



Phoenix Spree EPRA Sustainability Best Practice Recommendations 2021





Founded in 2007, Phoenix Spree Deutschland Ltd (PSD) is an investment company listed on the London Stock Exchange. We are a long-term investor in Berlin rental property, focused on providing rental homes to our customers that are both comfortable and affordable.

As a member of the European Public Real Estate Association, we want to contribute to greater transparency in sustainability reporting. We recognise that the nature of our business has environmental and social impacts and that we have a responsibility to consider and minimise these impacts where possible.



EPRA Sustainability Best Practice Recommendations

We recognise that the nature of our business has environmental and social impacts and that we have a responsibility to consider and minimise these impacts where possible. The refurbishment and modernisation of existing buildings, which is a central pillar of PSD's strategy, is widely regarded as more sustainable than the alternative of new build. Additionally, our Environment Policy sets guidance as to how PSD, our Property Advisor (QSIX) and other key suppliers should operate to reduce our environmental impact.

To secure our long-term success, we are committed to balancing the different interests of our key stakeholders and addressing our environmental and social impacts. This commitment is captured within our Company Values, business model and 'Better Futures' Corporate Responsibility (CR) Plan. For more information on how we approach CR and our activities, see our CR section within our **2021 Annual Report**.

As a member of EPRA (European Public Real Estate Association), we want to contribute to greater transparency in reporting. We introduced EPRA's Sustainability Best Practice Recommendations (sBPR) in our 2020 Annual Report, capturing Environmental, Social and Governance (ESG) data. This commitment was recognised at the EPRA Sustainability Awards 2021, with PSD receiving both a 'Silver' and 'Most Improved' award in recognition of the company's commitment to its ESG reporting. This recognition has encouraged us to continue to approach the future in an ethical, safe and environmentally friendly way and we are committed to making an annual publication based on EPRA's sBPR guidelines.

The following report consists of two parts: the Overarching Recommendations and the Sustainability Performance Measures.

Overarching recommendations Organisational boundaries

This report focuses on PSD's property portfolio, consisting of 95 properties, all of which are located in and around Berlin, Germany. The key sustainability data in this EPRA Report focuses on 87 of these properties as explained below under Coverage section.

We use an operational control approach for our organisational boundary, in accordance with the principles of the Greenhouse Gas Protocol, which covers 100% of our assets. Unless otherwise indicated, the key figures relate to the financial year 2021 (Jan-Dec 2021).

Coverage

PSD's asset portfolio covers 95 properties (189,111m²), located entirely in Germany, 94 of which are within the city of Berlin and one is south of Berlin in the municipality Blankenfelde Mahlow. PSD does not have any offices on which to report, see 'Disclosure on own offices'.

PSD started providing Environmental, Social and Governance (ESG) data in line with EPRA guidelines in 2020, focusing on properties using oil and district heating. Data collection was established for 27 properties or 25% of the portfolio in 2020.

Measurement has been expanded in 2021, to include more of the portfolio connected to the gas grid, therefore increasing portfolio coverage to 87 properties.

The 2021 sustainability figures relate to 87 properties, consisting of 2,170 apartments and 134 commercial units. These cover a total area of 162,866m², which equates to 86% of the total portfolio's floor area. EPRA reporting for 2021 includes a Like-for-Like (LFL) comparison for the properties using oil and district heating only, since we do not have the 2020 utility data for the buildings using gas. This means the LFL comparison covers 25 properties, as two of the 27 properties covered last year were sold in 2021.

We continue to work with our utility suppliers to access the detailed actual consumption billing data (versus estimates) across all our portfolio in a timely manner that works with our reporting period. We are currently reviewing several options including piloting smart meters in buildings and having the property management company record more meter readings. Our objective is to continue to increase our portfolio coverage in the coming years. Please see our EPRA performance tables for individual coverage of each performance measure.

Estimation of landlord-obtained utility consumption

The environmental data provided in this report is based on the actual consumption values reported in landlord obtained bills for 2021 and 2020 from the respective utility companies for electricity, oil, district heating, gas, water and waste. The electricity bills are also supported by meter readings, taken at set intervals throughout the year. The actual oil consumption is calculated using stock readings at the start and end of each year and adding the deliveries throughout the year. The waste data is based on information shown on the invoices, including the size of the containers emptied and frequency of collection throughout the year. See Tables 6 to 10 for an overview of data collected.

The utility invoices are collated and analysed at the start of each year, once the final invoices and meter readings for the previous year have been processed by the utility companies. The invoice frequency for gas billing, results in the data not being available until around April. There are some instances where invoices require additional internal audit checks, making them unavailable for data analysis purposes in the reporting year. The district heating data collection was calculated using actual consumption data for 14 properties and previous years' bills for 2 properties.

We have introduced a formal process with the property management company taking utility meter readings at the year end. These readings are compared to the information in the relevant utility invoices and act as an additional verification in checking the utility data. This was possible for all of the electricity data and on average 12% of the other services, excluding waste data, which is not metered. This is reflected in the much improved proportion of actual versus estimated consumption data shown in the Like-for-Like comparison

between 2020 and 2021, see Tables 6 to 10 for an overview of data collected. Going forward, the formal process of the property management company recording utility meter readings will further improve data collection and ensure electricity, gas and water consumption will be available earlier each year.

Third party assurance

The EPRA sBPR is not audited by third parties. However, all the residential properties are certified by mandatory energy certificates based on heating and hot water use or demand and the carbon emissions are calculated by an external service provider.

Boundaries – reporting on landlord and tenant consumption

We only report on landlord obtained utility data, although the bills we receive include consumption for communal, private and commercial areas. Utility data for tenant consumption (private and commercial) within their apartments or business areas, where they have a contract direct with the supplier and receive their own bills, is excluded from the EPRA reporting as we have no oversight or control over this. It also excludes household waste recycled via schemes, such as the 'Gelber Sack' and communal glass collection points, as well as any commercial waste.

The reported values reflect real consumption, based on the buildings' energy requirements and the tenants' individual consumption, which is outside our direct control. The portfolio data therefore covers the following areas:

- Heating oil and district heating: residential, commercial and communal areas;
- Gas: residential, commercial and communal areas;
- Electricity: communal areas;
- Water: residential, commercial and communal areas; and
- Waste: residential, excluding waste recycled by the tenant via relevant council schemes.

Analysis-normalisation

Intensity indicators for energy, GHG emissions and water, are calculated where possible using the floor area (m²) for the whole building, as denominator. Electricity consumption figures relate to the communal area only, whereas the heating (oil, gas and district) and water bills cover the entire building. The size of the communal area is based on the property's energy certificate, which applies a factor of 1.2 to calculate the total residential space including the communal areas, such as staircases and cellar. This is in line with the relevant Energy Efficiency regulations (EnEV 2014 and GEG 2020).

Segmental analysis (by property type, geography)

Given PSD's asset portfolio covering 95 properties (189,111m²), are all located entirely in Germany, 94 of which are within the city of Berlin and one is south of Berlin in the municipality Blankenfelde Mahlow, a segmental analysis by geography is not applicable. The asset portfolio consists mainly of classic 'Altbau' properties which were built before 1914 and are typically five-storey buildings containing between 20-40 units of one to three-bedroom apartments, often with shops on

the ground floor, see Table 1. Residential accounts for 91% of the portfolio (172,532m²) with 2,562 apartments and commercial for 9% (16,579m²) with 138 units. Given that the commercial units are within the same buildings as the residential units and are similar in size and material make-up, and the commercial tenants manage their own utility suppliers and bills, we do not segment the utility usage between residential and commercial tenants. Three properties were sold across 2021 and this has reduced the total portfolio floor area slightly from 193,439m² in 2020 to 189,111m² in 2021.

Disclosure on own offices

PSD does not operate from any offices given it does not have any employees, only an independent Non-executive Board. The day-to-day running of the business is managed by QSIX and the Property Manager, which are separate legal entities.

Narrative on performance

A summary of the energy certificate grades is given in Table 2. Most buildings (78 buildings/75%), meet performance level D or below, which is consistent with the buildings stock classification, with 82 buildings (79%) being built before 1939 and meet the 'Altbau' classification (see Table 1). Note that the energy certificates cover individual residential locations, hence the total number of energy certificates (104) is higher than the number of total PDS portfolio properties (95).

The actual average building heating consumption was 127 kWh/m², which is slightly below the average for residential properties in Germany (131 kWh/m²

per annum, Reference – Umweltbundesamt). This reflects well on the portfolio, which mainly consists of 'Altbau' buildings.

Due to the COVID-19 pandemic and lockdowns, utility consumption increased across all utilities, except water, due to more tenants staying at home, thereby using more electricity and energy. This is reflected in the performance review for EPRA under the Like-for-Like comparison.

In line with our business strategy, the whole building stock has undergone some form of refurbishment over the years and in 2021, PSD

invested over 37% of its gross revenue on improvement programmes. Current heating modernisation is focusing on upgrading the existing oil heating systems to either gas or district heating. More than €520,000 was invested in 2021 to upgrade gas heating systems, either replacing old boilers with new ones or adding new consumer controls. This covered 13% or 340 residential apartments.

Table 1: Age of building stock, across the PDS portfolio

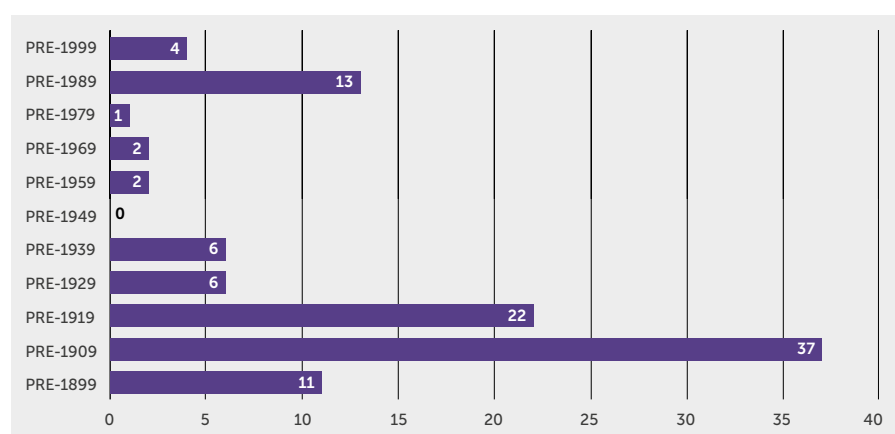


Table 2: Breakdown of energy certificates levels for the 95 properties included in the EPRA reporting period for 2021

| Energy efficiency grade | kWh/m ² /a | Description – level of energy efficiency | Number of certificates per heating system | | | Total number of certificates per grade |
|-------------------------|-----------------------|--|---|-----------|----------|--|
| | | | District Heating (DH) | Gas | Oil | |
| A+ | <30 | Energy efficiency improvements meet KfW 40+ or Passivhaus levels | 0 | 0 | 0 | 0 |
| A | <50 | Energy efficiency improvements meet 2016 building regulations | 5 | 0 | 0 | 5 |
| B | <75 | Energy efficiency improvements meet 2014 building regulations | 2 | 7 | 1 | 10 |
| C | <100 | Energy efficiency improvements exceed 1995 building regulations | 5 | 8 | 0 | 13 |
| D | <130 | New build residential property or building stock pre-1949 – improvements meet current building regulations | 7 | 12 | 2 | 21 |
| E | <160 | Residential property – energy efficiency improvements meet 1982 building regulations or building stock pre-1949 – high level of energy efficiency improvements | 7 | 24 | 4 | 35 |
| F | <200 | Building stock pre-1949 – medium level of energy efficiency improvements | 1 | 16 | 1 | 18 |
| G | <250 | Building stock pre-1949 – energy efficiency improvements meet 1977 building regulations | 0 | 0 | 0 | 0 |
| H | >250 | Building stock pre-1949 – no energy efficiency improvements | 0 | 2 | 0 | 2 |
| Total | | | 27 | 69 | 8 | 104 |

EPRA Sustainability Best Practice Recommendations continued

The energy data covers electricity and heating consumption, whereby the heating is provided by either oil, gas or district heating, see Tables 3 and 4. The majority of the PSD portfolio uses gas, which represents 76% of the total portfolio floor area, followed by district heating, with 18% coverage and oil with 7%, see Table 3. Supplier information confirms that only low sulphur oil in accordance with DIN 51603-1 is used across the properties. The EPRA reporting covers 47% of the gas properties floor area and 100% of both the oil and district heating ones. This represents 60% of the total square meters or 57% of PSD's total portfolio apartments and commercial units, see Table 4.

Table 3: Type of heating and hot water systems across the PSD portfolio
This covers the total portfolio of 95 properties, covering 2,562 residential apartments and 138 commercial units.

| Heating system | Residential | | | | Commercial | | | | Total | | | |
|------------------|----------------------|---------------------------------|-----------------|-----------------|-----------------|---------------------------------|-----------------|-----------------|------------------------------|---------------------------------|-----------------|-----------------|
| | Number of apartments | Square metres (m ²) | % -age of total | | Number of units | Square metres (m ²) | % -age of total | | Number of apartments & units | Square metres (m ²) | % -age of total | |
| | | | % units | %m ² | | | % units | %m ² | | | % units | %m ² |
| District heating | 408 | 28,830 | 15% | 15% | 37 | 4,932 | 1% | 3% | 445 | 33,762 | 16% | 18% |
| Gas heating | 2,026 | 133,786 | 75% | 71% | 94 | 9,258 | 3% | 5% | 2,120 | 143,044 | 79% | 76% |
| Oil heating | 128 | 9,916 | 5% | 5% | 7 | 2,389 | 0% | 1% | 135 | 12,305 | 5% | 7% |
| Total | 2,562 | 172,532 | 95% | 91% | 138 | 16,579 | 5% | 9% | 2,700 | 189,111 | 100% | 100% |

Table 4: Type of heating and hot water systems for the PSD portfolio measured in this report
This covers the 57 properties, covering 1,439 residential apartments and 92 commercial units.

| Heating system | Residential | | | | Commercial | | | | Total | | | | | |
|------------------|----------------------|---------------------------------|-----------------|-----------------|-----------------|---------------------------------|-----------------|-----------------|------------------------------|---------------------------------|-----------------|-----------------|---------------------------|-----------------|
| | Number of apartments | Square metres (m ²) | % -age of total | | Number of units | Square metres (m ²) | % -age of total | | Number of apartments & units | Square metres (m ²) | % -age of total | | % -age of total portfolio | |
| | | | % units | %m ² | | | % units | %m ² | | | % units | %m ² | % units | %m ² |
| District heating | 408 | 28,830 | 27% | 26% | 37 | 4,932 | 2% | 4% | 445 | 33,762 | 29% | 30% | 100% | 100% |
| Gas heating | 903 | 61,992 | 59% | 55% | 48 | 4,820 | 3% | 4% | 951 | 66,812 | 62% | 59% | 45% | 47% |
| Oil heating | 128 | 9,916 | 8% | 9% | 7 | 2,389 | 0% | 2% | 135 | 12,305 | 9% | 11% | 100% | 100% |
| Total | 1,439 | 100,738 | 94% | 89% | 92 | 12,141 | 6% | 11% | 1,531 | 112,879 | 100% | 100% | 57% | 60% |

We report our greenhouse gas (GHG) emissions in accordance with the 3rd edition of the EPRA Sustainability Best Practice Recommendations (EPRA sBPR 2017). Emissions are reported as tonnes of carbon dioxide equivalent (tCO₂e). The Scope 1 emissions cover the natural gas and oil heating systems and were calculated using the specific annual emission factor for heating gas and oil provided by the German Environmental Department (Umweltbundesamt (UBA) and the Institute of Living and Environment (Institut Wohnen und Umwelt (IWU)). Scope 2 emissions are reported using both the 'location-based' and 'market-based' accounting methods. The location-based Scope 2 emissions cover electricity and district heating and also use the UBA and IWU emissions factors. Our market-based Scope 2 emissions are based on utility specific conversion factors for certified green electricity and local district heating supply in Berlin. According to the supplier, all of the electricity sourced has been certified as 100% from renewables and all the district heating is supplied by local small-scale combined heat and power stations. For the properties covered here, the green electricity tariff therefore saved, around 35 to 96 tonnes of CO₂, compared to the supplier's alternative standard electricity tariff and the average electricity mix supplied in Germany. The market-based emissions for the local district heating system are based on emissions associated with local district heating supply across Berlin and use a utility-specific conversion factor. Scope 3 emissions currently cover the supply and transportation losses associated with electricity and district heating. There are no Scope 3 emissions, associated with the operation of company offices. See Table 5.

Table 5: Overview of associated GHG emissions data and references

| Consumption data for | GHG emissions | | References |
|-------------------------|---------------|----------------|--|
| Oil systems | Scope 1 | | Emission factors according to the German Environment Department (Umweltbundesamt – UBA 2021). ¹ |
| Gas systems | | | |
| Electricity | Scope 2 | Market based | Utility-specific emission factors and Institute für Wohnen und Umwelt (IWU). ² |
| District heating supply | | Location based | Annual emissions factor for electricity mix and local district heating according to the German Environment Department (UBA 2021) and IWU. ³ |
| | Scope 3 | | Energy-related emissions (generation, transmission & distribution losses) for district heating and electricity according to UBA 2021. ⁴ |
| Waste | N/A | N/A | Conversion factors for volume to weight, according to regional and local statistics. ⁵ |

1. UBA
2. Vattenfall; IWU
3. UBA; IWU
4. UBA; IWU
5. Region Baden Württemberg; Berlin Recycling

There are additional explanatory notes at relevant points of the EPRA reporting tables to substantiate the key figures provided, see Environmental Performance Measures.

The company's responsible corporate governance matters are covered on **pages 36 et seq of the 2021 Annual Report**, and social and environmental matters on **pages 22 et seq and page 36 et seq of the 2021 Annual Report**.

Location of EPRA Best Practice Performance measures in companies' reports

EPRA Best Practice performance measures for social and governance indicators can be found in **the CR section and Directors' Report section of the 2021 Annual Report**. Our environmental performance measures are set out in this EPRA sBPR Report in the Tables below.

Reporting period

The reporting period is the 2021 calendar year (i.e. 1 January to 31 December in line with the Financial and Annual Reports).

Materiality

The PSD Board's ESG Committee and the Property Advisor's ESG Task Force have identified the key issues that the company should be focusing on as part of its ESG strategies. Based on their respective materiality these are prioritised and included in the 'Better Futures' CR Plan.

Own Offices

Not applicable since PSD does not operate from any offices given it does not have any employees, only an independent Non-Executive Board. The day to day running of the business is managed by the Property Advisor QSix and the Property Manager Core, which are separate legal entities.

Sustainability Best Practice Performance Measures (EPRA Tables)

Table 6: Environmental Performance Measures

| Impact category | EPRA Sustainability Best Practice Performance Measures | | | PORTFOLIO PERFORMANCE | | | | | |
|-----------------------|--|---|----------------------------|---|--------|---------------------|-------|----------|-------|
| | | | | Total portfolio | | | | | |
| | | | | Absolute measures (Abs) | | Like-for-Like (LfL) | | | |
| Environmental impacts | EPRA code | Measure-ment unit | Indicator | 2020 | 2021 | 2020 | 2021 | % change | |
| ENERGY | Elec-Abs, Elec-LfL | MWh | Electricity | Landlord-shared services | 121 | 255 | 97 | 103 | 6.3% |
| | | | | (sub)metered exclusively to tenants | N/A | N/A | N/A | N/A | |
| | | | | Total landlord-obtained electricity | 121 | 255 | 97 | 103 | 6.3% |
| | | | | Total tenant-obtained electricity | N/A | N/A | N/A | N/A | |
| | | | | Total electricity | 121 | 255 | 97 | 103 | 6.3% |
| | | | | % from renewable sources | 100% | 100% | 100% | 100% | |
| | No. of applicable properties | | 27 | 85 | 25 | 25 | | | |
| | No. of applicable units | Electricity disclosure coverage | 594 | 2,157 | 583 | 580 | | | |
| | sqm of applicable properties | | 47,421 | 153,621 | 46,389 | 46,068 | | | |
| | % | Proportion of electricity estimated | 76.0% | 0% | 2.3% | 0% | | | |
| | Fuel-Abs, Fuel-LfL | MWh | Fuel | Landlord-shared services | 1,456 | 8,794 | 1,331 | 1,518 | 14.1% |
| | | | | (sub)metered exclusively to tenants | N/A | N/A | N/A | N/A | |
| | | | | Total landlord-obtained fuel | 1,456 | 8,794 | 1,331 | 1,518 | 14.1% |
| | | | | Total tenant-obtained fuel | N/A | N/A | N/A | N/A | |
| | | | | Total fuel | 1,456 | 8,794 | 1,331 | 1,518 | 14.1% |
| | | | | % from renewable sources | 0 | 0 | 0 | 0 | |
| | No. of applicable properties | | 11 | 41 | 9 | 9 | | | |
| | No. of applicable units | Fuel disclosure coverage | 146 | 1,086 | 135 | 135 | | | |
| | sqm of applicable properties | | 13,337 | 79,117 | 12,305 | 12,305 | | | |
| | % | Proportion of fuel estimated | 0% | 0% | 0% | 0% | | | |
| | DH&C-Abs, DH&C-LfL | MWh | District heating & cooling | Landlord-shared services | 3,725 | 4,078 | 3,801 | 4,078 | 7.3% |
| | | | | (sub)metered exclusively to tenants | N/A | N/A | N/A | N/A | |
| | | | | Total landlord-obtained heating & cooling | 3,725 | 4,078 | 3,801 | 4,078 | 7.3% |
| | | | | Total tenant-obtained heating & cooling | N/A | N/A | N/A | N/A | |
| | | | | Total heating & cooling | 3,725 | 4,078 | 3,801 | 4,078 | 7.3% |
| | | | | % from renewable sources | 0 | 0 | 0 | 0 | |
| | No. of applicable properties | | 16 | 16 | 16 | 16 | | | |
| | No. of applicable units | Heating & cooling disclosure coverage | 448 | 445 | 448 | 445 | | | |
| | sqm of applicable properties | | 34,083 | 33,762 | 34,083 | 33,762 | | | |
| | % | Proportion of heating & cooling estimated | 67.5% | 10.1% | 33.7% | 10.1% | | | |
| Energy-Int | MWh/m ² /year | Energy Intensity | | 0.074 | 0.078 | 0.074 | 0.082 | 11.1% | |

Electricity data provided cover the landlord areas only, as each tenant (private and commercial) is responsible for their own electricity supply. The size of the communal area is based on the property's energy certificate, which applies a factor of 1.2 to calculate the total residential space including the communal areas, such as staircases and cellar. This is in line with the relevant Energy Efficiency regulations (EnEV 2014 and GEG 2020). The electricity required to power shared services, i.e. lifts or heating systems is currently excluded, but data is expected to become available for future reports, due to the improved meter reading process by the property-management company.

The CO₂ emission factors have been amended to reflect the updated factors for 2020 and 2021 provided by the German Environmental Department (UBA). This was also corrected for the 2020 absolute and LfL data.

Elec-Abs and LfL: The absolute figures for 2020 cover 27 properties or 25% of the total communal floor area and for 2021 they cover 85 properties or 80% of the total communal floor area. There is an increase of 6.3% increase of the LfL value in 2021, which is likely due to more tenants being at home due to the pandemic.

Heating data provided covers gas, oil and district heating and represents 47% of all our gas portfolio and 100% of both our district heating and oil portfolio, see Table 4. There are single gas boilers installed across 24% of the portfolio or 25% of the apartments. This means tenants are responsible for their own gas supply and invoices are unlikely to become available for future reports.

Fuel-Abs: The absolute figures cover 11 properties or 7% of the total portfolio floor area in 2020 and 41 properties or 42% of the total portfolio floor area in 2021.

DH&C-Abs: The absolute figures for district heating cover 16 properties or 18% of the total portfolio floor area for both 2020 and 2021.

DH&C-LfL data shows a slight discrepancy of units and square meters covered as three apartments were sold in 2021.

Fuel and DH&C-LfL: The LfL comparison shows a 14% and 7% increase in oil and district heating use respectively in 2021. These increases are in line with consumption changes due to the COVID-19 pandemic and more people working from home. The energy certificates show that the properties served by district heating are more energy efficient, with an average demand of 133kWh/m per year, compared to 175kWh/m² a year for oil. This could explain the higher percentage increase for oil properties. Another reason could be that the oil properties serve proportionately fewer commercial properties, which might have had to close due to the pandemic.

Energy-Int: The energy intensity per sqm of floor area is based on the buildings' fuel and district heating consumption, which covers residential, commercial and communal areas.

Energy-Int-LfL: The absolute figures for 2020 and 2021 heating match each other with only a marginal increase in 2021 of 5.4%. As expected, the LfL comparison shows an increase in energy intensity of 11.1%, which is in line with the increases shown across Elec-LfL, Fuels-LfL and DH&C LfL.

Table 7: GHG emissions

| Impact category | EPRA Sustainability Best Practice Performance Measures | | PORTFOLIO PERFORMANCE | | | | | | | |
|-----------------------|--|------------------|-------------------------|---|--|--------------|------------|------------|---------------|-------|
| | | | Total portfolio | | | | | | | |
| | | | Absolute measures (Abs) | | Like-for-Like (LfL) | | | | | |
| Environmental impacts | EPRA code | Measure-unit | Indicator | 2020 | 2021 | 2020 | 2021 | % change | | |
| GHG | GHG-Dir-Abs, GHG-Dir-LfL | | Heating | Total Direct Scope 1: oil gas | 463 N/A | 483 1,681 | 423 N/A | 483 N/A | 14.1% | |
| | | | Market based | Total Indirect Scope 2: electricity local district heating | 0 857 | 0 901 | 0 840 | 0 901 | 7.3% | |
| | GHG-Indir-Abs, GHG-Indir-LfL | tCO ₂ | Location based | electricity local district heating | 46 905 | 109 991 | 37 924 | 44 991 | 19.1% 7.3% | |
| | | | | Total Scope 3 energy supply – transportation and distribution | 7 | 15 | 5 | 6 | 8.2% | |
| | | | | Total Scope 1 + Scope 2 (location based) | 1,414 | 3,263 | 1,384 | 1,518 | 9.7% | |
| | | | | Total Scope 1 + Scope 2 (location based) + Scope 3 | 1,421 | 3,278 | 1,389 | 1,524 | 9.7% | |
| | | | | No. of applicable properties | 27 | 86 | 25 | 25 | | |
| | | | | No. of applicable units | 594 | 1,531 | 583 | 580 | | |
| | | | | m ² of applicable properties | 47,421 | 153,621 | 46,389 | 46,068 | | |
| | | | | % | 45.7% | 3.1% | 22.6% | 6.6% | | |
| | | | | GHG-Int | (Scope 1 + Scope 2)/m ² | 0.030 | 0.021 | 0.030 | 0.033 | 10.4% |
| | | | | GHG Intensity | (Scope 1 + Scope 2 + Scope 3)/m ² | 0.030 | 0.021 | 0.030 | 0.033 | 10.4% |

GHG: This report covers both the 'market-based' and 'location-based' accounting methods for Scope 2 GHG emissions. The total GHG emissions are calculated using the location-based Scope 2 emissions.

GHG-Dir and GHG-Indir-Abs: The absolute figures cover 27 properties or 28% of the total portfolio floor area in 2020 and 86 properties or 86% of the total portfolio floor area in 2021.

GHG-Dir and GHG-Indir-LfL: The rise of emissions within the LfL comparison matches the consumption data for electricity, oil and DH&C under Elec-LfL, Fuel-LfL and DH&C-LfL.

GHG-Int: The climate emissions intensity per sqm of floor area is based on the buildings' fuel, district heating and electricity consumption, which covers residential, commercial and communal areas.

Sustainability Best Practice Performance Measures (EPRA Tables) continued

GHG-Int: The climate emissions intensity per m² of floor area is based on the sum of Scope 1 emissions and Scope 2 emissions. Reporting on Scope 3 emissions currently relates to the emissions generated during the production and transportation of fuel and electricity. There are no office-related emissions, as PSD do not have employees or offices.

GHG-Int: The values for the absolute data have improved mainly due to including more efficient gas heating systems in 2021, as well as reducing the estimated data from 45.7% to 3.1%. The LfL comparison shows a reduction of estimated data of 70.7%, from 22.6% to 6.6%. The GHG emission increase of 10.4% is in line with the associated consumption increases.

Table 8: Water supply and usage

| Impact category | EPRA Sustainability Best Practice Performance Measures | | | PORTFOLIO PERFORMANCE | | | | | |
|------------------------------|--|--------------------------------------|------------------|-------------------------------------|--------|-----------------|--------|----------|-------|
| | | | | Absolute measures (Abs) | | Total portfolio | | | |
| | | | | 2020 | 2021 | 2020 | 2021 | % change | |
| Environmental impacts | EPRA code | Measure-unit | Indicator | | | | | | |
| WATER | Water-Abs, Water-LfL | m ³ | Water | Landlord-shared services | 54,058 | 166,533 | 50,748 | 48,025 | -5.4% |
| | | | | (sub)metered exclusively to tenants | N/A | N/A | N/A | N/A | |
| | | | | Total landlord-obtained water | 54,058 | 166,533 | 50,748 | 48,025 | -5.4% |
| | | | | Total tenant-obtained water | N/A | N/A | N/A | N/A | |
| | | | | Total water consumption | 54,058 | 166,533 | 50,748 | 48,025 | -5.4% |
| | | | | No. of applicable properties | 27 | 86 | 25 | 25 | |
| | | | | No. of applicable units | 594 | 2,076 | 583 | 580 | |
| | | | | sqm of applicable properties | 47,421 | 149,671 | 46,389 | 46,068 | |
| | | | | % | 40.5% | 0% | 4.2% | 0% | |
| | | | | Proportion of water estimated | 40.5% | 0% | 4.2% | 0% | |
| | Water-Int | m ³ /m ² /year | Water Intensity | 1.140 | 1.113 | 1.094 | 1.042 | -4.7% | |

Water: The water consumption figures cover residential, commercial and communal areas. There are sub-meters for some of the individual tenanted properties, which are billed according to actual consumption. The water required for shared services, i.e. gardens or heating systems are currently excluded, but data is expected to become available for future reports, due to the improved meter-reading process by the property-management company.

Water-Abs and Water-LfL: The absolute 2021 data is based on actual consumption from 2021 invoices for 91% of the portfolio (86 properties) and 2020 data is from 2020 invoices for 28% of the portfolio (27 properties). The LfL comparison shows a 5% reduction in consumption, which is slightly surprising given that more people were expected to work from home in 2021.

Water-Int: The four-percent reduction is in line with the consumption figures shown under Water-LfL.

The Water-LfL data shows a slight discrepancy of units and square meters covered as three apartments were sold in 2021.

Table 9: Waste indicators

| Impact category | EPRA Sustainability Best Practice Performance Measures | | PORTFOLIO PERFORMANCE | | | | | | | |
|---|--|-------------------|-------------------------|---|-------------------------------|--------|---------|----------|--------|--|
| | | | Total portfolio | | | | | | | |
| | | | Absolute measures (Abs) | | Like-for-Like (LfL) | | | | | |
| Environmental impacts | EPRA code | Measure-ment unit | Indicator | 2020 | 2021 | 2020 | 2021 | % change | | |
| WASTE | Waste-Abs, Waste-LfL | m ³ | Waste | Total landlord-obtained waste | 4,153 | 13,338 | 4,095 | 4,204 | 2.7% | |
| | | | | Total tenant-obtained waste | N/A | N/A | N/A | N/A | | |
| | | | | Total waste by disposal route | | | | | | |
| | | | | Recycled | 1,790 | 5,935 | 1,732 | 1,854 | 7.0% | |
| | | | | Incineration | 2,363 | 7,403 | 2,363 | 2,350 | -0.5% | |
| | | | | Landfill | 0 | 0 | 0 | 0 | | |
| | | | | Other | 0 | 0 | 0 | 0 | | |
| | | | | Recycled | 43.1% | 44.5% | 42.3% | 44.1% | 4.3% | |
| | | | | Incineration | 56.9% | 55.5% | 57.7% | 55.9% | -3.1% | |
| | | | | Landfill | 0% | 0% | 0% | 0% | | |
| | | | | Other | 0% | 0% | 0% | 0% | | |
| | | | | No. of applicable properties | | 27 | 87 | 25 | 25 | |
| | | | | No. of applicable units | Waste disclosure coverage | 594 | 2,304 | 583 | 580 | |
| | | | | m ² of applicable properties | | 47,421 | 162,866 | 46,389 | 46,068 | |
| | | | | % | Proportion of waste estimated | 0% | 0% | 0% | 0% | |
| | Waste-Abs, Waste-LfL | Tonne | Waste | Total landlord-obtained waste | 493 | 1,599 | 482 | 488 | 1.3% | |
| | | | | Total tenant-obtained waste | N/A | N/A | N/A | N/A | | |
| | | | | Total waste by disposal route | | | | | | |
| | | | | Recycled | 213 | 711 | 204 | 215 | 5.6% | |
| | | | | Incineration | 281 | 887 | 278 | 273 | -1.8% | |
| | | | | Landfill | 0 | 0 | 0 | 0 | | |
| | | | | Other | 0 | 0 | 0 | 0 | | |
| | | | | Recycled | 43.1% | 44.5% | 42.3% | 44.1% | 4.3% | |
| | | | | Incineration | 56.9% | 55.5% | 57.7% | 55.9% | -3.1% | |
| | | | | Landfill | 0% | 0% | 0% | 0% | | |
| | | | | Other | 0% | 0% | 0% | 0% | | |
| | | | | No. of applicable properties | | 27 | 87 | 25 | 25 | |
| No. of applicable units | Waste disclosure coverage | 594 | 2,304 | 583 | 580 | | | | | |
| m ² of applicable properties | | 47,421 | 162,866 | 46,389 | 46,068 | | | | | |
| % | Proportion of waste estimated | 0% | 0% | 0% | 0% | | | | | |

Waste indicators (Waste-Abs, Waste-LfL) are provided for general household waste, paper recycling and compostable waste, where available. Figures for recyclable household waste and glass are excluded as tenants are responsible for disposing of those via a national scheme based on a packaging licence scheme called 'Grüner Punkt'. According to the waste contractor covering 98% of the PDS portfolio, the waste volume collected from all the households waste is taken to the local waste to energy plant for incineration. This represents 61% of the total waste collected for the properties covered in this report. The remainder of the waste collections (39%) are recycled, of which 45% is compostable waste. This is used to produce biogas to power the contractor's collection trucks. The other 55%, is paper and carton, which is recycled locally. Therefore, none of the waste is landfilled. The waste invoices show the size of the containers (in litres) and number of collections per week. This data is converted to tonnes, using standard weight values per container, available for local waste companies and local authorities, see Table 5. The data includes an element of estimation, as it assumes that all waste containers are full every week, throughout the year, hence giving the worst-case scenario. This also means there is a slight discrepancy for the percentage increases for waste volume and weight, as the volume to weight ratio depends on the type of waste and container size.

Sustainability Best Practice Performance Measures (EPRA Tables) continued

Waste-Abs, Waste-LfL: The absolute 2021 data is based on actual consumption from 2021 invoices for 92% of the portfolio (87 properties) and the 2020 data is from 2020 invoices for 28% of the portfolio (27 properties). The LfL comparison shows a slight increase in waste generated (between 1% for weight and 3% for volume), which is in line with the findings for the energy consumption. These increases are based on residential patterns, as the commercial units use their own waste contractors.

The Waste-LfL data shows a slight discrepancy of units and square meters covered as three apartments were sold in 2021. The values for recycling and incineration have been corrected for the 2020 Waste-Abs and Waste-LfL values.

Table 10: Energy certification

| Impact category | EPRA Sustainability Best Practice Performance Measures | | | PORTFOLIO PERFORMANCE | | | | | |
|-------------------------|--|--------------|---|--|-------|---------------------|-------|-------------|--|
| | | | | Total portfolio | | | | | |
| | | | | Absolute measures (Abs) | | Like-for-Like (LfL) | | | |
| Environmental impacts | EPRA code | Measure-unit | Indicator | 2020 | 2021 | 2020 | 2021 | % change | |
| CERTIFIED ASSETS | Cert-Tot | | % of portfolio certified by floor area | 91.0% | 91.0% | 91.0% | 91.0% | | |
| | | | Mandatory (Energy Performance Certificates) | level of energy performance (A,B,C etc) | | see TABLE 2 | | see TABLE 2 | |
| | | | % of portfolio certified by number of properties | 95.0% | 95.0% | 95.0% | 95.0% | | |
| | | | level of energy performance (A,B,C etc) | see TABLE 2 | | see TABLE 2 | | | |
| | | | % of portfolio certified by floor area | N/A | N/A | N/A | N/A | | |
| | | | Voluntary (e.g. BREEAM, LEED) | % of portfolio certified by number of properties | | N/A | | N/A | |
| | | | type and level of certification attained (i.e. LEED Platinum) | N/A | | N/A | | N/A | |

Mandatory energy certification was completed in accordance with the German Energy Saving Law (EnEV) and covers 100% of our residential portfolio. This represents 91% of the total portfolio's floor area and 95% of the portfolio's properties, with the remainder consisting of commercial tenants. Please see Table 2 in Narrative on Performance for a breakdown of the energy performance certificates per property.

Social and Governance Performance Measures

Table 11: Health and Safety

| Social & Corporate Governance impacts | EPRA code | Measurement unit | Indicator | Scope | Year | | % Change |
|---------------------------------------|-----------|---------------------------|-------------------------------------|-----------|------|------|----------|
| | | | | | 2020 | 2021 | |
| HEALTH AND SAFETY | H&S-Asset | % of assets | Asset health and safety assessments | Portfolio | 100 | 100 | 0 |
| | H&S-Comp | Total number of incidents | Asset health and safety compliance | Portfolio | 0 | 0 | 0 |

We seek to provide a healthy, safe and secure environment for our tenants and improve the standard of accommodation through renovation and regular inspections to ensure that we identify and eliminate any hazards. H&S checks are conducted across all of our buildings every year by the Property Manager (Core). If defects are found, these are recorded. We have established a standard process for handling defects discovered during inspections and service providers responsible for remedying the defects are informed and commissioned to remedy them.

The H&S processes in place operated well. During the 2021 reporting period the inspections did not reveal any violations of regulations and/or voluntary codes concerning H&S aspects that were not immediately remedied.

Table 12: Employee Health and Safety

| Social & Corporate Governance impacts | EPRA code | Measurement unit | Indicator | Scope | Year | | % Change | |
|---------------------------------------|-----------|--------------------------|---------------|------------------|----------------------|------|----------|-----|
| | | | | | 2020 | 2021 | | |
| HEALTH AND SAFETY | H&S-Emp | Per 100,000 hours worked | Injury rate | Direct employees | Corporate Operations | N/A | N/A | N/A |
| | | Per 100,000 hours worked | Lost day rate | Direct employees | Corporate Operations | N/A | N/A | N/A |
| | | Days per employee | Absentee rate | Direct employees | Corporate Operations | N/A | N/A | N/A |
| | | Total number | Fatalities | Direct employees | Corporate Operations | N/A | N/A | N/A |

PSD does not have any direct employees, only an independent Non-Executive Board with the day-to-day operations of the company being carried out by the Property Advisor (QSix) and the Property Manager (Core). Although PSD does not have direct control over QSix or Core employees, there have been no reported health and safety incidents by any of these employees whilst performing their duties on PSD's property portfolio.

Table 13: Diversity

| Social & Corporate Governance impacts | EPRA code | Measurement unit | Indicator | Scope | Year | | % Change | |
|---------------------------------------|---------------|-------------------|---------------------|----------------------------|----------------------|---------------------|-----------------|-------|
| | | | | | 2020 | 2021 | | |
| DIVERSITY | Diversity-Emp | % of employees | Diversity Employees | Board of Directors members | Corporate Operations | M 66.7%/ F 33.3% | M 60%/ F 40% | F 20% |
| | | | | Executive Management | Corporate Operations | N/A | N/A | N/A |
| | | | | Managers | Corporate Operations | N/A | N/A | N/A |
| | | | | All employees | Corporate Operations | N/A | N/A | N/A |
| | Diversity-Pay | Ratio (Women/Men) | Gender pay ratio | Board of Directors members | Corporate Operations | M:F 1.1:1.0 | M:F 1.1:1.0 | 0% |
| | | | | Executive Management | Corporate Operations | N/A | N/A | N/A |
| | | | | Managers | Corporate Operations | N/A | N/A | N/A |
| | | | | All employees | Corporate Operations | N/A | N/A | N/A |

Social and Governance Performance Measures continued

Diversity

PSD has adopted a Diversity Policy which sets out the Board's approach to diversity in Board composition. Appointments to the Board are made on the basis of merit, regardless of gender, ethnicity or disability and take account of the specific skills, experience, independence and knowledge of each candidate needed to ensure a balanced Board and the requirements of the business. Refer to **page 46 of the 2021 Annual Report**. At the end of 2021, there were five Directors, three male and two female, giving a 60% male/40% female split. The female percentage has increased from 33% in 2020, where there were two female directors to four male Directors.

The Board takes seriously its responsibility of encouraging QSix and other key business partners to operate responsibly toward their employees, through its People Policy. QSix has adopted its own People Policy to drive a culture of fair and equal opportunities throughout its businesses.

Diversity-pay

PSD is committed to ensuring fairness and transparency in all matters relating to non-executive Board director pay. There are three levels of fees based on the Directors' roles, one for the Chair (£50k), one for the Directors (£40k), and an additional fee for the Director who chairs the Audit Committee (+£5k). Refer to Remuneration Policy on **pages 51-53 of the 2021 Annual Report** for more details. The male/female pay ratio in 2021 was the same as in 2020, namely 1.1:1. This is driven by the Chair and the Director who chairs the Audit Committee being male Directors. PSD does not have any direct employees.

Table 14: Employee training and development

| Social & Corporate Governance impacts | EPRA code | Measurement unit | Indicator | Scope | Year | | % Change | |
|---------------------------------------|--------------|-----------------------|-----------------------------------|------------------------------------|----------------------|------|----------|-----|
| | | | | | 2020 | 2021 | | |
| EMPLOYEES | Emp-Training | Average hours | Employee training and development | Women | Corporate Operations | N/A | N/A | N/A |
| | | | | Men | Corporate Operations | N/A | N/A | N/A |
| | | | | All employees | Corporate Operations | N/A | N/A | N/A |
| | Emp-Dev | % of employees | Employee performance appraisals | Women | Corporate Operations | N/A | N/A | N/A |
| | | | | Men | Corporate Operations | N/A | N/A | N/A |
| | | | | All employees | Corporate Operations | N/A | N/A | N/A |
| | Emp-Turnover | Total number and rate | New hires | Total number new employees | Corporate Operations | N/A | N/A | N/A |
| | | | | Proportion new employees | Corporate Operations | N/A | N/A | N/A |
| | | | Departures – Turnover | Total number of departed employees | Corporate Operations | N/A | N/A | N/A |
| | | | | Proportion of departed employees | Corporate Operations | N/A | N/A | N/A |
| | | | Total employees number | Corporate Operations | N/A | N/A | N/A | |

Training

PSD does not have any direct employees, however, it takes its responsibility for developing its Non-Executive Board Directors seriously, ensuring they receive the necessary training and evaluations to develop their skills and professional development. All (100%) Board members received professional training in 2021 which was in line with that received in 2020. All the Directors comply with the continued professional development requirements set by the Jersey Financial Services Commission. The Directors receive presentations on key topics relating to good practice on board governance, risk and relevant legislation. Refer to **page 45 of the 2021 Annual Report** for more details.

Development

The Board has implemented a process of formal evaluation for individual Directors, the Committees and the processes utilised by the board itself. An external Board evaluation is conducted every three years. In the intervening years, internal performance evaluations are undertaken by the Chair and the Audit Committee. At the end of 2021, the Directors participated in an external Board evaluation process, conducted by independent, external consultant, Value Alpha. The evaluation focused on Board composition, including Directors' skills, experience and behaviours, Board processes and decision-making mechanisms. The evaluation concluded that the Board is performing strongly. More details on **pages 46-47 of the 2021 Annual Report**. Although PSD does not have any employees, it takes an active interest in how its Property Advisor, QSix develops its employees and reviews QSix's People Policy and Employee Survey results.

Table 15: Community engagement

| Social & Corporate Governance impacts | EPRA code | Measurement unit | Indicator | Scope | Year | | % Change |
|---------------------------------------|-----------|----------------------|---|----------------------|------|------|----------|
| | | | | | 2020 | 2021 | |
| COMMUNITIES | Comty-Eng | Percentage of assets | Community engagement, impact assessments and development programs | Corporate Operations | 100 | 100 | 0% |

As the owner of the buildings, PSD is responsible for the functionality and maintenance of all the building assets so that they comply with public safety obligations.

PSD is involved in activities affecting our tenants within all of our buildings and as part of our customer service, it is essential that we make it convenient for our tenants to contact us. Our tenants can contact us via Core's offices and a tenant hotline.

We have a Vulnerable Tenant Policy and process in place which covers all of our portfolio and provides support to tenants facing difficult situations. With the continuation of the COVID-19 pandemic in 2021 and the German Federal Constitutional Court ruling that the Mietendeckel legislation in Berlin was unlawful, resulting in many tenants having to pay back-dated rents, the Company has engaged with tenants on a case-by-case basis, deferring rental payments if it would cause unnecessary hardship.

PSD does not conduct social and charitable activities on a building-by-building basis. Instead we take a strategic approach to supporting local Berlin charities through our Community Investment Policy. In 2021 and 2020 we supported a women's refuge (Interkulturelle Initiative e.V) which helps women and their children affected by domestic abuse by providing emergency shelter and advice. PSD's donation helped fund an apartment for these families and early intervention services for the women and their children. In 2021, we also began supporting The Laughing Hearts charity, which supports children living in children's homes and social care. The charity aims to provide the children with cultural, sport and art activities and social events to which they would otherwise not have had access. For more information on our approach, see page 29 of the 2021 Annual Report.

Table 16: Corporate Governance

| Social & Corporate Governance impacts | EPRA code | Measurement unit | Indicator | Scope | Year | | % Change |
|---------------------------------------|-----------|----------------------|---|----------------------|-----------------------|-----------------------|----------|
| | | | | | 2020 | 2021 | |
| CORPORATE GOVERNANCE | Gov-Board | Total number | Composition of the highest governance body (members) | Corporate Operations | 6 | 5 | -17% |
| | | | Executive | Corporate Operations | 0 | 0 | 0% |
| | | | Non-Executive (members) | Corporate Operations | 6 | 5 | -17% |
| | | | Average Tenure of governing body (# years) | Corporate Operations | 4.27 years | 3.38 years | -21% |
| | | | Total # with competencies relating to environmental and social topics | Corporate Operations | 2 members | 2 members | 0% |
| | Gov-Selec | Narrative on process | Process for nominating and selecting the highest governance body | Corporate Operations | AR 2020 pg 56 et seq. | AR 2021 pg 46 et seq. | N/A |
| | Gov-Col | Narrative on process | Process for managing conflicts of interest | Corporate Operations | AR 2020 pg 46 et seq. | AR 2021 pg 36 et seq. | N/A |

The Board's Nomination Committee is responsible for the structure, size, composition and succession planning of the Board. To assist with Board selection, the Board engages with an independent external recruitment company. The Board has agreed a policy whereby all Directors will seek annual re-election at the Company's AGM, in accordance with the AIC Code. See more details on **pages 46-47 of the 2021 Annual Report**.

At the end of 2021, there were 5 Non-Executive Directors, 3 male and 2 females, equating to a 60%/40% male/female Board split versus a 67%/33% split in 2020. One of the female Directors left the Board, the end of March 2022 and was replaced by another female Director, thus the 60%/40% male/female split will be retained across 2022.

In June 2021, one Director (male) retired from the Board after over 14 years of service. With two Directors joining in 2018 and two in 2020, this has resulted in the average tenure of the Board reducing from 4.27 years in 2020 to 3.38 years in 2021 (a decrease of 21%).

In 2021, two of the Board members had competencies relating to environmental and social topics from their experiences in working on other Boards. Monique O'Keeffe was Chair of the Board's ESG Committee and Jonathan Thompson was Chair of the Audit Committee. More information on composition and experience of the Board is detailed on **pages 34-35 of the 2021 Annual Report**.

The Board has a process in place for dealing with conflicts of interest. The Board, through the Company Secretary, maintains a register of conflicts which is reviewed quarterly at Board meetings, to ensure that any conflicts remain appropriate and to confirm whether there have been any changes. The Board has also adopted the policy of maintaining a gifts and hospitality register. Details on **page 36 of the 2021 Annual Report**.



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