the Compliance function within three weeks of starting work. Training sessions on specific topics are also held as needed.

# Risk Management

## Approach

As an asset manager of direct and indirect real estate and infrastructure investments and capital market transactions, the SFP Group is exposed to a wide range of financial and non-financial risks as part of its business activities. It is part of our business model to take deliberately selected risks for ourselves and our customers, as no return can be earned without risk. Systematic risk management that also incorporates sustainability and climate aspects strengthens our own resilience and contributes to the stabilisation of the entire sector.

## Key Areas of Action and Progress

**SFP Group**

**A Task for Everyone in the Company**

Risk management is the responsibility of all employees; they serve as the first line of defence when controlling, managing, monitoring and reporting on the risks in day-to-day operations. All employees can report irregularities directly to the risk management officer or the Executive Board. The second line of defence consists of risk management and compliance officers; they act as an independent control body, monitoring risks in addition to the employees. They check compliance with legal and internal regulations and are in regular contact with the income-oriented business units to ensure the quality of the risk dialogue. Internal Audit represents the third line of defence. They monitor whether the business activities of the SFP Group comply with applicable laws, internal directives and guidelines and are processed in line with the principles of an appropriate organisational structure.

As a securities firm, SFP Ltd is subject to intensive monitoring and strict regulation by FINMA. The regulatory audit firm and counterparties regularly review the risk management of the SFP Group. The company takes their feedback into account and implements continuous improvements to ensure that risk management remains efficient and maintains its high standards.

**Sustainability Risk Assessment and Transparency**

The SFP Group is faced with additional regulatory requirements in connection with the increased monitoring of ESG-relevant risks. One focus in this area is transparent reporting of analyses and key figures. The SFP Group has taken measures in this regard by expanding the internal reporting framework to include ESG risks and integrating physical and transition risks into the existing risk catalogue.

Sustainability risks affect the entire life cycle of a property and include physical risks such as extreme climate events, transition risks due to technological and regulatory changes, and social risks within the supply chain. By identifying and analysing these risks on an ongoing basis, the SFP Group strives to offer products and services that are sustainable over the long term, fulfil its promises to investors and generate sustainable returns. The SFP Group is resolute in proactively identifying, monitoring and reducing risks where necessary. Annual stress tests are carried out to assess the potential impact of risk events on the business. Transparent risk assessment reports are submitted to the Board of Directors regularly.

**Improving Operational Resilience**

The risk of financial losses due to process or system failure, human error or external events is a focus of the regulator and the SFP Group. These risks must be reduced as far as possible, as they could jeopardise the regular course of business of the SFP Group. As a result, the SFP Group has analysed its IT and cyber strategy to ensure that all critical functions meet their interruption tolerance and are able to maintain operations even in crisis situations. The operational resilience of the Group was confirmed once again and periodic checks ensure that this will continue to be the case going forward.

# Data Protection and Information Security

## Approach

In an era of advancing digitalisation, data protection and information security are key. The protection of personal data (data privacy) lies at the heart of this. By guaranteeing data privacy and information security, the SFP Group protects the privacy of all its stakeholders. In this way, the SFP Group can maintain the trust of customers, employees and society in the company. Breaches of data protection or data security can severely damage the trust in and reputation of the company and thus affect business activities. To meet the stringent data protection requirements, the SFP Group relies above all on reliable and state-of-the-art IT structures and on raising awareness amongst its employees. The security of the entire IT structure and the data managed by the SFP Group has the highest priority.

## Key Areas of Action and Progress

**SFP Group**

**Effective Data Protection and Cyber Security**

Effective data protection is a particular challenge. On the one hand, a large volume of data has to be protected to high and uniform standards, as data is stored and processed on an ongoing basis in all business areas. And on the other, protection against cyber attacks requires constant vigilance and a network that is always defended by up-to-date software. The perils in the area of cyber risks increased further in the reporting year. Great emphasis was once again placed on providing training and continuous information for employees. Throughout the reporting year, various measures were taken to protect the network, data and its use on the basis of internal IT security control assessments, which further enhanced overall IT security. Additional solutions were also implemented in endpoint detection and response (EDR) and vulnerability management. Access rights to data are assigned on a need-to-know basis, regularly checked and adjusted if necessary.

> Reliable data protection lays the foundation for the trust of our customers, employees and partners.

**Protecting Employee and Customer Data**
The SFP Group undertakes to use personal data solely for the intended purposes. The SFP Group has directives and guidelines on data protection. The competent managers are responsible for implementing these. The HR department is responsible for the confidential handling of employee data, while the competent departments are responsible for other data, such as customer data. The SFP Group's point of contact for data protection is available to provide support. The technical requirements for effective data protection have been put in place. A company-wide IT security strategy (firewall, antivirus programs, two-factor authentication, vulnerability management, endpoint detection and response solutions, etc.) aims to adequately secure and protect all relevant company data, including personal data.

**State-of-the-Art Technology and Expertise**
The SFP Group regularly updates its security policies and programs, in particular with regard to protecting the network in order to prevent unauthorised access to protected data.

Thanks to our digitalisation strategy, internal working processes have been made more efficient and scalable. It also forms the basis for enhanced cyber security and data protection as well as better data management. The strategy includes a roadmap with numerous other initiatives that were further developed in the reporting year. In addition to measures relating to IT organisation, further progress was made, for example, in the digital workplace, an area that is important for employees of the SFP Group. Another focus was on optimising the CRM system used throughout the company.

**No Abnormalities Detected**
No data protection breaches were identified at the SFP Group in 2024. The supervisory audit reports for the year under review do not contain any comments specific to data protection. There were also no complaints from customers or employees in this regard.

CONTENT INDEX ESSENTIALS SERVICE 2025

# GRI Content Index

The SFP Group reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024. For the Content Index – Essentials Service, GRI Services checked that the GRI index is presented in a manner consistent with the reporting requirements of the GRI Standards and that the information in the GRI index is clearly presented and accessible to stakeholders. This service was provided for the German version of the report.

The ESG Report will be published annually (until further notice). The report was published on 3 July 2025. The contact person is Adrian Murer, murer@sfp.ch.

| | |
|---|---|
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI sector standard(s) | None |

## General Disclosures

| GRI Standard/ Other Source | Disclosures | | Reference/Information | Omission (requirements omitted (RO), reason (R), explanation (E)) |
|---|---|---|---|---|
| **The Organisation and its Reporting Practices** | | | | |
| GRI 2: General Disclosures 2021 | 2–1 | Organisational details | p. 6–7 | |
| | 2–2 | Entities included in the organisation's sustainability reporting | S. 6–7 | |
| | 2–3 | Reporting period, frequency and contact point | p. 60 | |
| | 2–4 | Restatements of information | p. 32–33 | |
| | 2–5 | External assurance | None | |
| **Activities and Workers** | | | | |
| GRI 2: General Disclosures 2021 | 2–6 | Activities, value chain and other business relationships | p. 8, 10 | |
| | 2–7 | Employees | p. 46 | |
| | 2–8 | Workers who are not employees | p. 46 | |
| **Governance** | | | | |
| GRI 2: General Disclosures 2021 | 2–9 | Governance structure and composition | p. 14–15 | |

| GRI Standard/ Other Source | Disclosures | | Reference/Information | Omission (requirements omitted (RO), reason (R), explanation (E)) |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2–10 | Nomination and selection of the highest governance body | p. 15 | |
| | 2–11 | Chair of the highest governance body | p. 15 | |
| | 2–12 | Role of the highest governance body in overseeing the management of impacts | p. 12, 13, 15 | |
| | 2–13 | Delegation of responsibility for managing impacts | p. 12, 13, 15 | |
| | 2–14 | Role of the highest governance body in of sustainability reporting | p. 15 | |
| | 2–15 | Conflicts of interest | p. 15, 16, 55 | |
| | 2–16 | Communication of critical concerns | p. 55 | |
| | 2–17 | Collective knowledge of the highest governance body | p. 15 | |
| | 2–18 | Evaluation of performance of the highest governance body | p. 15 | |
| | 2–19 | Remuneration policies | p. 16 | |
| | 2–20 | Process to determine remuneration | p. 16 | |
| | 2–21 | Annual total compensation ratio | | RO: Annual total compensation ratio<br>R: Restrictions due to confidentiality constraints<br>E: Privately owned company; data not disclosed for reasons of confidentiality and to avoid business conflicts |
| **Strategy, Policies and Practices** | | | | |
| GRI 2: General Disclosures 2021 | 2–22 | Statement on sustainable development strategy | p. 3 | |
| | 2–23 | Policy commitments | p. 54–55 | |
| | 2–24 | Embedding policy commitments | p. 54–55 | |

| GRI Standard/ Other Source | Disclosures | | Reference/Information | Omission (requirements omitted (RO), reason (R), explanation (E)) |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2–25 | Processes to remediate negative impacts | p. 51–52 | |
| | 2–26 | Mechanisms for seeking advice and raising concerns | p. 48 | |
| | 2–27 | Compliance with laws and regulations | p. 54–55 | |
| | 2–28 | Membership of associations | Asset Management Association Switzerland (AMAS), COPTIS (Swiss Professional Association for Real Estate Securitisation), Development Switzerland, Swiss Pension Fund Association (ASIP), SwissACT (Swiss Association of Corporate Treasurers), Swiss Risk Association, Swiss Sustainable Finance (SSF), Conference of Managing Directors of Investment Foundations (KGAST), Swiss Real Estate Association (VIS), Swiss Circle Ltd | |
| **Stakeholder Engagement** | | | | |
| GRI 2: General Disclosures 2021 | 2–29 | Approach to stakeholder engagement | p. 20–21 | |
| | 2–30 | Collective bargaining agreements | p. 43 | |

## Material Topics

| | | | | |
|---|---|---|---|---|
| GRI 3: Material Topics 2021 | 3–1 | Process to determine material topics | p. 16 | |
| | 3–2 | List of material topics | p. 17 | |

### Economy

| | | | | |
|---|---|---|---|---|
| **Sustainable Products and Services** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 24–25 | |
| GRI 417: Marketing and Labelling 2016 | 417–3 | Incidents of non-compliance concerning marketing communications | Use of the term “banking”, in particular in connection with the Corporate Finance & Capital Markets team (formerly Corporate Finance & Banking) was removed from the website and all business documents at the request of the Swiss Financial Market Supervisory Authority FINMA. | |

| GRI Standard/ Other Source | Disclosures | | Reference/Information | Omission (requirements omitted (RO), reason (R), explanation (E)) |
|---|---|---|---|---|
| **Economic Performance** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 26 | |
| GRI 201: Economic Performance 2016 | 201–1 | Direct economic value generated and distributed | | RO: Direct economic value generated<br>R: Restrictions due to confidentiality constraints<br>E: Privately owned company; data not disclosed for reasons of confidentiality and to avoid business conflicts |
| **Active Ownership** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 27 | |
| **Environment** | | | | |
| **Energy Use and Climate Protection** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 29–40 | |
| GRI 302: Energy 2016 | 302–1 | Energy consumption within the organisation | p. 32–33, 35 | |
| | 302–3 | Energy intensity | p. 32–33, 35 | |
| GRI 305: Emissions 2016 | 305–1 | Direct (Scope 1) GHG emissions | p. 32–33, 35 | |
| | 305–2 | Energy indirect (Scope 2) GHG emissions | p. 32–33, 35 | |
| | 305–4 | GHG emissions intensity | p. 32–33, 35 | |
| **Raw Material Consumption and the Circular Economy** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 41 | |
| GRI 301: Materials 2016 | 301–1 | Materials used by weight or volume | | RO: Total weight of materials used<br>R: Information unavailable/incomplete<br>E: Information on the materials used by weight or volume is not available. Data cannot yet be collected. Future system expansions for collecting data are under review. |

| GRI Standard/ Other Source | Disclosures | | Reference/Information | Omission (requirements omitted (RO), reason (R), explanation (E)) |
|---|---|---|---|---|
| **Social Responsibility** | | | | |
| **Attractive Employer** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 43–46 | |
| GRI 401: Employment 2016 | 401–1 | New employee hires and employee turnover | p. 44 | |
| | 401–3 | Parental leave | p. 43, 47 | |
| GRI 403: Occupational Health and Safety 2018 | 403–1 | Occupational health and safety management system | p. 43–44 | |
| | 403–4 | Worker participation, consultation, and communication on occupational health and safety | p. 45–46 | |
| | 403–5 | Worker training on occupational health and safety | p. 45–46 | |
| | 403–6 | Promotion of worker health | p. 43–46 | |
| GRI 404: Training and Education 2016 | 404–1 | Average hours of training per year per employee | p. 44–45 | |
| | 404–3 | Percentage of employees receiving regular performance and career development reviews | p. 44 | |
| **Diversity, Equal Opportunities and Inclusion** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 47–48 | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405–1 | Diversity of governance bodies and employees | p. 47–48 | |
| GRI 406: Non-discrimination 2016 | 406–1 | Incidents of discrimination and corrective actions taken | p. 48 | |

| GRI Standard/ Other Source | Disclosures | | Reference/Information | Omission (requirements omitted (RO), reason (R), explanation (E)) |
|---|---|---|---|---|
| **Tenant Well-Being** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 49–50 | |
| GRI 416: Customer Health and Safety 2016 | 416–2 | Incidents of non-compliance concerning the health and safety impacts of products and services | There were no relevant incidents at the SFP Group in 2024 concerning the impact of products and services. | |
| **Stakeholder Dialogue** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 51–52 | |

## Governance

| | | | | |
|---|---|---|---|---|
| **Corporate Governance and Compliance** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 54–55 | |
| GRI 205: Anti-Corruption 2016 | 205–3 | Confirmed incidents of corruption and actions taken | p. 55 | |
| GRI 206: Anti-competitive Behaviour 2016 | 206–1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | p. 55 | |
| **Risk Management** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 56–57 | |
| **Data Protection and Information Security** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | p. 58–59 | |
| GRI 418: Customer Privacy 2016 | 418–1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | p. 59 | |

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Klimaneutral Druckprodukt
ClimatePartner.com/11624-2308-1001