

SECOND PARTY OPINION (SPO)

Re-verification of the Sustainability Quality of the Issuer and Green Asset Pool

Swiss Prime Site AG
19 October 2020

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Bond
Relevant standards	<ul style="list-style-type: none">• Green Bond Principles
Scope of verification	<ul style="list-style-type: none">• Swiss Prime Site Green Bond Framework (as of October 2020)• Swiss Prime Site Green Asset Portfolio (as of 02.10.2020.)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as no new assets are added to the green asset pool

CONTENTS

Overall Evaluation of the Green Bond	3
ISS ESG ASSESSMENT SUMMARY	3
ISS ESG SPO ASSESSMENT	4
PART I: ASSESSMENT OF SWISS PRIME SITE'S ESG PERFORMANCE	4
PART II: ALIGNMENT WITH THE GREEN BOND PRINCIPLES	6
PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE	9
A. CONTRIBUTION OF THE GREEN BOND TO THE UN SDGs	9
B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE GREEN BOND ASSET POOL	10
ANNEX 1: ISS ESG Corporate Rating	13
ANNEX 2: Methodology	17
ANNEX 3: Quality management processes	18
About ISS ESG SPO	19

Overall Evaluation of the Green Bond

Swiss Prime Site AG (Swiss Prime Site) commissioned ISS ESG to assist with its Green Bond by assessing three core elements to determine the sustainability quality of the instrument:

1. Swiss Prime Site’s sustainability performance, according to the ISS ESG Corporate Rating.
2. Swiss Prime Site’s Green Bond Framework – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBPs).
3. The green asset pool – whether the projects contributes positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Issuer sustainability performance	<p>The issuer itself shows a medium sustainability performance and has been given a rating of c- which classifies it as ‘Not Prime’ by the methodology of the ISS ESG Corporate Rating.</p> <p>It is rated 75th out of 360 companies within its sector as of 19.10.2020. This equates to a high relative performance, with a Decile Rank² of 3.</p>	<p>Status: <i>NOT PRIME</i></p> <p>Rating: C-</p> <p>Decile Rank: 3</p>
Part 2: Alignment with GBPs	<p>The issuer has defined a formal concept for its green bond regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles.</p>	Positive
Part 3: Sustainability quality of the green asset pool	<p>The overall sustainability quality of the green asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The Green Bond will (re-)finance eligible asset categories which exclusively include green commercial buildings.</p> <p>This use of proceed category has a significant contribution to SDG 11 ‘Sustainable cities and communities’. The environmental and social risks associated with the assets have been well managed.</p>	Positive

¹ ISS ESG’s evaluation is based on Swiss Prime Site’s Green Bond Framework, on the analysed green asset pool as received on the 02.10.2020, and on the ISS ESG Corporate Rating applicable at the SPO delivery date (updated on the 04.08.2020). ISS ESG underwent a controversy screening of the asset pool on the 15.10.2020.

² Rank relative to industry group. 1 indicates a high relative ESG performance, while 10 indicates a low relative ESG performance.

ISS ESG SPO ASSESSMENT

PART I: ASSESSMENT OF SWISS PRIME SITE'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments. The overall analysis is graded on a twelve-point scale from A+ (the company shows excellent performance) to D- (the company shows poor performance or fails to demonstrate any commitment to appropriately address the topic). “Prime” status is granted to industry leaders who fulfill demanding performance expectations. Industry leaders are considered the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

COMPANY	STATUS	RATING	DECILE RANK	TRANSPARENCY LEVEL
SWISS PRIME SITE	NOT PRIME	C-	3	HIGH

This means the issuer shows a moderate sustainability performance and has been given a rating of ‘C-’. Whilst this is just below the ‘Prime’ threshold of ‘C’, according to the ISS ESG Corporate Rating methodology, it is above the Real Estate industry average.

ESG performance

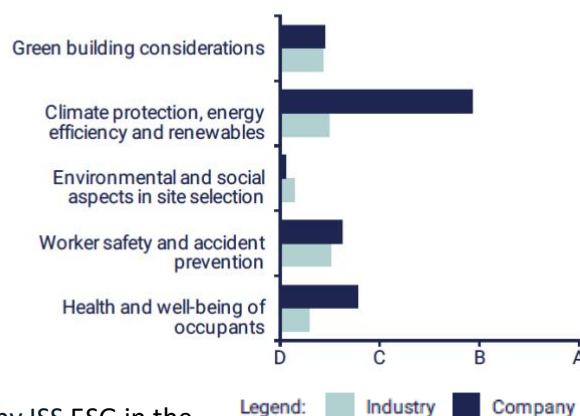
As of 19.10.2020, this Rating places Swiss Prime Site 75th out of 360 companies rated by ISS ESG in the Real Estate sector.

Key Challenges faced by companies in term of sustainability management in this sector are displayed in the chart on the right, as well as the issuer’s performance against those key challenges in comparison to the average industry peers’ performance.

Sustainability Opportunities

Through its two segments, Real Estate and Services, Swiss Prime Site (SPS) operates in the development, leasing and management of different real estate assets, with a focus on office and retail properties. Through some assisted living facilities, SPS contributes to the social infrastructure of Switzerland. There are no indications that the portfolio includes further real estate projects with a high social benefit (e.g. favorable leasing conditions for charitable organizations), or social housing. On the environmental side, 15% of total floorspace was certified to a green building standard such as LEED, DGNB or Minergie in 2019.

Key Issue Performance



Sustainability Risks

The main social and environmental risks pertinent to real estate companies include ensuring the health and safety of workers and tenants, climate protection, and managing and enhancing energy and resource efficiency of buildings. Swiss Prime Site (SPS) demonstrates initiatives to manage the health and safety of own employees and to provide for tenant and customer safety, yet does not demonstrate comprehensive strategies in this regard. Due to the company's operations in Switzerland only, exposure to these risks is however limited. In the context of climate change, SPS has developed a strategy including the compilation of relevant greenhouse gas emission inventories, risk assessments, planned measures, and the definition of a clear reduction target. A science-based target is not evident yet. To increase the energy efficiency of its portfolio, the company has installed PV systems at some properties and aims to procure 100% of electricity from renewable sources. In addition, SPS refers to building shell renovations, and the implementation of LED lighting and efficient HVAC systems. Whether a large share of properties is already covered by these measures is not demonstrated. While further relevant topics such as green procurement of building materials or multi-modal transportation access and environmental awareness amongst tenants are named, there is no indication of comprehensive and clear strategies addressing these issues.

Governance opinion

Regarding Swiss Prime Site (SPS)' governance structure, majority of the board members is independent and separate predominantly independent committees in charge of audit, remuneration and nomination are set up (66%, 100% and 100% respectively). The board chair (Mr. Ton Büchner as at April 7, 2020) is classified independent by the company. SPS discloses its remuneration policy for executives as a whole and the CEO individually, sub-divided into relevant components. A sustainability board composed of board directors and managers has been set up. In terms of remuneration, clear ESG targets do not seem to be incorporated into executives' variable remuneration scheme. As far as business ethics is concerned, the company has established a code of conduct addressing important issues such as conflicts of interest, corruption, antitrust violation, and gifts and entertainment. Moreover, to ensure fair business practices, the code, which is available in local languages, needs to be confirmed by employees. In addition, employees are provided with anonymous and confidential whistleblower channels.

Breaches of international norms and ESG controversies

The company is not facing any controversy.

PART II: ALIGNMENT WITH THE GREEN BOND PRINCIPLES

1. Use of Proceeds

The proceeds of Swiss Prime Site’s Green Bond issuance will be used to finance or re-finance, in whole or in part, new or existing sustainable projects or assets and operating expenditure with a clear and defined environmental or social benefit either for Green Label Developments Projects or for the CO₂ Reduction Pathway of the Investment Property Portfolio.

These are described in the table below:

ELIGIBLE GREEN CATEGORY	DESCRIPTION	EXAMPLE OF EXISTING ELIGIBLE SPS ASSETS
Green buildings	<ul style="list-style-type: none"> Acquisition, construction or refurbishment of buildings which meet recognized standards (primary focus for Green Bond issue), including the following: <ul style="list-style-type: none"> Minergie certification SNBS BREEAM (very good and above) LEED (gold and above) 	<ul style="list-style-type: none"> Current list of eligible properties (see framework annex).
Climate action and CO₂ emissions	<ul style="list-style-type: none"> The proceeds will only be used to finance projects that contribute to (1) reduction of overall energy use and / or (2) reduction of CO₂- and GHG-emissions An overall goal to operate the portfolio with [50%] of renewable energy and without CO₂ emissions 	<ul style="list-style-type: none"> Progress tracking of CO₂ reduction pathway based on Swiss Prime Site Sustainability Report.
Responsible consumption and production	<ul style="list-style-type: none"> Use of materials low in pollutants and renewable materials Buildings with maintained of low energy consumption Potential measurements include: <ul style="list-style-type: none"> % of portfolio that uses 100% renewable energy Primary energy consumption CO₂e caused by heating/hot water Energy savings Electricity (general/tenants) CO₂e caused by Electricity similarly 	<ul style="list-style-type: none"> Whenever feasible, Swiss Prime Site pursues the rollout of PV facilities.

Opinion: ISS ESG finds that the Use of Proceeds description provided by Swiss Prime Site aligns with the GBPs. The project categories are aligned with the issuer’s broader sustainability strategy. The financing of new green real estate development projects is also seen as an added value.

2. Process for Project Evaluation and Selection

Projects financed and/or refinanced through the Green Bond proceeds are evaluated and selected based on compliance with the Green Bond Eligibility Expenditure Criteria and alignment with Swiss Prime Site's strategic sustainability objectives.

Swiss Prime Site has established a Green Bond Committee composed of members of the Group Executive Board working jointly with the management teams from each Group company and specific representatives from the operational units to define appropriate initiatives and metrics for measuring their achievement. The Committee will also oversee the Green Bond implementation of the allocation and selection process of the Eligible Sustainability Project Portfolio.

In this way it will be possible to regularly determine the implementation progress and whether any adjustments need to be made. All the proceeds of the Green Bond will be allocated to the selected Eligible Sustainability Project Portfolio in accordance with the respective eligible expenditure.

Swiss Prime Site will ensure that all selected Eligible Expenditure comply with official national and international environmental and social standards, local laws and regulations on a best effort basis. Swiss Prime Site will report yearly on its Group sustainability commitments along all six dimensions and, since 2016, these reports have been formulated in accordance with the internationally recognised Global Reporting Initiative (GRI) standards.

In this way, Swiss Prime Site provides all interested stakeholders with transparent, regular and reliable information about its sustainability endeavours.

Opinion: ISS ESG finds that the Process for Evaluation and Project Selection description provided by Swiss Prime Site aligns with the GBPs. Various departments are involved in the project evaluation and selection process thanks to the creation of a Green Bond Committee.

3. Management of Proceeds

Swiss Prime Site intends to allocate the proceeds from the Green Bonds to an Eligible Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above.

To ensure proceeds are allocated in accordance to the Green Bond Framework, the issuer will track the receipt and use of proceeds to the extent feasible via its internal reporting systems, ensuring all Eligible Expenditures in the Green Bonds are appropriately identified. Swiss Prime Site will strive, over time, to achieve a level of allocation for the Eligible Green Project Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches or exceeds the balance of an amount equal to the net proceeds from its outstanding Green Bonds.

In the case where a project no longer meets the eligibility criteria, the funds will be reallocated to other eligible sustainable projects. Payment of principal and interest will be made from its general account and not be linked to the performance of the eligible green projects.

Opinion: ISS ESG finds that the Management of Proceeds description provided by Swiss Prime Site aligns with the GBPs. Tracking of proceeds is ensured through internal IT systems, while alternative investments in case projects no longer meet the eligibility criteria are disclosed. Moreover, the issuer ensures the payment of principal and interest will be made from its general account and not be linked to the performance of the eligible green projects, which is seen as positive.

4. Reporting

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

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

Each annual report will be reviewed by the Green Finance Committee, approved by the Chair and verified by an independent assurance provider in advance of publication.

The report will follow where feasible, ICMA harmonized framework for impact reporting.

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

https://sps.swiss/fileadmin/user_upload/redakteure/gruppe/pdf/geschaeftsberichte/en/Sustainability_Key_Indicators_2019.pdf

Opinion: ISS ESG finds that the Reporting description of Swiss Prime Site is aligned with the GBPs. The allocation reporting on an annual basis is aligned with best market practices, while it has developed a detailed and transparent environment KPI report for impact reporting.

External review

Swiss Prime Site will engage external independent accountants to review that the assets included in the Swiss Prime Site Bond Asset Portfolio meet the Swiss Prime Site Eligibility Criteria and are not invested in other assets. Further, independent accountants will be engaged to review that the aggregate amount in the Eligible Portfolio is equal to or greater than the aggregate amount raised by Swiss Prime Site Green Bonds.

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE


A. CONTRIBUTION OF THE GREEN BOND TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of the Swiss Prime Site’s Green Bond to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):



Each of the Green Bond’s Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Commercial Green Buildings	Significant contribution	

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE GREEN BOND ASSET POOL

Commercial green real estate

As a Use of Proceeds category, commercial green real estate has a significant contribution to the SDG 11 “Sustainable cities and communities”. The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Energy Efficiency prerequisites

- ✓ 100% of the assets underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency.

Site selection

- ✓ 100% of the assets are developed in urban areas and excluded from protected areas.
- ✓ 100% of the assets are located within a maximum of 1km from one or more modalities of public transport.

Construction standards

- ✓ 100% of the assets are located in Switzerland, a country where high labour and health and safety standards are in place for construction and maintenance work (e.g. ILO core conventions).
- No information is available on the sustainable procurement regarding building materials (e.g. recycled materials).

Water use minimization in buildings

- ✓ More than 50% of the assets provide for measures to reduce water consumption (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

Safety of buildings users

- ✓ 100% of the assets provide for measures to ensure operational safety (e.g. emergency exits, fire sprinklers, fire alarm systems) as provided by national legislation.

Sustainability labels / Certificates

- ✓ 51% of the assets obtained a BREEAM “Very Good”, DGNB “Gold”, LEED “Gold”, HQE “excellent”, certificate or better certification. The remaining 49% of assets obtained other certifications such as Minergie, SNBS, or SGNI “Gold”.

Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the building projects.

DISCLAIMER

1. Validity of the SPO: This SPO is valid as long as no new assets are added to the green asset pool.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
5. We would point out that this SPO, in particular the images, text and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are protected under copyright and trademark law. Any use thereof shall require the express prior written consent of ISS. Use shall be deemed to refer in particular to the copying or duplication of the SPO wholly or in part, the distribution of the SPO, either free of charge or against payment, or the exploitation of this SPO in any other conceivable manner.

The issuer that is the subject of this report may have purchased self-assessment tools and publications from ISS Corporate Solutions, Inc. ("ICS"), a wholly-owned subsidiary of ISS, or ICS may have provided advisory or analytical services to the issuer. No employee of ICS played a role in the preparation of this report. If you are an ISS institutional client, you may inquire about any issuer's use of products and services from ICS by emailing disclosure@issgovernance.com.

This report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While ISS exercised due care in compiling this report, it makes no warranty, express or implied, regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In particular, the research and scores provided are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies.

ISS is an independent company owned by entities affiliated Genstar Capital ("Genstar"). ISS and Genstar have established policies and procedures to restrict the involvement of Genstar and any of Genstar's employees in the content of ISS' reports. Neither Genstar nor their employees are informed of the contents of any of ISS' analyses or reports prior to their publication or dissemination. The issuer that is the subject of this report may be a client of ISS or ICS, or the parent of, or affiliated with, a client of ISS or ICS.

© 2020 | Institutional Shareholder Services and/or its affiliates

ANNEX 1: ISS ESG Corporate Rating

The following pages contain extracts from Swiss Prime Site's 2020 ISS ESG Corporate Rating.

Swiss Prime Site AG

Company Information

Country
Switzerland

ISIN
CH0008038389

Industry
Real Estate

Key Results

Rating
C- Decile Rank
3

Transparency Level
High Performance score
43.59

Status
Not Prime Prime Threshold
C

Absolute Rating

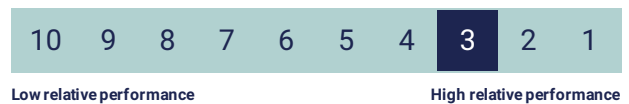


The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively.

Transparency Level



Decile Rank

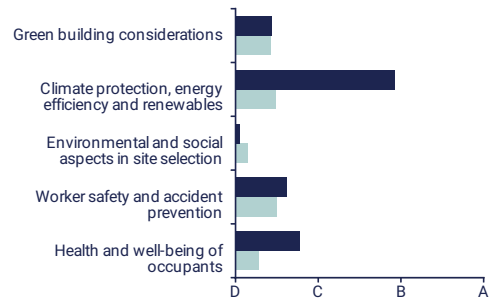


Industry Leaders

Company name (in alphabetical order)	Country	Grade
Gecina S.A.	FR	B-
Mercialys	FR	B-
Unibail-Rodamco-Westfield SE	FR	B

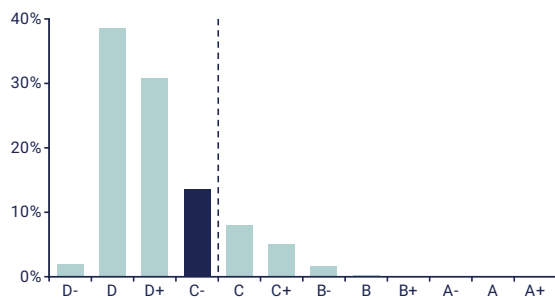
Legend: ■ Industry ■ Company --- Prime

Key Issue Performance

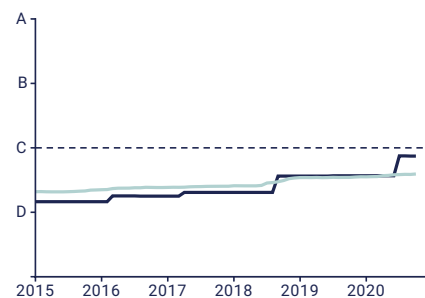


Distribution of Ratings

360 companies in the industry



Rating History



Swiss Prime Site AG

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Controversial Business Practices - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

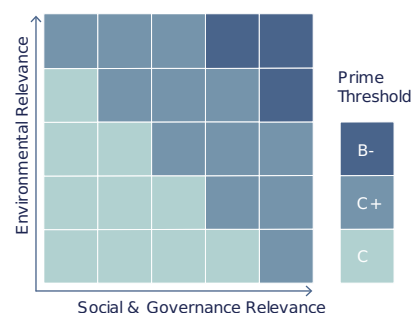
Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Swiss Prime Site AG

Methodology - Overview

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 2: Methodology

ISS ESG Green KPIs

The ISS ESG Green Bond KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Swiss Prime Site’s Green Bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Swiss Prime Site (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Swiss Prime Site’s Green Bond contributes to related SDGs.

ANNEX 3: Quality management processes

SCOPE

Swiss Prime Site commissioned ISS ESG to compile a Green Bond SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the ICMA Green Bond Principles and to assess the sustainability credentials of its Green Bond, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- ISS ESG KPI set: - Commercial Buildings

ISSUER'S RESPONSIBILITY

Swiss Prime Site's responsibility was to provide information and documentation on:

- Framework
- Asset pool
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Bond to be issued by Swiss Prime Site based on ISS ESG methodology and in line with the ICMA Green Bond Principles.

The engagement with Swiss Prime Site took place in October 2020.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For Information about SPO services, contact:

Federico Pezzolato

SPO Business Manager EMEA/APAC

Federico.Pezzolato@isscorporatesolutions.com

+44.20.3192.5760

Miguel Cunha

SPO Business Manager Americas

Miguel.Cunha@isscorporatesolutions.com

+1.917.689.8272

For Information about this Green Bond SPO, contact: SPOOperations@iss-esg.com

Project team

Project lead

Damaso Zagaglia
Associate
ESG Consultant

Project support

Patricia Dörig
Analyst
ESG Consultant

Project supervision

Viola Lutz
Associate Director
Deputy Head of Climate Services