

Taking action!

Join us on our journey through sustainable
investing in private markets.



A full-page background image showing a sunset over a body of water. The sun is low on the horizon, creating a bright orange glow that reflects on the water's surface. In the foreground, several tall, thin reeds or grasses are visible, their silhouettes reflected in the water. The overall mood is peaceful and contemplative.

“Considering
sustainability is
a business
viability and
market
requirement...”



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A commitment with deep roots



Joe Azelby

Head of Real Estate & Private Markets

“Our strong team is acting out our sustainability strategy to ensure we continue to drive change in our environments and societies...”

Real Estate & Private Markets (REPM) have released a sustainable investing annual update since 2010, and in this 13th edition, we focus on the future and show how we are walking the talk.

Sustainability has long been a part of our DNA, and our businesses have reflected this accordingly as the topic has grown over the past years, as have our resources.

This year we have made new investments and changes to our sustainability in-house resources, increasing the number of sustainability experts embedded into our various business areas and growing and changing our sustainability team working across REPM.

Olivia Muir has taken over from Darren Rabenou, who led our sustainability team since early 2021. Olivia has worked for REPM for 10 years, and brings an investor perspective to the sustainability strategy she and REPM are now pursuing. Darren will now focus full time on our Food & Agriculture business and the sustainability dimensions it brings.

2022 was predictable only in its unpredictability! Despite economic and market volatility being a top concern across our business, sustainability remains at our heart. Our team is acting out our sustainability strategy to ensure REPM continues to drive change in our environments and societies, and be an investment manager of choice for our clients.

The time for sustainability is now



Olivia Muir

Head of Sustainability Real Estate & Private Markets

“We, REPM, believe that sustainability is part of our investment management responsibility.”

We have a colossal task ahead of us. Real estate is one of the biggest contributors to global emissions (~40%)¹, food and forestry account for ~ 24%², while transportation is another 14%². REPM encompasses all these industries (and more), and one of our primary challenges lies in this diversity of business, while maintaining consistency of sustainability approaches and standards.

We, REPM, believe that sustainability is part of our investment management responsibility. We believe that sustainability is linked with long-term financial returns, and thus considering sustainability is a business viability and market requirement.

In 2022, we upgraded processes across our business to capture the ever-evolving market best practices, including regulatory updates. We have made material progress too on our approach to physical risk across our businesses as well as carbon reduction.

2023 is going to be another busy year, full of sustainability action. One priority is the refresh of our quantitative environmental targets (shown later in this report). We first set these over five years ago, in a different business to today's, and they require an update to remain meaningful and, crucially, measurable.

In the following pages, our teams will further detail some of the efforts underway in our fight to protect our business and clients against the worst impacts of climate change. We also share what we are doing to better our impact on the environment and societies. I hope you will find our insights useful.

Source: **1** World Green Building Council (WorldGBC) and the UN Environment Programme. **2** US Environmental Protection Agency: Global Emissions by Economic Sector, based on global emissions from 2010.



Working towards change

We strive to understand, assess, and address the concerns and expectations of our stakeholders.

“To integrate sustainability across our private markets activities and provide sustainability-focused solutions to our clients and stakeholders, based on our expectation that this will drive long-term returns for investors and contribute to a measurable and more sustainable future for all.”

REPM's sustainability strategy

Sustainable investment aims to add overall value to an investment by: increasing resilience; reducing climate-related physical risks; limiting the risk of regulatory non-compliance; improving competitive positioning through increasing the appeal of a property to tenants and purchasers; and, in many cases, reducing ongoing expenses and improving returns.

Sustainability plays a major role in our business strategy and asset-level decisions. With the expertise of our specialists across our business globally, we're able to generate and share innovative ideas to help our clients meet their sustainable investment goals.

We have established a comprehensive approach to environmental and social factors, and to corporate governance across each of our investment disciplines.

Our future actions and targets will be established with three headline goals in mind:

What?

Planet

Create and own climate risk resilient assets and net zero aligned investment solutions.

People

Create and own assets that contribute to society and communities, impacting lives positively.

Partnerships

Collaborate across UBS, our stakeholders and the industry to further accelerate the sustainable agenda and maximize impact globally.

How?

Educate

On sustainability matters and solutions, to equip our people and stakeholders with the right knowledge and tools to drive change.

Collaborate

To embed sustainability into everyday thinking for all our teams (through targets and personal objectives), to realize our potential and innovate new approaches.

Implement

Actions to drive the sustainability agenda forward and create meaningful positive change.

Climate change, energy needs and water scarcity are among the biggest challenges of our century. Now more than ever they are threatening our lives and future generations. Science is urging us to take action and we recognize that real assets, such as properties and infrastructure, contribute significantly to CO2 emissions and the consumption of natural resources, but are also an essential component to the solution for climate change.

For a long time, UBS has been helping clients to invest using sustainable criteria. The combined expertise from across UBS has been a key differentiating factor and strength for our firm.

At UBS, sustainability means thinking and acting with the long-term in mind. It's an integral part of our business, from the products, services and advice we offer, to the way we work and operate in society.

Strategies

At REPM, our sustainable approach is integrated into the management of our strategies and is implemented by our operational functions during the ownership cycle of an underlying project, from its development or acquisition to the ongoing asset management, renovation, maintenance, marketing, through to successful sale.

We:

- develop and integrate sustainability aspects into strategies,
- set objectives in order to make achievements transparent and measurable,
- measure performance against objectives and actively pursue action plans towards those objectives,
- report results to investors, clients, and consultants, eg working with platforms such as S&P Trucost to gather physical risk data, assessments for our properties working with consultants such as Sirsa to help understand the market.

Further recognizing our commitment to sustainability at the company level, UBS-AM received 4 stars (score of 89 compared to the median score of 69) for Real Estate and 5 stars (score of 94 compared to the median score of 77) for Infrastructure in the 2022 UN PRI Assessment.

REPM is also a member of GRESB, an independent organization committed to assessing the environmental, social and governance performance of real estate and infrastructure. For more information regarding GRESB and REPM's ongoing strong results, please consult pages 17-19 of this document.

Real estate and infrastructure assets

We measure the sustainability performance of our individual properties and strategies with recognized external benchmarks, such as the GRESB key performance indicators and third-party certifications (LEED, ENERGY STAR, Fitwel, BREEAM, IREM, MINERGIE®, Leading Harvest, CRREM Pathway).

For infrastructure, we also use the GRESB Infrastructure key performance indicators and benchmark reports for our individual investee companies. Based on these results, we are able to define specific measures to enhance the performance of each property or infrastructure asset. UBS also sits on the GRESB Real Estate Standards Committee.

We are active members of various committees and industry bodies to enhance our knowledge and contribute to the implementation of sustainability and governance initiatives. Regular and transparent communication and the emphasis on long-term partnerships helps us build lasting relationships with our investors, tenants, and service providers.

**Sustainability is a key component of
successful real asset management.**



Making an impact

Our efforts target a more sustainable future for a better world.



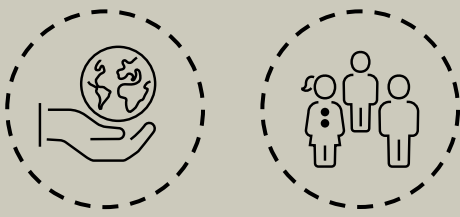
Planet



People



Partnerships



Case study 1

An environmentally-friendly data center

Datum – Farnborough, UK



Reducing the carbon footprint with environmentally-friendly and scalable solutions

About the asset

Datum, located in southeast England, is a highly secure and resilient co-location data center. It is carrier and cloud neutral and is designed to meet the requirements for business-critical IT and content and service platforms. It has flexible capacity and scalable power.

Sustainability overview

Datum's environmentally intelligent cooling is highly energy efficient and significantly reduces operational running costs as well as its carbon footprint. This puts its Power Usage Efficiency (PUE) in a top-notch category. In addition, Datum procured 100% renewable energy with Renewable Energy Guarantees of Origin (REGOs), which covers the full supply.

Our value add

We completed an assessment to see if Datum could be classified as a 'sustainable investment' under the EU taxonomy. In addition, solar panels will be integrated into Datum's new building.



Case study 2

At the forefront of health

Autolus – Stevenage, UK



Supporting ground-breaking treatments
to extend human life

About the asset

Stevenage has become established as the third largest global hub for cell & gene therapy research and situated at the center of a world class cluster of the UK's leading academic institutions¹. UBS is developing an 82,000sqft facility for Autolus Therapeutics, a cell therapy company that will take full occupation of the GMP manufacturing facility on practical completion.

Sustainability overview

Autolus is at the forefront of a revolution in cancer treatment, developing CAR-T cell therapies that can have wide applications as a cancer treatment, with the potential for cure in some patients. The development of their site will be the UK's first purpose-built facility to manufacture CAR-T cells, enabling commercialization of Autolus's innovative treatments. Moving into the facility allows Autolus to reduce their cost of goods significantly and to pass those savings on to end users and patients. This allows new and curative therapies to be affordable in the market and supports their viability.

Our value add

The social impact of the product will be measured by The Impact Management Project's (IMP) impact measurement framework which covers the 5 dimensions of impact: what, who, how much, contribution and risk. We have used this to establish our own social objectives which are to extend and enhance human lives, to improve access to medicine, and to commit to the UK life sciences community through the provision of facilities for life sciences companies researching and producing better healthcare outcomes for conditions such as cancer and other complex diseases.

The facility also requires a company to hire more workforce (ca. 200 people in order to become fully operational at the site). New employees will be trained and upskilled and this will have a significant impact on employment opportunities in the local and deprived area in Hertfordshire.

Third party estimates suggest that our wider development around and including the Autolus site will lead to ca. 2,000 new jobs created².

Source: **1** Times Higher Education (THE); World University Rankings; 2022. **2** Volterra Economic Consultancy, May 2022.

Corporate dedication

Determined to deliver the transparency needed to support meaningful actions on sustainable investment.



At UBS, we're helping our clients mobilize their capital towards the achievement of the United Nations' 17 Sustainable Development Goals (SDGs) and transition to a low-carbon economy. Through our activities, we're taking an active role in accelerating the transition to a net zero global economy by 2050 and focusing our philanthropy and community activities on health and education. But making a real impact will only be possible through joining forces with our network of partners from across the globe.



The list below includes some of our key memberships and commitments across UBS.

UBS key commitments:

- Net Zero Banking Alliance (founding member)
- CDP: Included in the CDP A List for Climate Change Action in 2022
- Global Reporting Initiative
- Taskforce on Climate Related Financial Disclosure (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Global Impact Investing Network
- Roundtable on Sustainable Palm Oil
- United Nations Environmental Programme (UNEP) – Finance Initiative
- Principles for Responsible Banking
- IFC Operating Principles for Impact Management
- CEO Alliance on Global Investors for Sustainable Development

UBS-AM key commitments:

- Net Zero Asset Managers Initiative (founding member)
- Principles for Responsible Investment (PRI)
- UN Sustainable Development Goals
- UN Global Compact
- International Corporate Governance Network
- Institutional Investors Group on Climate Change
- Asian Corporate Governance Association
- UK Investor Forum
- UK Governance Forum
- Sustainability Accounting Standards Board
- GRESB
- Swiss Sustainable Finance
- EFAMA Stewardship, Market Integrity and ESG Investment Standing Committee
- National Association of Real Estate Investment Managers (NAREIM) – Sustainability and Investment Management
- US Green Building Council (USGBC)
- Transition Pathway Initiative
- Farm Animal Investment Risk & Return
- Investor Statement of the Access to Medicine Index

We continually review our membership of specific initiatives in relation to environmental, social and corporate governance factors.



Signatory of:



Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA





GRESB

Strong results in the 2022 GRESB Assessments.

We use GRESB data to assess and benchmark the sustainability performance of our real estate and infrastructure investments to make sound, sustainable investment decisions and identify engagement priorities.

Important information

GRESB is a third-party organization that provides sustainability data to financial markets. GRESB collects, validates, scores, and independently benchmarks sustainability data to provide business intelligence, engagement tools, and regulatory reporting solutions for investors, asset managers, and the wider industry. UBS has been a member of GRESB for over a decade. As of October 2022, UBS submitted 2021 data to GRESB for the 2022 Assessments. For more info about GRESB, please consult the webpage [here](#) and learn more about GRESB's scoring methodology [here](#). GRESB is compensated annually by its members for the assessments, find out more [here](#).

23 (4 of which were non-discretionary) of REPM's real estate equity and infrastructure strategies from across the globe – including all of our flagship products – participated in the 2022 GRESB Assessments. The strategies submitted in 2022 accounted for around 96% of REPM's total direct pooled real estate and infrastructure strategies globally¹.

100% of the 19 discretionary strategies submitted received either 4 stars or 5 stars, and all of them outperformed the GRESB average, achieving a combined average score of 85, exceeding the 74 GRESB average.

Management Component: 100% our submitted discretionary strategies received scores of 30/30 and all but one strategy ranked #1 in the Management Component of the Assessment, which measures an entity's strategy and leadership management, policies and processes, risk management and stakeholder engagement approach.

Performance Component: Of the 19 strategies, REPM scored a total average of 51/70, surpassing the 47/70 GRESB average in the Performance Component which measures indicators such as energy consumption, GHG emissions, water consumption and waste.

Development Component: 6 Swiss strategies participated in the Development Component of the Assessment, which is dedicated to entities involved in new construction. This star-rated component measures an entity's efforts to address sustainability issues during the design, construction, and renovation of buildings. All 6 Swiss strategies achieved a 5-star rating (averaging at 66/70) and exceeding the 53/70 GRESB average.

Real estate Assessment

- **Switzerland:** 9 Swiss real estate strategies received either 4 or 5 stars. Our first closed-end core European diversified strategy improved from 4 to 5 stars on the previous year. 3 strategies were awarded *Regional Sector Leader* and *Global Non-listed Sector Leader* status in the Development Component of the Assessment.
- **Germany:** Our open-end core German logistics strategy received a 5-star rating for the third year running, and again ranked #1 in its peer group in the Germany Industrial Tenant Controlled category. Our open-end core European office strategy received 5-stars for the seventh year running and ranked first in its European Office peer group.
- **US:** Our open-end value-add US tactical strategy was ranked top of its US Diversified Value Add peer group and received 4 stars. While our open-end core US equity diversified strategy also received 4 stars.
- **UK:** Our open-end core UK commercial property strategy retained its leadership position in the UK Diversified category for the sixth year running, and is the only strategy in its peer group to have received 5 stars.



G R E S B
R E A L E S T A T E
sector leader 2022



G R E S B
★★★★★ 2022

“Our sustained strong GRESB results are testament to our continued progress towards achieving industry leading sustainability policies, practices and performance and reaffirms our commitment to sustainably operate the real assets in our portfolio.”

Joe Azelby
Head of Real Estate & Private Markets

Infrastructure Assessment

- 100% of REPM's submitted infrastructure strategies received 5-star status, reflecting first quintile results.
- 6 out of 16 submitted infrastructure assets held by our closed-end global infrastructure strategies ranked first in their respective peer groups

Fund-of-funds

GRESB scores are an important tool in assessing the sustainability performance of our underlying real estate and infrastructure funds on an ongoing basis and during due diligence of a new investment.

GRESB Assessments

GRESB assesses the sustainability performance of real asset sector portfolios and assets in public, private and direct sectors worldwide. It offers sustainability data, Scorecards, Benchmark Reports and portfolio analysis tools.

In 2022, GRESB assessed 1,820 real estate strategies and property companies, 166 infrastructure strategies and 652 infrastructure assets.

The *GRESB Real Estate Assessment* collects information regarding the sustainability performance of property companies and strategies, including information on performance data, such as energy, GHG emissions, water and waste. The assessment also covers broader sustainability issues such as resilience, climate change, sustainability risk assessments, performance improvement programs and engagement with employees, tenants, suppliers and the community. GRESB's global benchmark uses a consistent methodology across different global regions, investment vehicles and property types.

The *GRESB Infrastructure Assessment* provides systematic assessment, objective scoring and peer benchmarking of the sustainability performance of infrastructure companies, operators and strategies. It provides two levels of assessment. The strategy Assessment contains 10 indicators focused on management and investment processes. The Asset Assessment addresses asset-level plans and policies, on-the-ground actions and operational performance.



1 Of assets under management for all strategies eligible to participate in the 2022 GRESB Assessments. **2** 4 submissions were non-discretionary mandates and therefore excluded from the summary. **3** Assets under management stated on gross asset value basis, reflecting property values as at 30 September 2022, where available. Excludes assets held in multi-manager solutions and real estate securities as well as segregated mandates; and includes three submitted infrastructure strategies.

In 2022, REPM submitted data for 23 real estate and infrastructure strategies² representing around USD 46 billion³ of assets under management.

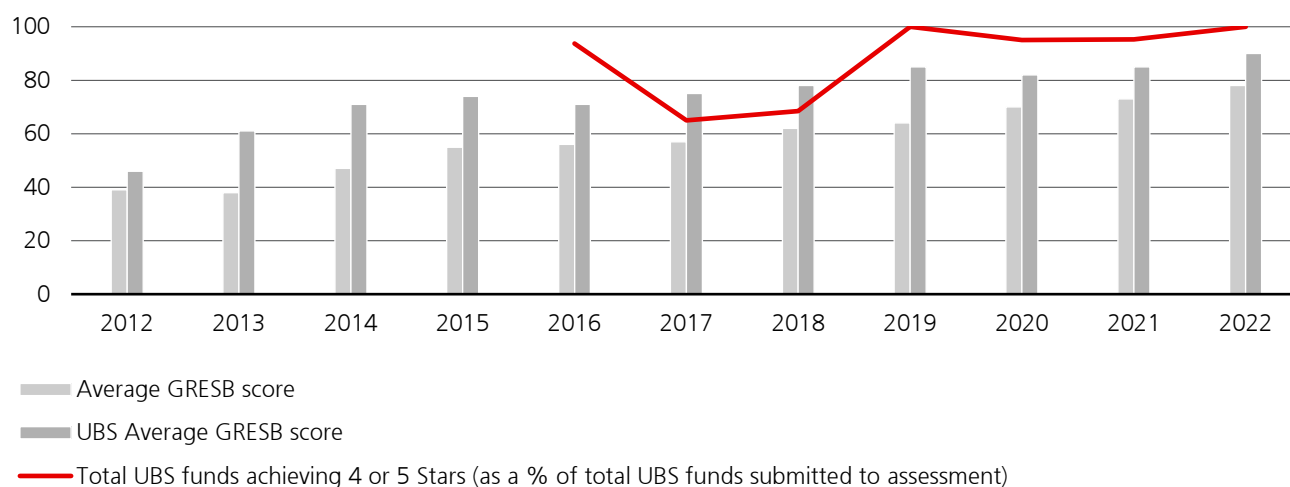
Longstanding performance

118 funds rated 4 or 5 Star since 2016



	Total funds submitted	Average GRESB score ¹	% change	4 or 5 stars	% change
2012	9	39	n/a	n/a	n/a
2013	12	38	-3	n/a	n/a
2014	12	47	24	n/a	n/a
2015	13	55	17	n/a	n/a
2016	16	56	2	15	n/a
2017	20	57	2	13	-13
2018	19	62	9	13	0
2019	19	64	3	19	4
2020	20	70	9	19	0
2021	21	73	4	20	5
2022	19	78	7	19	-5

Absolute improved performance year after year



Source: UBS Asset Management, Real estate & private markets (REPM), scores based on 2012-2022 GRESB Assessment data, January 2023; In 2022, 4 submissions to the GRESB assessments were non-discretionary mandates and therefore excluded from the summary; The GRESB Rating, revised in 2016, is based on the GRESB Score and its quintile position relative to the GRESB universe. If an entity is placed in the top quintile, it will be a GRESB 5-Star rated entity; if it ranks in the bottom quintile, it will be a GRESB 1-Star rated entity. As the GRESB Rating is calculated relative to the global performance of reporting entities, it shows an entity's position on a global scale; Prior to 2016, GRESB scores were based on a Green Star designation, which was only provided for Real Estate Assessment participants scoring higher than 50% of the points allocated to each relevant component.



Covering much ground

Integrating sustainability aspects throughout our multi-manager investment processes.



Multi-Managers Real Estate

As an indirect real estate owner, our power is in engagement with underlying managers and we seek to maximize that influence through our focus on sustainability in the due diligence and ongoing monitoring processes of our investments. We regularly collect information on sustainability policies, policy enforcement, sustainability reporting, regulatory requirements and sustainability performance (at both fund and asset levels). We believe such information allows us to better assess risks and opportunities which could impact current and future investment returns.

Multi-Managers Infrastructure

Infrastructure investments play a critical role in the decarbonization agenda and improve livelihoods and economies. We believe that through sustainability integration and engagement in our indirect infrastructure investing activities, we can achieve positive and lasting outcomes. Our Multi-Managers Infrastructure (MMINFRA) business integrates sustainability aspects across all stages of the investment process, including due diligence, ongoing monitoring, and periodic sustainability reporting.

We maintain an active dialogue with fund managers in order to encourage the broader adoption of sustainability principles and best practices, and reduce exposure to investments with higher sustainability risks. We regularly report on the sustainability dimensions of our portfolios in order to provide an overview of how fund managers address and implement sustainability aspects in their investment processes.

Multi-Managers Private Equity

Our Multi-Managers Private Equity (MMPE) business reflects our and our clients' vision for the future, which means investing to address today's sustainability challenges as well as opportunities. We believe that integrating sustainability factors in the investment process can help better manage risk and enhance performance, while aligning the broader interests of our stakeholders. Our investment process integrates sustainability aspects throughout the investment life cycle from deal sourcing, due diligence, ongoing monitoring, and reporting.

In early 2023, MMPE launched its fifth private equity growth strategy which has sub-portfolios or sleeves for the European, North American and Asia Pacific regions. The European sleeve aims to achieve several sustainability goals and complies with Article 8 of the SFDR regulation.

Swiss Real Estate Securities

Since 2005, Swiss Real Estate Securities has been creating value by delivering attractive returns to our clients while incorporating sustainability topics in our due-diligence and ongoing monitoring processes. We believe this allows us to achieve positive sustainability outcomes, identify and manage risks, generate strong returns, and create resilient portfolios. As part of our long-term commitment, we also conduct outreach engagement activities with the aim of promoting the benefits of sustainability integration in real estate investments.



Case study 3

Investing in nature and the environment

Rue de la Morâche – Vaud, Switzerland



Enhancing biodiversity through real estate and improving real estate through biodiversity

About the asset

Biodiversity and ecosystems provide us with our life support systems and add value to the economy. We're focusing on enhancing the quality of assets with natural landscaping on buildings and high-quality outdoor spaces.

Sustainability overview

Natural landscaping in real estate has a positive effect on productivity, recreation and people's well-being. The creation of new green spaces is becoming increasingly important in urban areas for myriad reasons.

The design at this asset incorporates high-quality outdoor spaces with dedicated pedestrian zones and green areas. The plants positively influence the microclimate and help to ensure a high level of comfort for tenants and occupants – even on hot summer days.

Our value add

For us, the chance to enhance biodiversity and ecosystems hand in hand with the provision of real estate development is a cost-effective and scalable way to try to mitigate the effects of temperature rises, natural disasters and other climate extremes. In addition, we hope that these green spaces will contribute to the well-being of tenants in today's changing climatic conditions and more compact private living spaces.

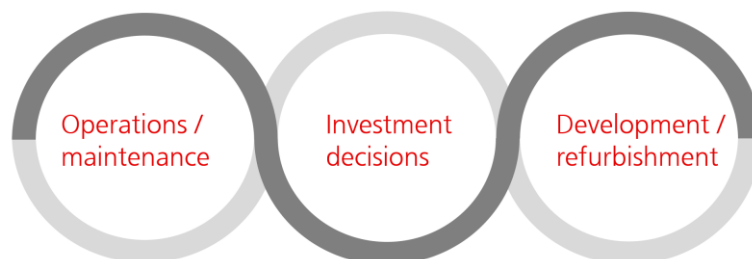


A dedicated team

with a holistic approach.






REPM's robust sustainability governance and structure lays out clear responsibilities and incentives, designed to integrate sustainable criteria into our everyday activities. The REPM Sustainability Management Forum (SMF) enables structured engagement and constant improvement ideas and best practice knowledge. Comprising experts from multiple countries and disciplines, the SMF oversees implementation of decisions on the ground by REPM's various Sustainability Working Groups (SWGs).

In addition, the SWGs feedback regularly to the SMF. This two-way setup ensures a coordinated and informed approach, both from a top-down (SMF) and bottom-up (SWGs) perspective. But it isn't just the sustainability specialists or SWG members that are working on sustainability initiatives and ideas. This year, every REPM employee now has at least one sustainability-oriented goal in their annual objectives.



Let's tackle it!

We have pursued the following targets over the last five years, and continue to do so but are undertaking a refresh and overhaul to ensure they remain adequate and ambitious enough for 2023 and beyond.

	Real estate targets (rolling 5 years) ¹	Progress against our targets (5-year period) ²	Current achievement (5-year period)
	Reduce by 12.5% energy consumption	Electricity to power 200,000+ MWh of electricity saved	9.6% reduced
	Reduce by 10% water consumption	2.3m m³ of water saved	21.7% Reduced
	Reduce by 10% operating costs	USD 37.9m electricity and water cost savings ³	17.3% reduced
	Reduce by 2030 50% greenhouse gas emission	~160,000 tons of CO ₂ (GHG) reduction achieved	21.7% reduced
	Achieve portfolio-wide 50% recycling rate	70,000+ tons of waste diverted ⁴	53.0% diverted ⁴

Source: UBS Asset Management, Real Estate & Private Markets (REPM); July 2022. Based on UBS-AM GRESB Portfolio Analysis Report 2021 and latest available data as at December 2021. Notes: **1** GHG reduction targets determined utilizing the science-based 1.5 degree scenario, in line with the Paris Agreement; All targets above are measured over five-year timeframes except for the recycling rate, which is an annual target. **2** Based on the UBS-AM GRESB Portfolio Analysis Report 2021 (for Amalgamated RE); reflects like-for-like change data for the five-year period ended 31 December 2020. **3** Based on an estimated average electricity cost of USD 148.7 (cost as at 2020) per megawatt hour and average water cost (supply and sewerage) of USD 6.5 (cost as at 2020) per cubic meter. **4** Recycling rate metric based on measurable data for the one-year period ended 31 December 2020. **The above targets are currently being revised. The achievements shown are for our real estate GRESB participating funds only.**



Case study 4

Sustainable and healthy office buildings

Pleyad Campus – Paris, France



A future-proof prime business campus reflecting sustainable development

About the asset

Pleyad 4.1 is a prime business center with flexible office space, including integrated meeting rooms, a restaurant and brasserie.

Sustainability overview

Energy efficiency:

- Onsite solar/photovoltaic panels generate part of the energy consumed by the building
- Property adheres to Réglementation Thermique – RT2012 (with the aim of surpassing the threshold by 40%)
- Additionally registered for BREEAM Excellent certification and NF HQE EXCEPTIONNEL, BiodiverCity

Mobility:

- Campus provides unique micro location and a major new transport hub, with excellent local public transport facilities following the opening of new train station, Pleyel
- Campus forms part of the huge infrastructure project associated with the Paris 2024 Olympics

Health & wellbeing:

- Biodiversity facilities promote outdoor activities
- The entire campus (Pleyad 1-7) is registered for Ecojardin
- Zero use of herbicides and any phytosanitary product in this garden for three years post completion
- 75% of the flora in Pleyad 4.1 reflect local species
- Every floor provides a terrace
- Vast number of amenities provided, including fitness facilities and locker rooms

Our value add

- Construction of the Pleyad 4.1 project was completed in 4Q19
- Part of the Pleyad Campus consisting of the assets Pleyad 1, 2, 3; Pleyad 6/7; with additional 35,000 to 39,000 sqm allowed for future construction

* Image source: Architekten ECDM / Bléas et Leroy / L'Autre Image.



Case study 5

Measuring an asset's social value

Springfield Outlet Center – Spalding, UK



Pilot initiative seeks to assess and improve the social value of our real estate assets

About the asset

To assess and seek to improve the social value of our property assets, we recently commenced a pilot within our core UK real estate strategy. We commissioned a third-party, the Social Value Portal, who use an independent measurement framework¹, to collect data and generate the social, economic and environmental value of a property. The first assessment started in 2019 with Springfields Outlet Center, a leading retail and leisure destination in the east of England.

Sustainability overview

The social value produced reflects the property's value to the community as well as the financial return to investors, and is used to measure our contribution to the United Nations' Sustainable Development Goals (SDGs). Springfields's social value – GBP 4.3 million – was mapped to multiple SDGs, most notably to the 8th and 9th SDGs for 'Decent work and economic growth' and 'Industry, innovation and infrastructure', respectively.

Our value add

We have worked with tenants and our property and facilities management teams onsite to understand and measure things like local employment levels, traineeships, jobs for young offenders, community events held at the property and volunteering. The pilot has now extended to office, industrial/logistics, retail park and student accommodation assets across the portfolio. The total social value created by these assets is around GBP 10 million².

Note: The Social Value Portal (SVP) defines social value as measuring the positive value businesses create for the economy, communities, and society. Source: **1** A bespoke social value measurement tool has been developed that is aligned to the UK National Social Value (TOMS) Measurement Framework. This framework is used in public sector procurement processes and value is mapped to the UN Sustainable Development Goals. **2** The following figure accounts for the total social value calculated by the SVP for 13 assets in the portfolio.





Growing a greener world

Contributing towards a more sustainable world for generations to come with farmland.



As one of the US's leading managers of institutional farmland investment portfolios starting in 1990, we are committed to preserving farmland for the long-term for future generations to come.

Our portfolios are enrolled in the Leading Harvest Farmland Management Standard, a newly developed sustainability standard for farmland portfolios designed to optimize sustainable farmland management as part of a comprehensive assurance program.

The Standard identifies sustainable farming practices based on 13 Principles, 13 Objectives, 33 Performance Measures and 71 Indicators. It addresses economic, environmental, social and governance issues and includes measures to efficiently use water, agricultural chemicals and energy to grow crops for useful agricultural products, minimize waste, and conserve soils, water resources and biodiversity. It also takes into consideration the wellbeing of farmland tenants, employees, contract management company employees, contract farm labor and local communities. The Standard is designed to grow with agricultural operation over time, providing a framework for continuous improvement.



Case study 6

Power market going green

Phoenix Wind Repower – Texas, US



Rated 5 stars in the 2022 GRESB
Infrastructure Asset Assessment

About the asset

Phoenix Wind Repower LLC owns and operates the 198-MW Trinity Hills, 132-MW Sherbino Mesa 2 and 53-MW Silver Star wind projects in Texas. The three wind farms, initially commissioned between 2008 and 2012 with Clipper turbines, were repowered by Vestas using top-level, proven technology. This increased the blade size by almost 15%, extended the lifespan of the asset and increased its efficiency. Once repowered, the portfolio had a total capacity of 383 MW.

Sustainability overview

The assets interconnect into ERCOT, Texas's main power market, which serves more than 25 million customers. Based on an Environmental Protection Agency (EPA) calculation, Phoenix Wind's expected annual output would displace up to 600,000 metric tons of emissions annually, or 130,000 passenger vehicles. This generates around 5 million Renewable Energy Certificates (RECs) annually.

Our value add

We have developed a strategy for Phoenix Wind that means it can be classified as a 'sustainable investment' under the EU Taxonomy, and meets *advanced technical* criteria for its approach to sustainability, with a substantial contribution to climate change mitigation.



G R E S B
★★★★★ 2022



Case study 7

Solar power attractiveness

Photovoltaic project – Switzerland



Fostering solar energy on the roofs of our managed buildings for the benefit of our tenants and investors

About the project

In partnership with the Energie Zukunft Schweiz AG association, we are working towards meeting the electricity needs of our real estate portfolio via renewable energies. We launched a major project for the planning and construction of photovoltaic systems on the roofs of our Swiss portfolio several years ago and set ourselves some ambitious targets. We have achieved our first target – the construction of 100 plants by the end of 2022.

Sustainability overview

Each individual project aims to offer solar power to tenants at attractive terms, while also creating added value for our investors. Recent projects show that there is a high demand for locally-produced solar power, especially among commercial tenants, demonstrating that these systems can also increase the attractiveness of a property for tenants.

Our value add

Our photovoltaic project started in 2017 with the construction of three photovoltaic systems. This led to the launch of a large-scale roll-out across our entire Swiss portfolio in the summer of 2018. The identification of potential projects, evaluation and realization of new opportunities is an ongoing process.



Case study 8

Sustainable multifamily solutions

ONE ROOF Residence Tamachi – Tokyo, Japan



'A' rank under the CASBEE certification
for New Construction

About the asset

ONE ROOF Residence Tamachi is a new largescale multifamily development project located in the Shibaura district of Minato ward, Tokyo. ONE ROOF will have 243 units over 14 floors and 6,989 sqm of net rentable area.

Sustainability overview

Sustainability considerations underpin its entire lifecycle, including the design, construction, and operational phases, aimed at minimizing the environmental footprint of the asset. Based on the final design package and construction, the asset has received an "A" rank under the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) for New Construction. CASBEE is Japan's primary green building certification scheme.

Our value add

Site selection:

- High transport connectivity. Railway access: 6 minutes
- Climate risk assessment to measure and manage flood, liquefaction and seismic risks

Design:

- Use of recycled materials for interior base panels
- High greenery ratio to reduce ground temperature
- High thermal insulation on building envelope
- High-efficiency LED lighting
- Timer and motion sensor lighting control in the common area
- Installation of rooftop solar panels
- Water saving equipment
- Rainwater recycling system

Construction:

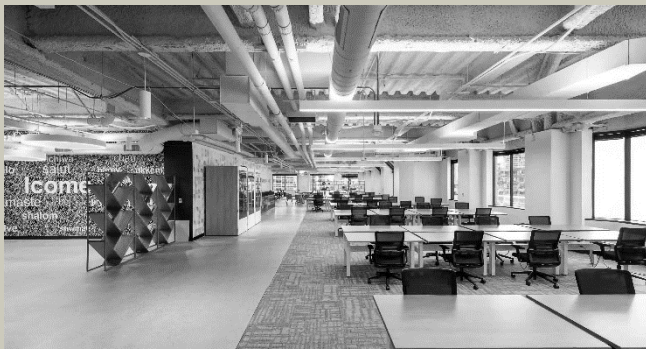
- Selection of General Contractor with strong sustainability credentials
- Encouraging reduction and recycling of construction waste



Case study 9

Renewable energy and wellbeing

455 Market Street – California, US



Awarded Direct Access rights in September 2021, allowing UBS to execute a 3-year contract for 100% renewable electricity

About the asset

455 Market Street (first LEED certified in 2009 and renewed in 2014 under the EBOM – Existing Building Operations and Maintenance rating system) obtained Platinum certification under the new LEED-ARC Certification in 2019 and was re-certified Platinum in 2020.

Sustainability overview

Direct Access Program: Each year a portion of the California electricity market is deregulated through Direct Access (DA). The deregulated market has greater choice of providers and electricity sources which generally leads to lower prices and opens the door to sourcing from a renewable energy developer. Demand for DA is greater than supply, so there is an annual lottery to determine which customers get in. 455 Market Street was granted DA in September 2021.

Our value add

In January 2022, 455 Market Street executed a 3-year contract to purchase 100% of the building's electricity from renewable sources, which will incur net monetary savings compared to the previous energy provider as well as improving the carbon emissions from this building.

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