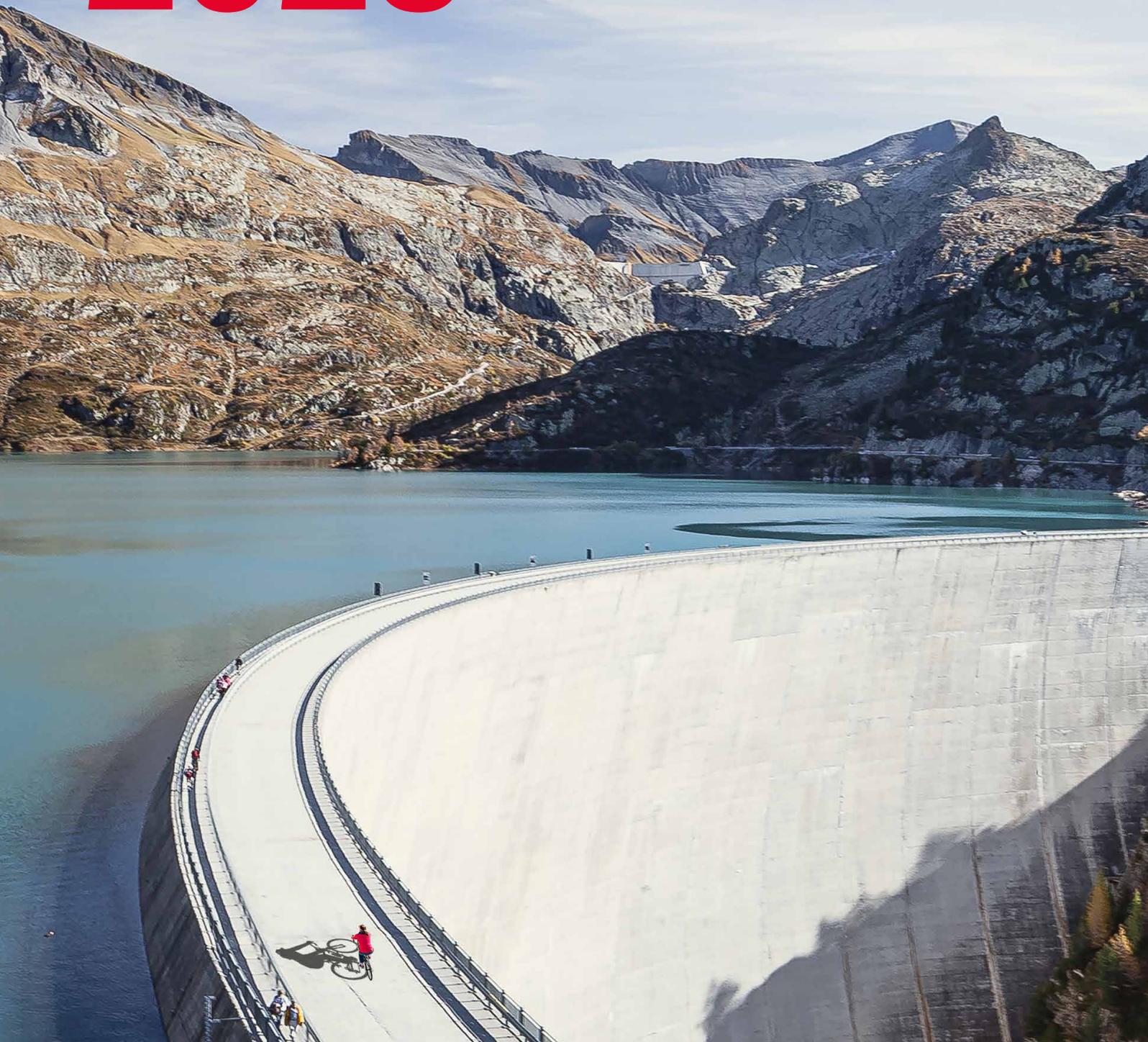


Sustainability Report **2023**





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ESG – Cutting Through the Nonsense!

"Building Enduring Value" – our long-standing mission to create sustainable value, is in line with our sustainability perspective.



Our ESG approach is not a general philosophy, but rather a product of our 3 core values and 8 guiding principles that shape our behavior as a company. The common thread in our actions is to think long-term - how we invest and protect client assets, in environmental conservation, in our social responsibility, and in the highest standards of governance. We commit to sustainability in every aspect, not as a one-time initiative, but as a continuous investment-flexible yet of lasting value.

In 2022, we achieved the following milestones:

1. Hiring an ESG manager, solely dedicated to sustainability
2. Developing an ESG strategy, based on our pragmatic approach
3. Clearly stating our position on certification, standards, and benchmarks
4. Conducting the Great Place to Work survey at the employee level

However, ESG must be approached with a pragmatic approach. We question critically and seek smart solutions. In short, our actions must make sense.

In the spirit of an honest representation of Helvetica, I am proud to present to you our second sustainability report.



We critically question and seek smart solutions. In short, our actions must make sense.

A handwritten signature in black ink, appearing to read 'Hans R. Holdener'. The signature is fluid and cursive, with a long, sweeping underline.

Hans R. Holdener
CEO and Co-Founder

I do not see the role of the ESG manager as a standalone task, but rather as an interdisciplinary corporate and life philosophy.

From the outset, I was aware that taking on the role of ESG manager at Helvetica was a unique position. At first glance, the complexity and novelty of the ESG topic can be daunting. However, from my perspective, the essential essence behind it is easily accessible and efficiently implementable with a good dose of pragmatism. Therefore, as ESG manager, my main task is to simplify the issue and sensitize my colleagues to it.

The frequently asked question about the cost of sustainability is not helpful in achieving our goals. The question must be focused on the long-term value and inclusion of opportunities and risks. For me, sustainability means nothing more than a long-term and holistic view of a system. This involves a shift in decision-making criteria – from simple investment calculations to a multidimensional cost-effectiveness analysis. The procurement of robust data is currently the biggest challenge.

As a company, but also as individuals, we have a responsibility to future generations. By acting with foresight today, we can positively influence the future. We want to be able to say to the next generations with a clear conscience that we have done everything we can.



Nino Birrer
ESG-Manager

”

To me, sustainability means nothing less than taking a long-term and holistic point of view.



Helvetica at a Glance

Helvetica was founded in 2006 with the vision of building and preserving wealth over generations. Our commitment to long-term ownership and active "hands-on" management of real estate has enabled us to deliver stable investment performance for almost two decades.

Helvetica is independently owned, and as a company, we are committed to our clients, employees, and values. When we act in the best interest of our investors, we also do what's best for our company and employees.

Today, Helvetica is a recognized real estate fund and asset manager supervised by the Swiss Financial Market Supervisory Authority FINMA. We offer a comprehensive range of investment products, solutions, and advisory services to institutional clients, pension funds, insurance

companies, foundations, asset managers, and private investors.

Helvetica's fully integrated platform covers the entire life-cycle of real estate investments. Our competencies include fund management, sales and investor relations, transaction management, portfolio and asset management, and construction management. Helvetica manages four portfolios, which are listed below.



HSCFund

The HSC Fund invests in commercial properties in Switzerland.



HSONFund

The HSO Fund invests in special and logistics properties in Switzerland.



HSLFund

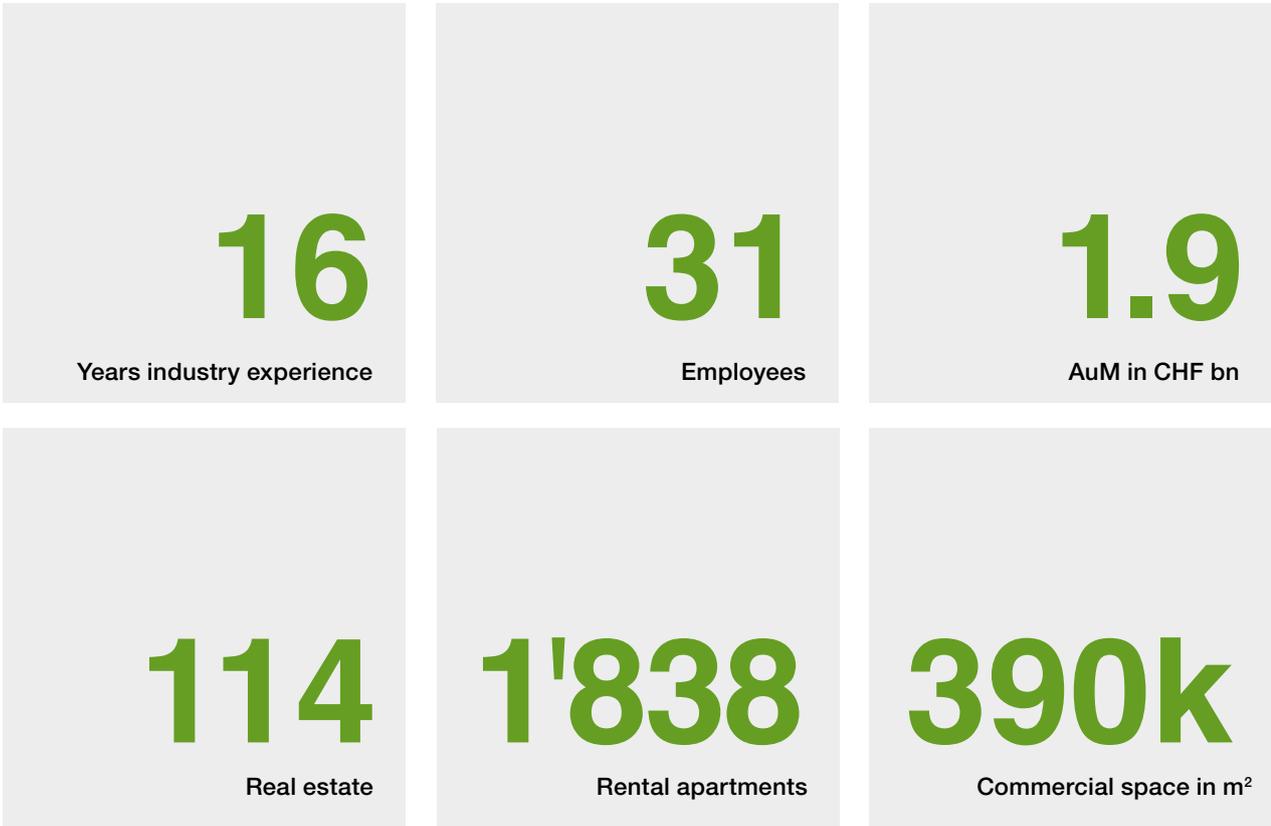
The HSL Fund invests in newly built residential properties in Switzerland.



HELVETICALife

The Helvetica Life investment foundation invests in newly built residential properties in Switzerland.

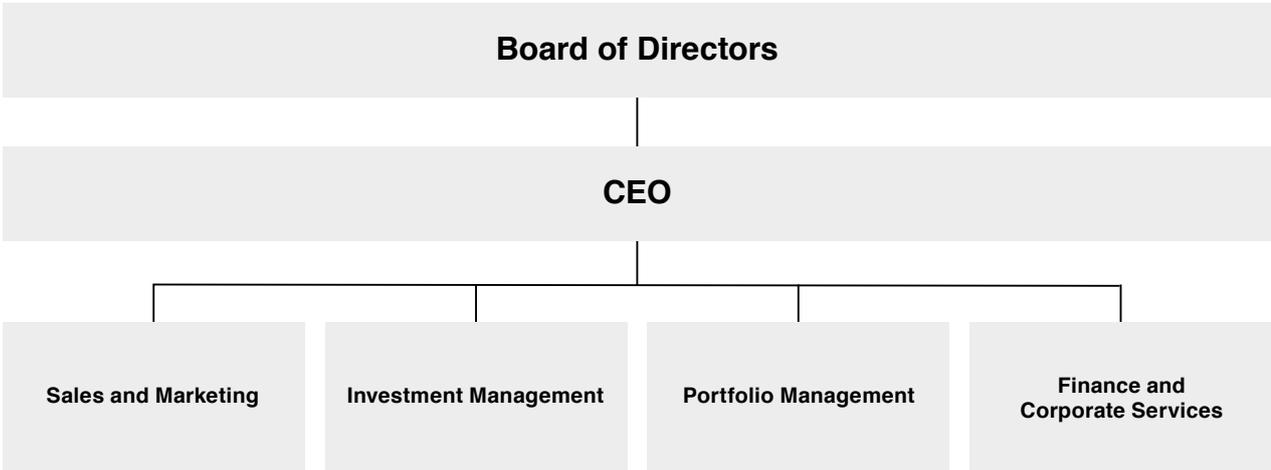
Facts and Figures



Balance as per December 31st, 2022

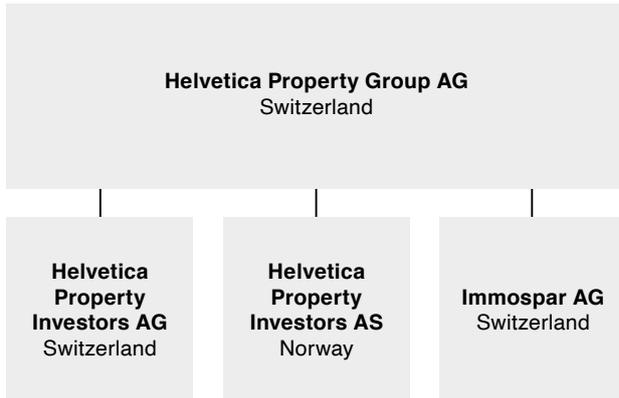
Organization and Departments

Helvetica is organized in four major departments.



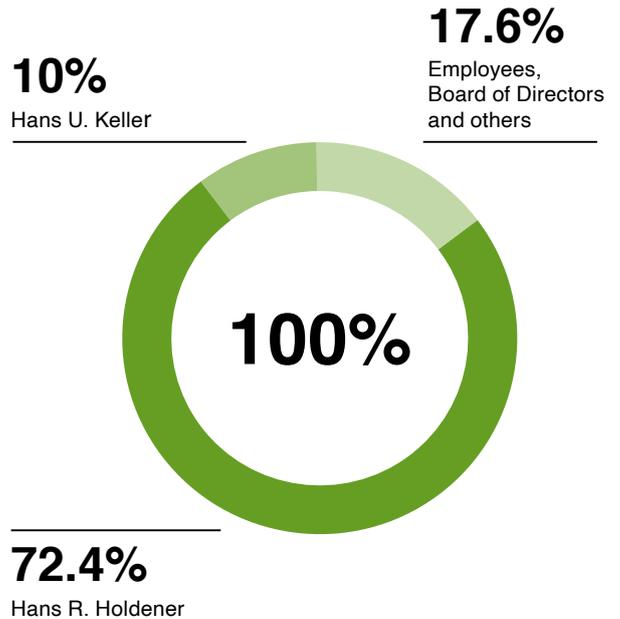
Corporate Structure

Helvetica Property Group AG is a Swiss corporation with its registered office in Zurich. The shares of the company are not listed. Helvetica Property Group consists of four fully held companies, which are all consolidated.



Independent Ownership

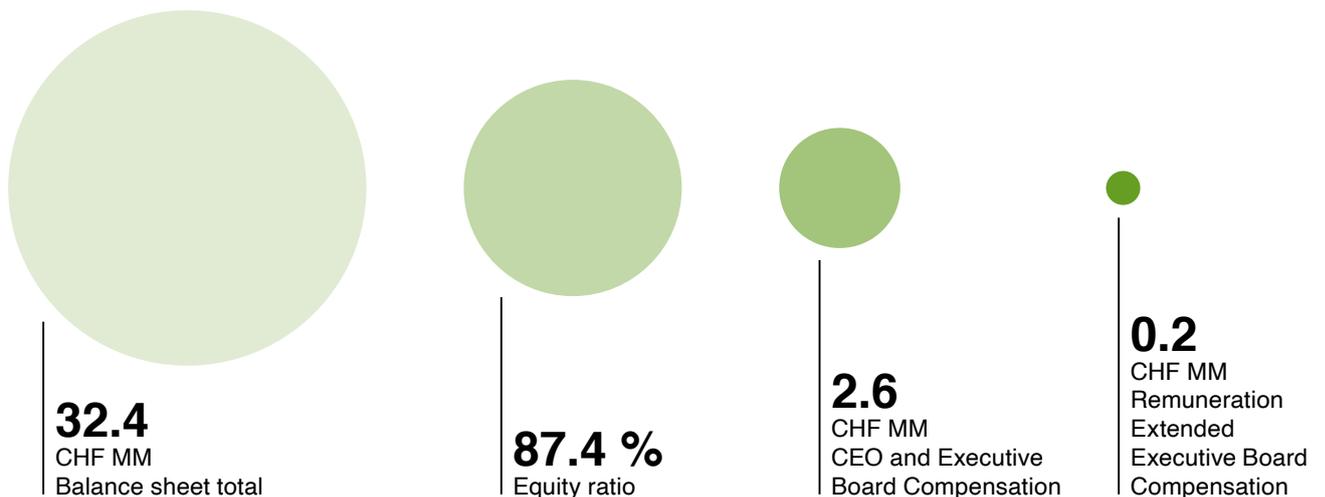
The Firm is privately held and owned by management, members of the board of directors, senior staff and others. As of 31 December 2022, the company has the following shareholders:



Disclosure

As a privately held company, we are not obligated to disclose the direct economic value that has been generated and distributed. Nonetheless, we are presenting the

financial information for the fiscal year 2022 as per the following overview.



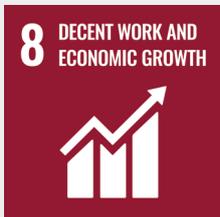


Our Path to a Sustainable Future

When we embarked on the path to sustainability, we knew that we needed to proceed in a structured manner. The first and perhaps most important step was to develop a shared understanding of what sustainability means to us.

This chapter deals with our core sustainability values, which we have developed and adopted in the form of a strategy. Our ESG strategy was developed through various workshops involving ESG management, the executive board, and the board of directors. While Helvetica

supports all Sustainable Development Goals (SDGs), we focus on three goals where our company can make a significant contribution to improvement. The following graphic shows which goals are most relevant to us and what we are doing to make an impact.



The goal

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

How we contribute

By growing our business and creating good jobs with training opportunities and career advancement potential



The goal

Make cities and human settlements inclusive, safe, resilient and sustainable

How we contribute

By investing in well-maintained commercial and residential properties that represent healthy places to work and live and offer easy access to public transit, bike-ways and other green modalities



The goal

Take urgent action to combat climate change and its impacts

How we contribute

By considering only CO₂-neutral heating replacements, we help to reduce greenhouse gas emissions

Pragmatic Sustainability Approach

We are a small company with big ambitions, but at our core, we are pragmatists. We have established our sustainability principle and made simple statements based on the three core values and eight guiding principles of our company.

In our intensive engagement with the topic of sustainability, we have recognized recurring conflicts between transparency, investments, and economic viability. In this tension, we have taken a clear stance with corresponding principles.



The first area can be summarized as 'Transparency and Comparability', which is primarily concerned with the aggregation and packaging of our portfolios or the company in terms of sustainability. Due to the strong demand from investors and society, this area is growing and changing rapidly. The breadth and meaningfulness, as well as the associated effort of benchmarks, certifications, and standards, differ significantly. Therefore, it is important for us to create transparency as a basis for decision-making and not as an end in itself.

The second area deals with sustainable investments, such as replacing fossil heating systems with renewable energy systems. In this context, it is important to create a shared understanding of the classification and prioritization of sustainable measures in a holistic context.

The third area takes into account economic viability. At Helvetica, we are convinced that sustainable investments are economically viable with the right decision-making model and a long-term perspective.

The intersection of the topics discussed, and the sum of the principles symbolize our pragmatic sustainability approach.

 Helvetica

NEW YORK 11:10 LONDON 16:10 PARIS 17:10 TOKYO 0:10 SYDNEY 1:10



Great Place To Work.

 Helvetica

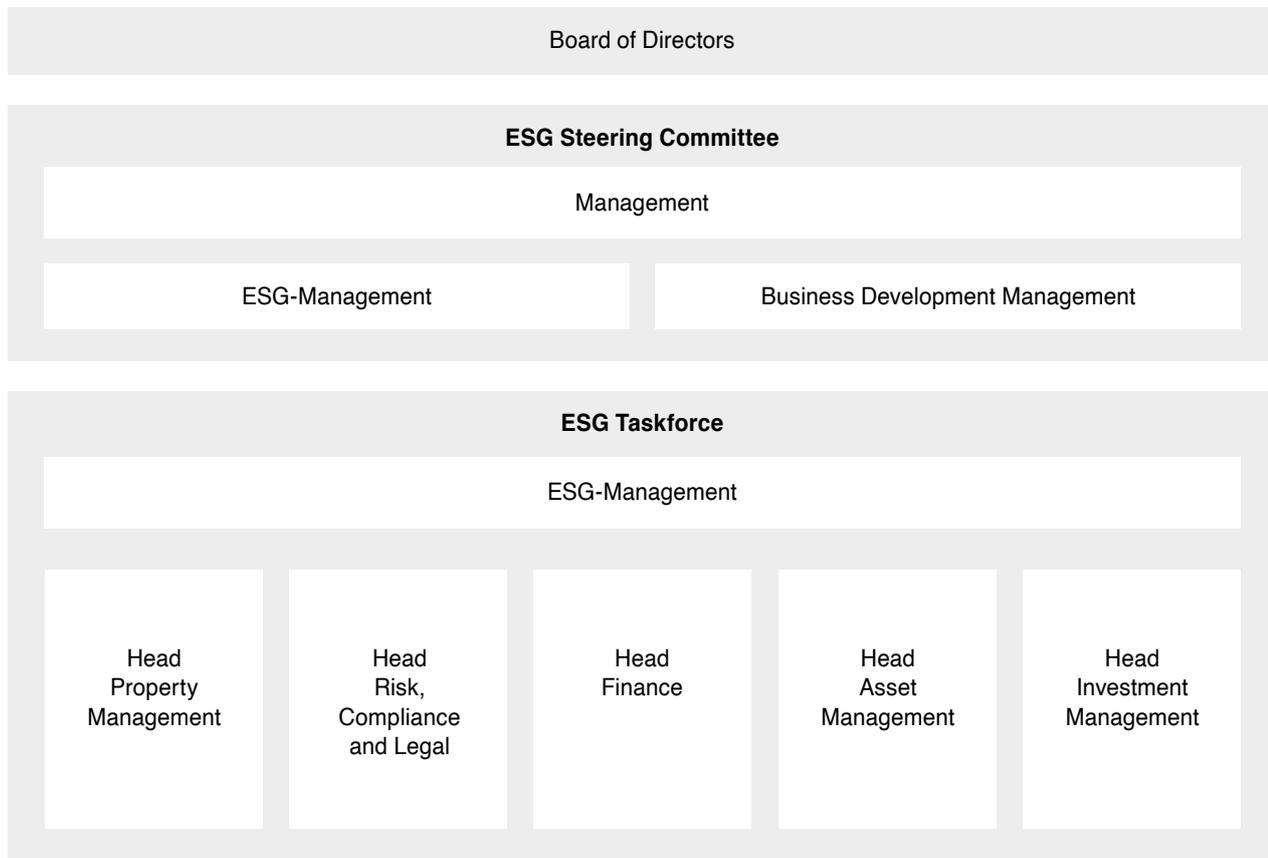
Sustainability at Organizational Level

From the beginning, it was clear to us that the responsibility for coordinating our sustainability efforts could not be divided among our existing employees. Therefore, in the last fiscal year, we created a position in ESG management that is exclusively focused on sustainability. Especially in a rapidly changing environment, it is important to quickly recognize the demands of all stakeholders and market opportunities and incorporate them into strategic decisions. Therefore, clear organizational structures are essential for implementing top-down as well as bottom-up approaches for the company's success. We have developed an organizational unit dedicated exclusively to ESG issues for this purpose. The ESG management plays a central role in the newly defined structures.

The ESG steering committee consists of the four members of the executive management (CEO, CFO, Head of Sales, Head of Portfolio Management) as well as the

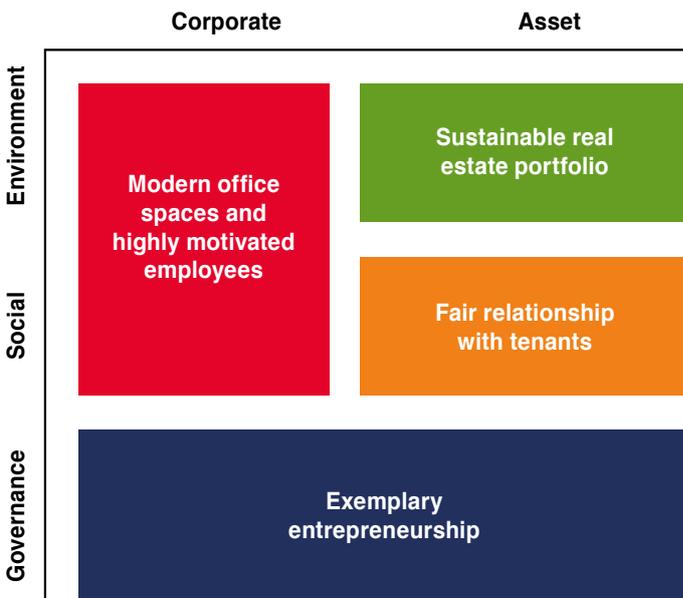
ESG and Business Development Management. In this committee, strategic decisions regarding sustainability are made on a half-yearly basis. The responsibility for developing proposals and monitoring their implementation lies with the ESG management. The Board of Directors is informed about events and any decisions related to sustainability by the executive management during board meetings.

The ESG Taskforce is under the leadership of the ESG Management. Its task is to implement the measures decided upon by the Steering Committee. Measures are discussed either bilaterally or in the committee in collaboration with the respective department heads. Additionally, inputs from the individual business areas are to be gathered and consolidated into the Steering Committee meeting.

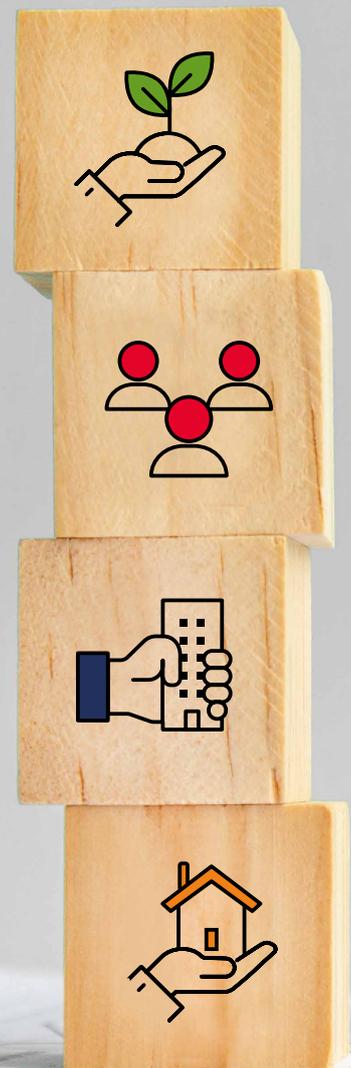


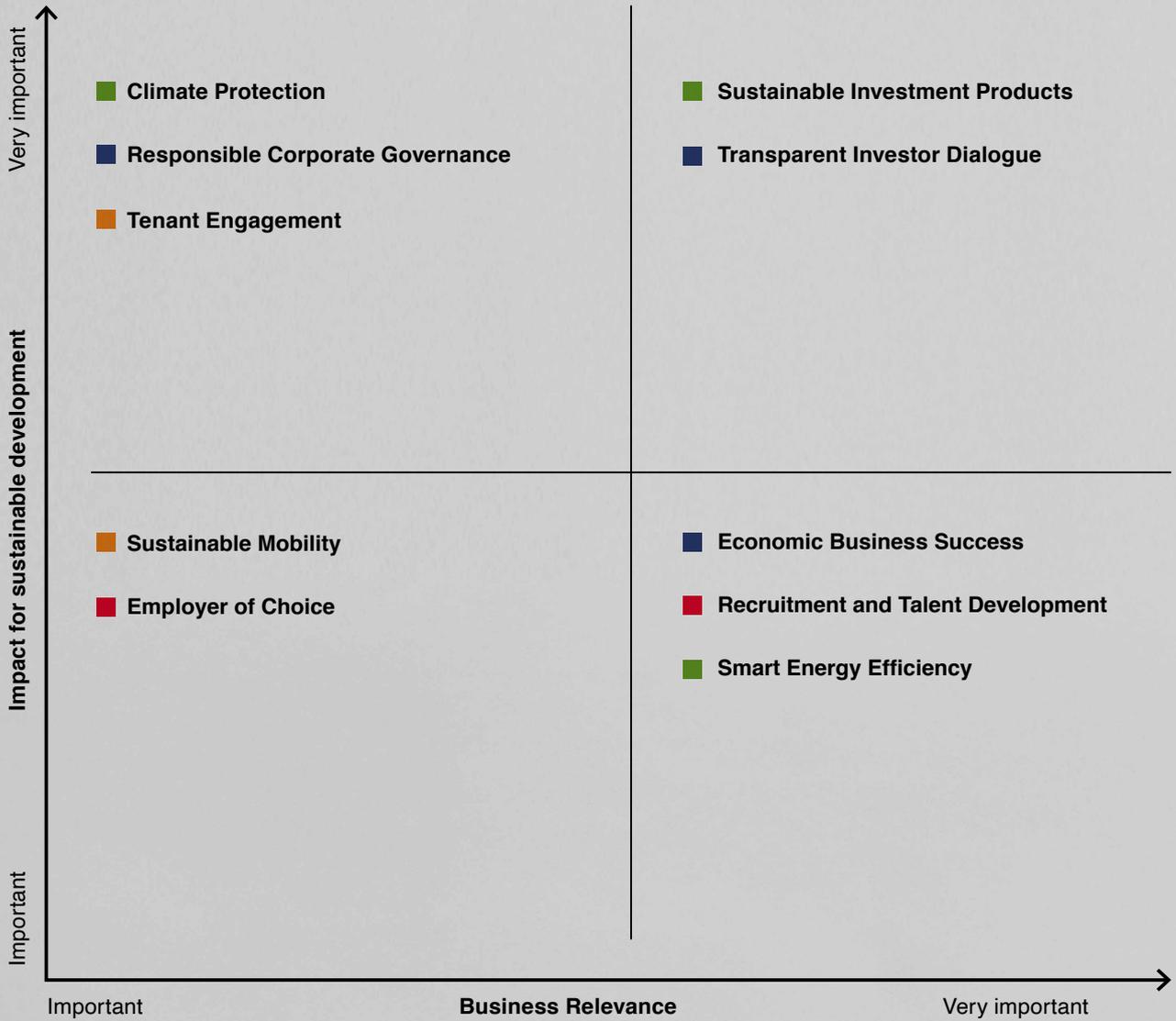
The Materiality Analysis

We have created a strategic framework for sustainability reporting last year, and as a result, we were able to publish our first sustainability publication in 2022. Since then, we have been intensely engaged with the topic of sustainability and have evolved further. In the process, we have become aware that the categorization of topics according to E, S, and G (Environment, Social and Governance) is not optimal for us. The ESG categorization does not clearly define the distinction between the corporate or asset level, and there are also uncertainties in the social sphere with the various stakeholders (investors, employees, and tenants). Therefore, we have developed our own structure, which is based on familiar business fields and enables a clear delineation of topics and a meaningful allocation of responsibilities.



We performed a materiality analysis in a series of workshops for our last sustainability report to determine which sustainability aspects are of highest relevance to our business and to the economy, society, and environment. Due to our ongoing development as a company, as well as the constant changes in the market, we reviewed the previous year's topics. For each topic, we analyzed the risks and opportunities associated with implementing or not implementing measures. After this review, we concluded that we needed to reduce the complexity and breadth of the topics. Through new action fields, the new allocation of aspects, and intentional omission, we were able to reduce the breadth from 16 to 10.





■ Sustainable Real Estate Portfolio

■ Modern Office Space and Highly Motivated Employees

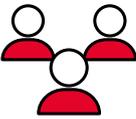
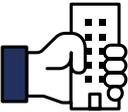
■ Exemplary Entrepreneurship

■ Fair Relationship with Tenants



The Roadmap

Based on the materiality matrix and the 10 defined areas, we have defined strategic goals with underlying measures. Simple statements have been made about implemented and planned projects.

ESG action fields	Materiality analysis	Long-term strategic goals
Sustainable real estate portfolio 	Climate Protection	Climate neutrality by 2050
	Smart Energy Efficiency	Use of renewable energy systems
		Expansion of PV systems
Sustainable Investment Products	Transparency and comparability at the fund level	
Modern Office Spaces and Highly Motivated Employ 	Recruitment and Talent Development	Optimization of recruitment process and ensuring cultural fit
		Promotion of training and talent development
	Employer of Choice	Sustainable and modern office spaces
		High employee satisfaction
Exemplary Entrepreneurship 	Economic Business Success	Reducing vacancies
		Keeping fund costs low
	Transparent Investor Dialogue	Investor satisfaction through transparency and feedback
	Responsible Corporate Governance	Clear and exemplary guidelines and process landscape
		Risk assessment at company and portfolio level
Fair Relationship with Tenants 	Tenant Engagement	Reduction of ancillary costs
		Collaboration with tenants
	Sustainable Mobility	Investment criteria for sustainable mobility
		Expansion of e-charging stations

Actions 2022	Actions until 2024
<ul style="list-style-type: none"> ▪ Data collection (areas and consumption) ▪ Disclosure of environmentally relevant indicators according to AMAS 	<ul style="list-style-type: none"> ▪ Automation of consumption data collection ▪ Increase measured coverage rate to 80%
<ul style="list-style-type: none"> ▪ Portfolio screening for heating replacement ▪ Strategy paper for renovation process 	<ul style="list-style-type: none"> ▪ Basic strategy for heating replacement ▪ Implementation of various energy-related renovations
<ul style="list-style-type: none"> ▪ Portfolio screening for PV roof systems and carports 	<ul style="list-style-type: none"> ▪ Development of a basic strategy for PV systems ▪ Implementation of various PV projects
<ul style="list-style-type: none"> ▪ Development of a CO₂ reduction path 	<ul style="list-style-type: none"> ▪ Participation in the REIDA CO₂ benchmark ▪ Selection of a portfolio benchmark system
<ul style="list-style-type: none"> ▪ Incentivization of existing employees as job intermediaries 	<ul style="list-style-type: none"> ▪ Insourcing of HR services for a customized "employee journey"
<ul style="list-style-type: none"> ▪ Introduction and implementation of internal expert presentations 	<ul style="list-style-type: none"> ▪ Introduction of a unified and transparent bonus system based on team performance
<ul style="list-style-type: none"> ▪ Expansion of office space at headquarters 	<ul style="list-style-type: none"> ▪ Optimization of office space operations
<ul style="list-style-type: none"> ▪ Participation in the first GPTW¹ survey and implementation of initial measures 	<ul style="list-style-type: none"> ▪ Implementation of GPTW¹ measures and renewed participation by 2024
<ul style="list-style-type: none"> ▪ Continuous reduction of vacancies across all funds 	<ul style="list-style-type: none"> ▪ Promoting conversion projects and new leasing strategies
<ul style="list-style-type: none"> ▪ Change of mandate in tax consulting 	<ul style="list-style-type: none"> ▪ Cost reduction through appraisal experts ▪ Selective in-housing of property management
<ul style="list-style-type: none"> ▪ Reduced reporting deadline to 60 days after the end of the reporting period 	<ul style="list-style-type: none"> ▪ Conducting investor surveys ▪ Conducting investor events
<ul style="list-style-type: none"> ▪ Adaptation of guidelines for investment process ▪ New code of conduct 	<ul style="list-style-type: none"> ▪ Participation in the PRI² Framework ▪ Ongoing adaptation of guidelines to legal requirements (such as data protection law)
<ul style="list-style-type: none"> ▪ Regular risk and compliance reporting 	<ul style="list-style-type: none"> ▪ Hiring of Risk, Legal and Compliance Officer ▪ Revision of the internal control system
<ul style="list-style-type: none"> ▪ Circular for reducing energy costs 	<ul style="list-style-type: none"> ▪ Operational optimization ▪ Smart procurement of electricity
<ul style="list-style-type: none"> ▪ Targeted discussions with key tenants 	<ul style="list-style-type: none"> ▪ Conducting tenant surveys
<ul style="list-style-type: none"> ▪ Strategy for categorizing criteria 	<ul style="list-style-type: none"> ▪ Revision of criteria catalog for acquisition properties
<ul style="list-style-type: none"> ▪ Portfolio screening for e-mobility ▪ Concept development for expanding charging stations 	<ul style="list-style-type: none"> ▪ Implementation of various e-mobility projects

¹ GPTW – Great Place To Work

² PRI – Principles for Responsible Investment

How We Demonstrate our Success

All types of companies, including Helvetica, are encouraged to communicate what they are doing for a more sustainable future. Motivated by our own efforts in the area of sustainability, pension funds and other clients are increasingly asking about our ESG practices. However, the call for more transparency and comparability can lead to questionable measures that do not align with our pragmatic approach to sustainability. We do not collect data for its own sake, but as a basis for decision-making and incentive for sustainable investments.

At this point in time, we believe that demonstrating transparency and comparability and the associated effort of data collection across the entire range of ESG issues does not align with our pragmatic approach. We believe in incorporating sustainability issues into our decision-making process in order of their defined priority.

As a real estate fund company, we recognize our greatest potential in reducing CO₂ emissions. This focus allows us to use our resources strategically and ask the right questions in this area. Only with intensive examination and implementation of the CO₂ strategy can a goal-oriented dialogue take place, from which meaningful measures can be derived. The most meaningful control element for reducing our emissions is the CO₂ reduction path ([see page 26](#)).

At Helvetica, we believe that our company can stand out from competitors by reporting honestly and in a meaningful granularity about our company-wide practices and development in the area of sustainability. Building on the last report, we have decided to align our sustainability initiatives with the guidelines, principles, and benchmarks of the following organizations. In particular, we would like to mention the CO₂ benchmark from REIDA, in which we will participate later this year.

Timetable for Implementation





Sustainable Real Estate Portfolio

This section covers the environmental aspects of Helvetica's real estate portfolio.

Climate Protection

Our sustainability strategy is aligned with the Paris Climate Agreement and the current energy and emission goals of the government. Additionally, we are prepared for potential future legal framework conditions, such as a new FINMA regulation on greenwashing or a revised CO₂ law.

As the construction and operation of buildings contribute significantly to global CO₂ emissions, we have identified the greatest potential for climate protection in the energy optimization of our property portfolio. To tap into this potential, we have created reliable decision-making foundations through consistent data transparency. For this purpose, our properties were examined based on various aspects and corresponding data were collected in the last fiscal year. The following projects were carried out in cooperation with external service providers and suitable tools:

- Collection of area data (particularly energy reference area) according to SIA 416 for the concrete identification of area-related indicators
- Collection of energy consumption data (heating material and general electricity) for object-specific assessment
- Various portfolio screenings for energy potentials (heating, PV systems, e-mobility)

As a pioneer, the Asset Management Association Switzerland (AMAS) presented the disclosure of environmental indicators for its members as part of self-regulation in the middle of last year. From our point of view, the introduction of the environmental AMAS indicators is an important step in the right direction. Thanks to the above data collection, we can disclose these indicators ([see page 22 and 23](#)).

The coverage ratio describes the proportion of the energy reference area for which energy data has been collected. The "measured coverage rate" shows the portfolio coverage for which complete consumption data for the reporting period under consideration are available in "original" data quality (based on utility bills). Based on the "original" data quality, extrapolations can be made for data gaps in the reporting year if complete consumption data for the energy reference area are available for at least one reporting period, but not in the reporting period under consideration, but in a previous or subsequent year. This supplement for data gaps is shown as an "extrapolated coverage rate". If there is no complete reporting period of consumption data in "original" data quality for the energy reference area, neither in the reporting year nor in a previous or subsequent year, consumption can be benchmarked based on usage. This supplement to coverage is shown as a "benchmarked coverage rate".

We strive to continuously improve the data quality in the form of coverage rates. To this end, the measured coverage rate is to be automated and optimized by various measures when energy is generated and booked. This includes the installation of metering systems, which will be installed by us as part of renovations and operational optimizations. Additionally, we intend to adjust the utility bill run for automatic booking of energy consumption. Through these measures, we hope to increase the measured coverage rate to 80% within the next two years.

Smart Energy Efficiency

The aim here is to increase the share of renewable energy in our real estate portfolios.

Due to the changed interest rate policy, pressure on real estate investments has increased. At Helvetica, we are convinced that with our goal-oriented and long-term investment strategy at the portfolio and object level, we can withstand market pressure. From our perspective, sustainable investments in renewable and efficient energy systems play a central role.

In the past fiscal year, we were able to examine our portfolios based on various aspects in collaboration with external service providers. Based on a clean data foundation, tailored property strategies with a well-founded variant study are a must. With regard to the efficient implementation of construction projects, we were able to adopt a strategy paper for the renovation process. The now defined process regulates responsibilities and the process for initiating a construction project. Therefore, all needs will be considered early on in the renovation process.

Measures that are generally long-term and holistic in nature are associated with higher initial investment costs. However, Helvetica is convinced that the added value in the form of independence, less risk, and lower operating costs will ultimately lead to added value for the property in the long term. Heat pumps are increasingly playing a more important role as an independent and efficient energy sys-

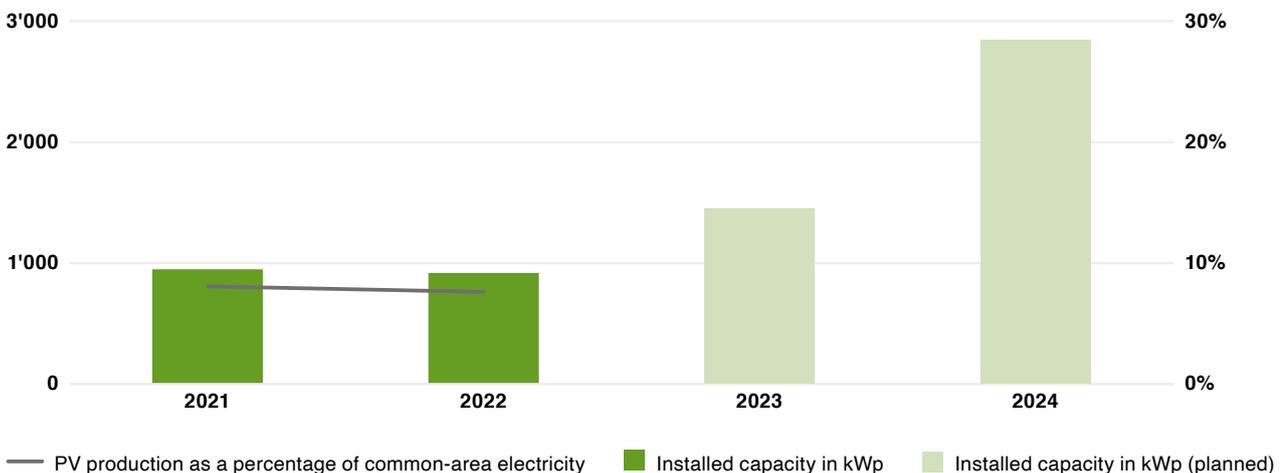
tem and are generally prioritized by us in a comparison of heat generation. These are often an efficient system when combined with a PV system and the resulting increase in self-consumption.

We want to develop a standard process for uniform procedures for heating replacement and the use of PV systems. This should create a common understanding within the team and contribute to efficient project implementation.

With the standardized renovation process and the insights gained into energy and CO₂ intensity, we are now able to prioritize and efficiently implement projects. Various energy-efficient projects are currently in the renovation pipeline. In addition to the implementation of sustainable renovation projects, we aim to carry out targeted operational optimizations. For example, at the property in Rümlang, a waste heat recovery system was installed to reduce heating energy consumption by renewing the cooling system.

When considering gross and net rent in more detail, a hidden but increasingly significant rental potential can be identified - energy-related operating costs. Due to the energy crisis, there is currently a great potential for optimization. Energy-efficient renovations can benefit everyone – the property ownership through higher net rents, tenants through lower gross rents, and the environment through a better ecological balance.

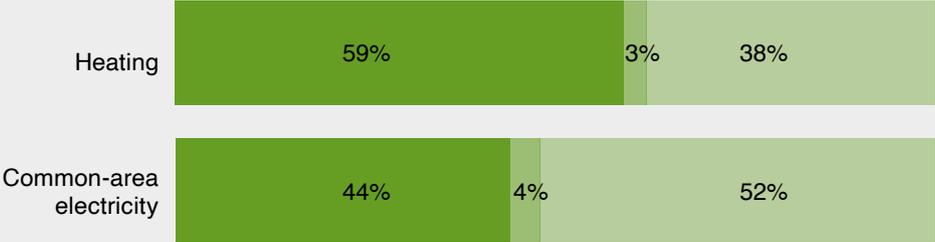
The expansion of Photovoltaics



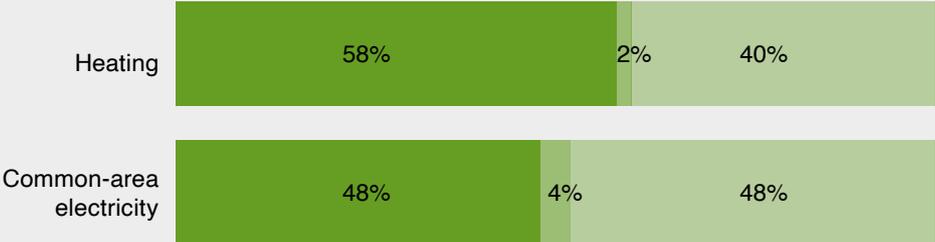
AMAS environmental indicators

Coverage Rate

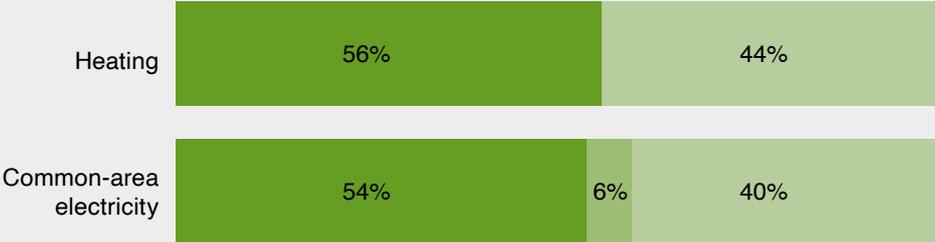
HSCFund



HSLFund

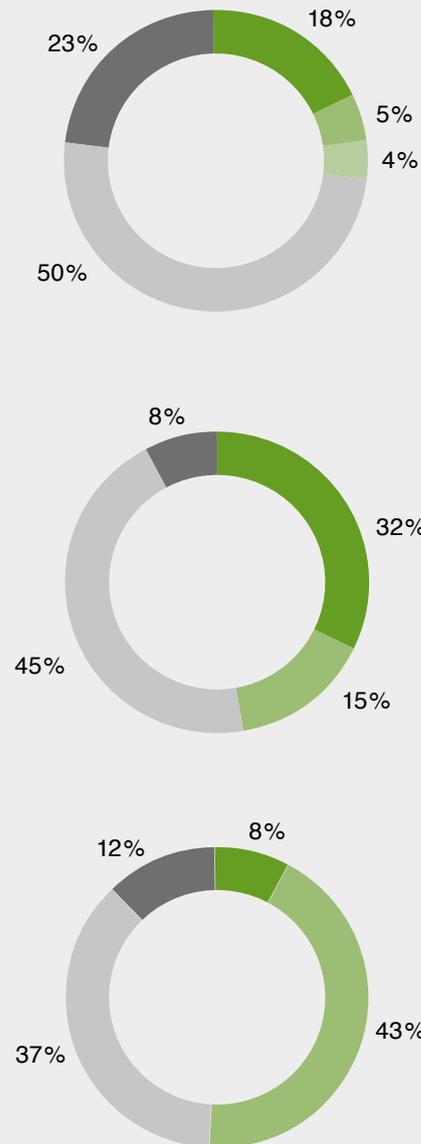


HSOFund



■ Measured ■ Extrapolated ■ Benchmarked

Fuel Mix



■ Heating Pumps
 ■ District heating
 ■ Gas
 ■ Oil

Energy and CO₂

Energy consumption [MWh]	32'605
CO₂-e Emissions [t CO₂-e]	3'848
Energy intensity [kWh / m²]	98.7
CO₂-Intensity [kg CO₂-e / m²]	10.5

Energy consumption [MWh]	5'702
CO₂-e Emissions [t CO₂-e]	743
Energy intensity [kWh / m²]	90.4
CO₂-Intensity [kg CO₂-e / m²]	11.8

Energy consumption [MWh]	5'494
CO₂-e Emissions [t CO₂-e]	526
Energy intensity [kWh / m²]	78.1
CO₂-Intensity [kg CO₂-e / m²]	7.5

Electricity mix

For the common-area electricity, the located-based approach is used over the entire energy consumption area, and thus the standard product "Strommix HKN CH" with 77% renewable share according to the REIDA methodological principles, Annex 2, Version 2022 is determined.

Energy Renovation Projects in the Pipeline



Goldach, Blumenfeldstrasse 16

Replacement of the oil heating system with a renewable heat carrier. Several possible heating systems and a PV system are being examined from a strategic perspective.



Biel, Poststrasse 32-44

Replacement of the oil heating system with a renewable heating system. Due to the size of the system (600kW), a ground-source heat pump in combination with a PV system is currently being considered. The heating system can be smaller in size due to the window replacement.



Dietikon, Riedstrasse 1

The property is already connected to a sustainable district heating network. Revitalization of the facade and replacement of windows are planned. In addition, the economic viability of a PV system on the roof and facade is being examined. The expansion of e-mobility is also being explored at the request of the tenants.





**Rorschach,
St. Gallerstrasse 16/16a**

The existing gas heating system is expected to be replaced by a connection to the lake water energy network. To improve energy efficiency, the replacement of windows is also planned. Additionally, the possibility of a roof and/or facade PV system is being explored.



**Sion, Avenue de
Tourbillon 42-44 / 46-50**

As part of the planned renovation of the property, the gas heating system is to be replaced by a heat pump. In this context, the potential for PV installation is being examined.



**Villars sur Glane,
Route de Villars**

At the site in Villars sur Glane with six properties, a variant study is currently underway. This includes examining a heating system replacement at both the property and area level. Furthermore, the installation of a PV system and the expansion of charging stations for electric mobility are planned.



Sustainable Investment Products

About our activities in sustainability, we want to report and compare ourselves with our competitors. Only then can we improve.

About our activities in sustainability, we want to report and compare ourselves with our competitors. Only then can we improve.

Institutions and individuals are increasingly paying attention to investing in ecologically responsible funds. Like any other successful company, Helvetica must now and in the future understand and anticipate customer needs and tailor and adapt products and services accordingly. Customer orientation helps to build long-term relationships and foster trust. In return, this simplifies growth planning, reduces risks, and contributes to the stability of all stakeholders.

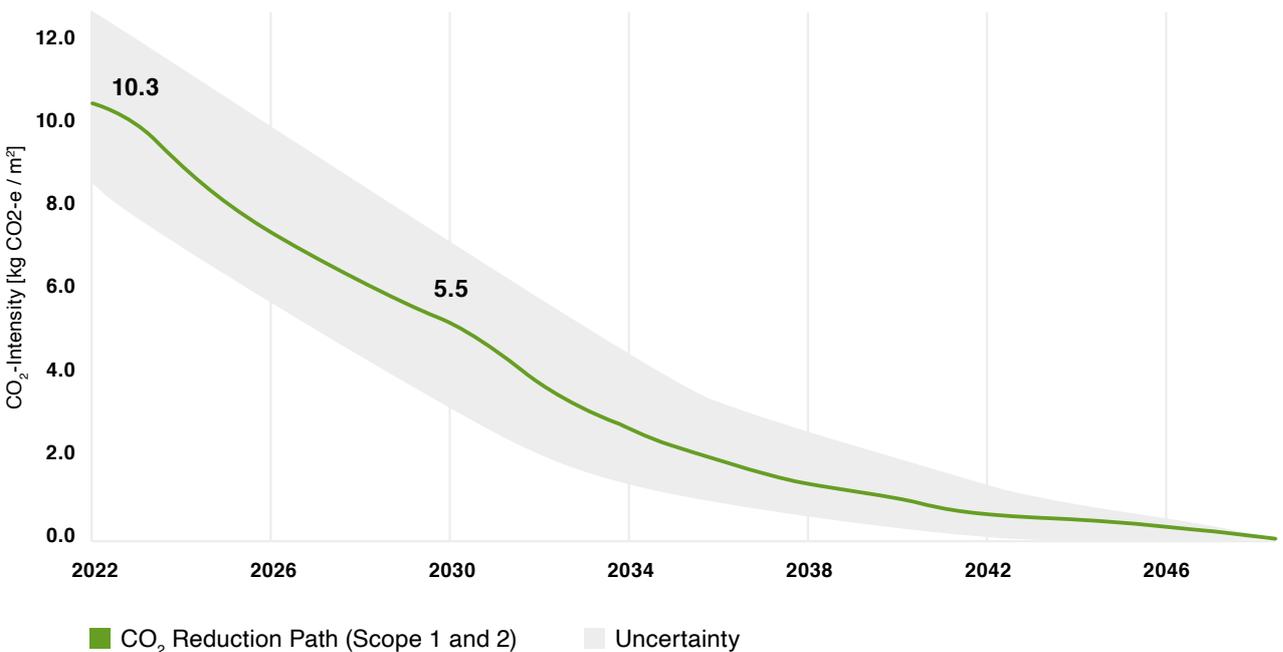
As already mentioned in our sustainability strategy (see page 11), we want to achieve transparency and comparability as a basis for decision-making, not as an end in

itself. This principle is reflected in our handling of certifications, standards, and benchmarks (see page 18).

With the prioritization set on CO₂ emissions, we consider the CO₂ reduction path as the most important tool for evaluating energy-efficient investments. This serves as an overarching and long-term strategy tool for the dimensioning of the maintenance plan. Through the established renovation and operation optimization strategy as well as the transparency of the emission's data, we have developed our CO₂ reduction path. From now on, we can make a statement about the planned maintenance to achieve net-zero by 2050. As an intermediate goal, we want to reduce operational emissions to 5.5 kg CO₂ by 2030.

When disclosing key figures or presenting a reduction path, the assumptions made, and the established system boundary are decisive for their meaningfulness and comparability. We want to pay particular attention to scope 3 emissions, which we cannot yet report. In addition to tenant electricity, emissions from manufacturing, transportation, and decommissioning are also included.

CO₂ Reduction Path



Disclaimer: [see page 39](#)



Although Scope 3 emissions are difficult to measure and there are no industry-standard practices for disclosure, their importance should not be underestimated. Various studies show that in new constructions, the annualized emissions from one-time manufacturing, especially due to gray energy in concrete, are similar in magnitude to emissions from operations (or Scopes 1 and 2). Based on these considerations, we have established the following principles for our property and renovation strategies, without quantifying the Scope 3 emissions specifically:

1. Focus on renovations instead of new constructions
2. Inner densification through additions and expansions
3. Ensure usage flexibility and decommissioning ability
4. Reuse building components where possible and practical

Based on AMAS's environmental indicators, REIDA launched a standardized real estate benchmark for CO₂ emissions last year. With 36 participating portfolios and over 4,000 properties, a representative market coverage was already achieved in the first year. The good response in the market confirms our solid impression of this benchmark. We plan to participate this year and measure ourselves on a portfolio level based on CO₂ emissions.



Although we have set the GRESB target for 2026, we continuously evaluate alternatives. As an intermediate step towards participating in GRESB in 2026, we want to consider all sustainability dimensions on a portfolio level, not just CO₂ emissions.

We are constantly monitoring market developments. There are already various opportunities to evaluate our portfolios based on ESG criteria, but we currently lack the necessary pragmatism in existing systems

Modern office spaces and highly motivated employees

An attractive working environment makes Helvetica a preferred employer for career development. Important factors include a fair and competitive compensation system, good social benefits, flexible working hours, and a pleasant and motivating work atmosphere.

Recruiting and Talent Development

Recruiting: For new hires, the management assesses the candidates' suitability and attitude, and the line managers assess their professional qualifications. We have standard procedures for onboarding and offboarding to ensure a good start for new staff and to gather feedback from departing employees. In the future, we plan to cover HR services in-house to provide a tailored employee experience from hiring to career development and transition.

We also aim to ensure gender and cultural diversity in our recruitment to promote a more balanced workforce throughout the company.

Employee retention

Not only ensures in-house expertise and higher efficiency in daily operations but also increases the company's stability, which is positively perceived by external stakeholders. Personnel turnover is reported at the company level.

Training and knowledge transfer

All Helvetica employees are entitled to job-related external training financed by the company. In 2022, three of our employees took advantage of this opportunity to pursue a master's or advanced degree.

We have also introduced regular internal presentations to share expertise among our employees. Here, individual team members can present their focus topics to the rest of the team, which leads to the development of presentation skills among the presenter and better understanding of the job among the employees.

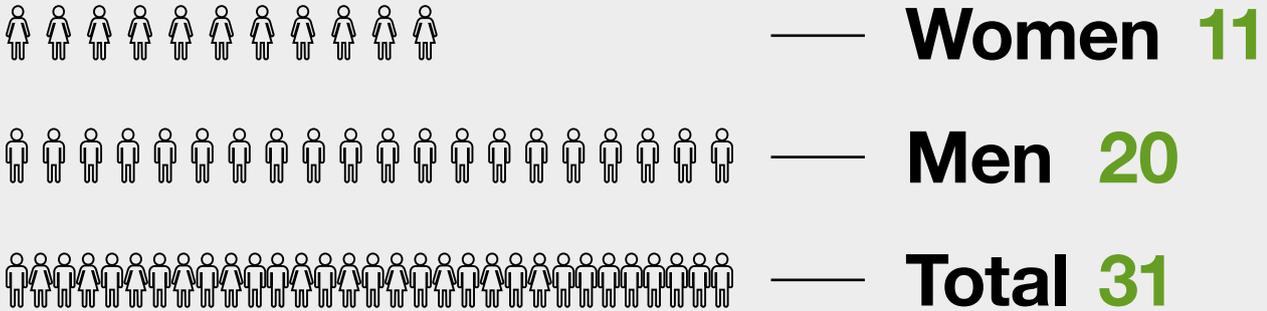
Performance evaluation

All employees have half-yearly performance reviews with their direct supervisors. We have recently introduced a uniform and transparent compensation model at the employee level, where bonus payments are based on team performance. In addition, incentives are created to retain key personnel for the long term.

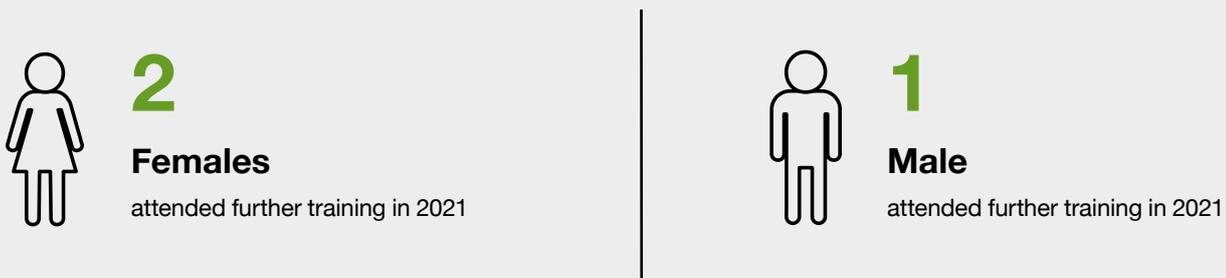
Culture

Our company manual with mission, vision, values, and guiding principles forms the basis of a shared culture. We express clearly what we expect from employees and what employees can expect from the company. In addition, teams can enjoy a company-funded trip and several internal events per year.

Distribution of Employees



Employee Career Development



Age



Data as per December 31st, 2022

Employer of Choice

The key to success is motivated employees and a culture that incentivizes giving your best and acting thoughtfully.

Helvetica aims to attract talented and motivated people as an employer. We offer interesting, challenging, and diverse opportunities for personal and professional development. We place great importance on the well-being of our employees and demonstrate this with various benefits.

In the 2022 fiscal year, Helvetica conducted a comprehensive anonymous employee survey in collaboration with "Great Place to Work" (GPTW) to gain important insights for further optimizing employee satisfaction. The GPTW evaluation framework determines workplace culture and attractiveness based on five dimensions – credibility, respect, fairness, pride, and camaraderie – all of which play a central role for us.

The response rate of the survey conducted in May 2022 was very high at 96%. The Trust Index – the aggregated rating of the five dimensions – is at 70%, which is above the Swiss average, while "overall satisfaction" is at 67% on the representative benchmark. Continuous improvement of these two KPIs is a natural goal for us.

The potential for improvement was discussed with employees in various workshops. The measures derived from this were analyzed by the management and partly implemented. Maternity leave pay was increased from 80% to 100% and paid days off to care for a family member were increased to ten days. For further improvement, we also plan to become more actively involved in the following areas soon:

- Strategic clarity; improve internal communication of corporate goals
- Empowerment and innovation; enable competence-based decisions through a consistent culture of trust.



Flexible work environment



Flat team structure



Warm and inviting offices



State-of-the-art work equipment



Free snacks, coffee, juices and mineral water



Free use of e-car, e-bike and electric scooter

”

Special events are celebrated at our company.

Christine Loeffler
Junior Controller



”

New employees feel welcome here.

Yannick Jeger
Junior Asset Manager



”

You can rely on employees working together.

Maximilian Merk
Senior Client Relationship Manager



”

**There is no error in nature,
only in us, who often do not
understand nature properly.**

Friedrich Rückert





Exemplary Entrepreneurship

Economic Business Success

In this chapter, we focus on individual topics that can be brought together in a sustainable and economic context.

We compare our performance to a set of standardized KPIs that are applicable to the Board of Directors, management, and employees. As the owner, we strive to reduce the existing vacancies in our real estate portfolios. Maximizing the utilization of existing rental space is not only in line with increasing returns, but also has a positive impact on urban sprawl through efficient inner densification. The reduction of vacancies is achieved through timely and targeted positioning of properties in the market. In the last fiscal year, with the help of external marketing services, we were able to reduce the vacancy rate of our real estate portfolios by approximately 25%.

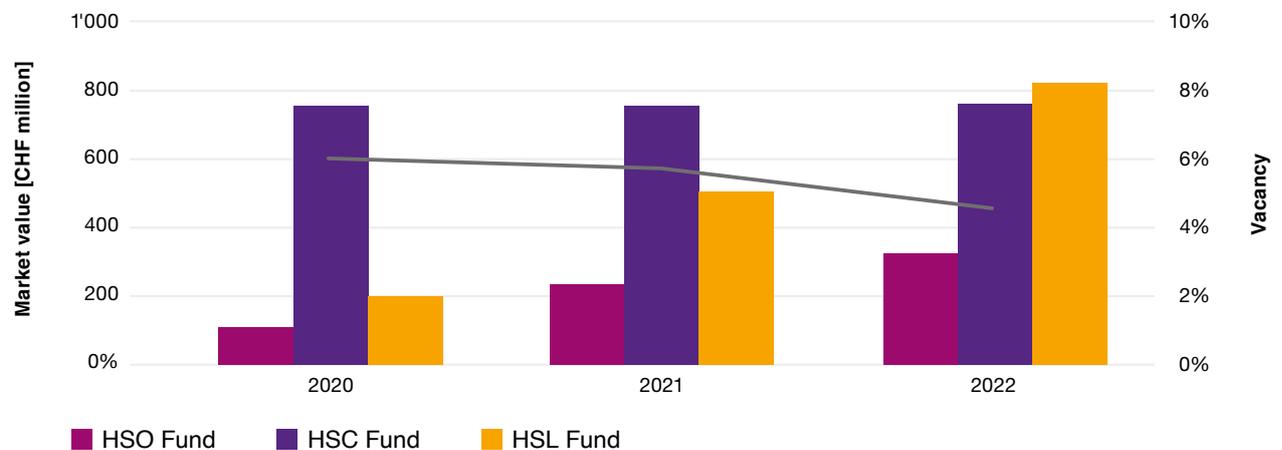
At the portfolio level, fund expenses are the relevant index for operational efficiency. The targeted use of our time and financial resources plays a central role in the economic success of the company. Helvetica has been continuously reducing fund expenses in recent years. We expect further optimization through mandate adjustments in the areas of tax consulting and appraisal experts, as well as through restructuring in the area of property management.

Transparent Investor Dialogue

A continuous alignment of our company's economic, ecological, and social goals with those of our investors is of substantial importance to us.

Our Sales and Investor Relations department maintains relationships with our investors and regularly solicits feedback. Improvement suggestions are presented at management meetings and directly forwarded to the CEO. Critical or negative feedback is of particular interest. Trust requires transparency, especially in communication with investors. This is particularly true for our institutional clients. We produce comprehensive financial reports twice a year and publish factsheets for our funds and investments four times a year. The financial reports are now published 60 days after the end of the fiscal year. These are complemented by regular communications in the form of press releases and newsletters. The aim of a tailored customer journey is to gather the needs of our investors through regular surveys.

In addition, we are motivated to promote our pragmatic approach to sustainability as an inspiration for the real estate industry through various channels. For example, in January 2023, we successfully held an investor event in which we presented our approach.



Responsible Corporate Governance

This section deals with our values, compliance, and risk management. These factors secure our long-term interests and have a positive impact on value creation for stakeholders.

Legal and Compliance

Ownership responsibility begins with responsible leadership – with a respected management team, a stable corporate structure, and a culture that creates trust.

Our expectations are clearly formulated in a framework of instructions, processes, and manuals and are reinforced through regular meetings of the management team in the company. The existing framework is subject to regulatory review and analysis for gaps and weaknesses annually. In this way, it is constantly updated and improved according to current investment conditions.

We want to:

- revise and improve the company's framework
- standardize processes, performance indicators, and definitions to ensure greater transparency and efficiency in all departments
- include a section on corporate culture and desired behavior in our employee handbook
- review processes and incorporate changes to policies into checklists

In the last financial year, we revised our instructions for the investment process and money laundering and had them approved by the Board of Directors. Furthermore, a Code of Conduct was developed. This has been in effect since the current financial year. We believe that simply writing new instructions is not enough. Regular workshops and training sessions ensure that their content is lived and incorporated into the corporate culture at Helvetica.

Risk Management

Helvetica pays attention to a solid risk culture throughout the value chain. We focus particularly on investments and divestments. To control the overall risk of our portfolios, we diversify our investments according to usage, tenant structure, size, substance, and location. A clearly defined and well-documented due diligence and acquisition process, combined with a detailed, unbiased object analysis, ensures that we always keep the long-term interests of our customers and the security of their investments in mind. In this context, we are working to optimize and simplify the investment process with its requests to the management team and the Board of Directors.

We provide quarterly risk reporting to the management team and the Board of Directors. Risks are monitored and reviewed at regular meetings of the management team and reported to the Board of Directors. In addition, we plan to revise the internal control system by including business risks.

In the context of climate change and the changing legal and value landscape, new risks arise that must be incorporated into the investment and portfolio strategy. Physical risks relate to changing environmental influences, such as floods or heat islands in urban areas. Transitory risks relate to changes in legislation, but also to changes in society's basic attitude towards sustainability. As a pacesetter for Swiss politics, it is important to closely monitor developments in EU taxonomy.

We take compliance and risk management very seriously. In the current financial year, we want to realign the Risk and Compliance department to meet future challenges.

Fair Relationship with Tenants

Tenant Engagement

Establishing respectful and lasting relationships with tenants strengthens trust in the company and contributes to stable earnings and a good reputation

As real estate owners, we have a social responsibility that we can positively influence. Helvetica is convinced that healthy relationships between owners and tenants benefit all parties involved. However, this requires that the needs of tenants are addressed and that the rental properties meet changing demands regarding quality, location, and service.

The ongoing energy crisis is leading tenants to a worrying financial situation due to rising utility costs. Prices for fossil fuels such as gas and oil, as well as electricity, have skyrocketed since the outbreak of the war in Ukraine. The awareness of energy costs and their dependence on geopolitical conflicts was hardly known and is now painfully apparent. Estimated payments are insufficient in many places, and tenants are being asked to make substantial additional payments. Helvetica has recognized this issue and, even before the last heating period, drafted a circular letter to all tenants. This letter explained the problem and showed where the biggest levers for saving energy are and which simple measures help to reduce costs.

As mentioned on page 21, improving energy efficiency through targeted renovations and operational optimization is in the interest of owners, tenants, and the environment. With the consumption data we have collected, we now have full transparency and can take targeted measures to reduce energy operating costs. In addition to structural measures, we plan to procure an external electricity broker who can purchase electricity cost-effectively in the volatile electricity market.

Beyond energy-related issues, there are several other opportunities to reduce ancillary costs. With increasing data transparency and our growing asset management expertise, Helvetica has a continuous optimization process in place. For example, we recognize significant potential in process optimization through digitization or adapting the contractual landscape with service providers such as facility management or other service providers.

We maintain a partnership customer relationship with larger business tenants, and we are interested in continuously understanding their needs. Therefore, there is a regular exchange between our asset managers and tenant representatives. Next year, we plan to launch a comprehensive tenant survey so that we can proactively analyze tenant needs and derive measures accordingly.

Business Case: Optimization of Ancillary Costs



Sustainable Mobility

This aspect encompasses factors such as the transport infrastructure quality of the properties, as well as the expansion of charging stations for electric vehicles.

When customers buy or rent properties, they usually pay attention to features such as proximity to public transportation, access to safe bike paths and walkability - as well as the availability of parking and bike storage facilities. Proximity to public transportation helps maintain the value of properties over time. Helvetica places the highest importance on these factors when evaluating potential property purchases. Our investment strategies stipulate those properties should be in proximity to regional and national economic centers and well-connected to public and private transportation for both private and commercial purposes. In addition, we draw on databases from the Federal Office for Spatial Development (ARE) to evaluate the quality of public transportation connections. As part of a revision of the criteria catalog for acquisition objects, these factors will be specified and standardized.

The trend towards electrification of motorized individual transportation (MIV) is strongly increasing and will prevail on a broad scale. Consequently, the requests from our tenants for the presence of electric charging stations are increasing. Helvetica recognizes its duties as an owner and has developed a concept for expanding charging stations in the last fiscal year. The incoming tenant requests were evaluated, and the technical conditions of the properties were analyzed. This resulted in a project list, which we will implement continuously based on established priorities. For the current fiscal year, we will carry out individual pilot projects, such as at Brunnmatt 14 in Cham.

Furthermore, the necessity and technical feasibility of electric charging stations will now be routinely checked during the renovation process.



Attachment

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Disclaimer

Amas Key Figures

The key figures presented as of December 31st, 2021 are based on the portfolio composition as of January 1st, 2021 and reflect the reporting period of 2021. Only completed buildings in the portfolio are considered, and therefore a property that is classified as a building right is not considered. Additions during the reporting year are also not included, as there is an 18-month period after acquisition or completion during which they must not be included in the calculation. The areas of the properties were provided as energy reference areas (EBF) or, where not known, converted into EBF using the REIDA area conversion factors according to their usage type. The EBF serves as the reference size for the area-based energy and CO₂ intensity indicators. Consumption data were adjusted for vacancy and climate (heating degree day correction). CO₂ emissions reflect direct and indirect emissions according to Scope 1 and 2 of the GHG Protocol, exclusive of upstream and downstream supply chains as well as tenant electricity. The determination of CO₂ emissions was carried out using the REIDA CO₂ factors.

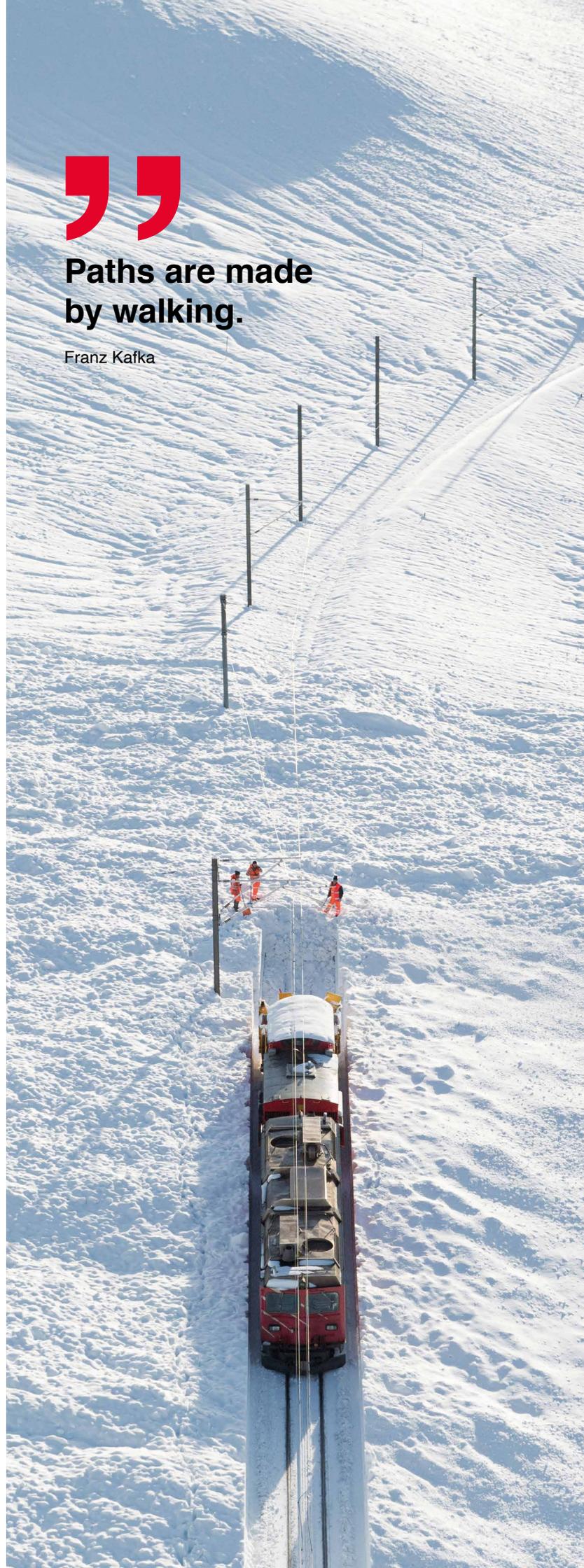
CO₂-Reduction Path

The presented CO₂ reduction path corresponds to the scenario 2 developed. The basis is the current CAPEX planning supplemented by sensible energy measures per property in the period considered until 2050. The starting point for the reduction path is the complete portfolio as of December 31st 2022 with 107 properties considered. The consumption data as the starting value of the reduction path were only climate-adjusted and not vacancy-adjusted, as it is not possible to define a reliable estimate of the vacancy rate for the next 30 years. The CO₂ emissions shown correspond to Scope 1 and 2 according to the GHG Protocol. Due to continuous refinement and adjustment in the CAPEX planning, the reduction path was smoothed with a value of 0.5.



**Paths are made
by walking.**

Franz Kafka





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