



PHOENIX
SPREE

EPRA Sustainability

Best Practice Recommendations 2022

QSIX

Formerly PMM Group



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 that are both comfortable and affordable to our customers.

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 and need 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 and need to consider and minimise these impacts where possible. The refurbishment and modernisation of existing buildings, which is a central pillar of Phoenix Spree Deutschland's strategy, is widely regarded as more sustainable than the alternative of new build, given the inherent improvement of existing buildings. Additionally, our Environment Policy sets guidance as to how PSD, our Property Advisor (QSix), and other key suppliers should operate to help 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 2022 Annual Report (pages 24-32).

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 in our 2020 Annual Report, capturing Environmental, Social and Governance (ESG) data, in line with its Sustainability Best Practice Recommendations (sBPR). This commitment was recognised at the EPRA Sustainability Awards, with PSD receiving both a 'Silver' and 'Most Improved' award in 2021 and a 'Gold' award in 2022. This recognition has encouraged us to continue to approach the future in an ethical, safe and environmentally friendly way, and we are committed to producing an annual publication based on EPRA's sBPR guidelines. In addition to its EPRA awards, PSD won the Best ESG Fund: Real Estate category of the Private Equity Wire ESG AAA European Awards 2022.

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 96 properties, all of which are located in and around Berlin, Germany. The key sustainability data in this EPRA Report focuses on 93 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 2022 (January-December 2022).

Coverage

PSD's asset portfolio covers 96 properties (189k square meters), located entirely in Germany, 93 of which are within the city of Berlin and 3 in neighbouring state of Brandenburg. PSD does not have 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.

Since then data analysis has been expanded to cover the whole portfolio of 96 properties, including any connected to the gas grid. For 2022 the data collection covers 93 properties.

The 2022 sustainability figures relate to 93 properties, consisting of 2,537 apartments and 132 commercial units. These cover a total area of 186,447 square meters, which equates to 99% of the total portfolio's floor area. EPRA reporting for 2022 includes a like-for-like (LfL) comparison for 85 properties. The LfL analysis excludes any sold or bought properties, as well as any being prepared for sale or without invoices across all the utilities. There were also individual sales of apartments (5) and commercial units (3) within some properties. These sales result in some minor discrepancies for the LfL comparison. However, to the extent that they constitute significantly less than one per cent of the total portfolio, the impact on the LfL comparisons is not material.

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 piloting carbon mapping on a limited number of buildings, in combination with meter readings by the property management company. The carbon mapping pilot will be part of informing our overall carbon analysis process. We will continue to increase our utility-consumption portfolio coverage over 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 2022, and in 2023 from the respective utility companies for electricity, oil, district heating, gas, water and waste. The electricity, gas and district-heating 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.

Utility invoices for the reporting period are collated and analysed once the final invoices and meter readings have been processed by the utility companies. As an additional verification mechanism, we have introduced a formal process whereby the property management company takes utility meter readings at the year end. These readings are reconciled with the information in the relevant utility invoices. This was possible for an average of 98% of utility data excluding waste data, which is not metered. The proportion of actual versus estimated consumption data is shown in the like-for-like comparison, see Tables 6 to 10 for an overview of data collected.

Invoice delays for gas and district heating billing can result in some data being unavailable until early May, and hence too late to be included in our analysis for the year ended 31 December 2022. There are also some instances where invoices require additional internal audit checks, making them unavailable for data analysis. In these instances, invoice data is supplemented by meter readings taken at the end of the year by the property management company. Where meter readings are not available the previous year's consumption is used as estimate.

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. 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 invoices 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, as with other landlords, have no oversight or control over this information. 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 (square meters) 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 cellars. This is in line with the relevant Energy Efficiency regulations (EnEV 2014 and GEG 2023).

Segmental analysis (by property type, geography)

A segmental analysis by geography is not applicable, as PSD's whole asset portfolio, covering 96 properties (189k square meters), is located in Germany. Out of the 96 properties, 93 are located within the city of Berlin and three are in the neighbouring state of Brandenburg. 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.

Residential accounts for 91% of the portfolio by lettable area with 2,553 apartments and commercial 9% with 135 units. Commercial tenants manage their own utility suppliers and bills, hence it is not possible to segment the utility usage between residential and commercial tenants.

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 portfolio age and energy certificate grades is given in Tables 1 and 2, showing that 42 buildings (35%) meet a performance level of B to D and 78 buildings (65%) meet E to H. This spread is to be expected, as the portfolio mainly consists of 'Altbau' buildings, with 93 buildings (78%) constructed before 1939 (see Table 1). The energy certificates cover individual residential and commercial locations, hence the total number of energy certificates (120) is higher than the number of total PSD portfolio properties (96). It is also worthwhile noting that three of the four buildings with an 'H' energy certificate are commercial buildings. In addition to the performance level, the energy certificates also provide the average heating demand or heating consumption figures. The actual average heating consumption available for 55 buildings was 138 kWh/square meters, which is 11% above the current average for residential properties in Germany (125 kWh/square meters per annum, Reference – Umweltbundesamt). The average heating demand available for 64 buildings was 155 kWh/square meters, which is within the average for buildings constructed before 1980 (125-200 kWh/square meters). This reflects well on the portfolio, given the age of buildings.

In 2021, total energy consumption increased on the previous year for all utilities post the COVID-19 pandemic and lockdowns (Umweltbundesamt 2022 and 2023). This contrasted with household consumption, which showed a reduction in total energy use in 2021, despite people spending more time at home during the lockdowns (Statistisches Bundesamt 2022). This trend of decreased energy use across households continued in 2022 and even fell below that of 2020, due to the energy crisis and associated price increases. The reasons why household heating and hot water demand reduced are unclear, as the statistics consider varying weather conditions over the years. In contrast, other household consumption for electricity did increase but was sufficiently low to allow an overall reduction. This is reflected in the performance review for EPRA, under the like-for-like comparison, see relevant EPRA Tables 6 to 10. These trends make it difficult to assess whether heating system upgrades resulted in any tangible savings.

In line with our business strategy, the whole building stock has undergone some form of refurbishment over the years. PSD's refurbishment programme continues to focus on replacing the existing oil heating systems with either gas or district heating. There were no changes to the number of oil systems in 2022 but PSD invested around €500,000 in upgrades and replacements of both individual gas boilers and central heating systems. This covered 210 or 8.3% of the total residential apartments, with circa 45 individual boilers being replaced and approximately 165 apartments benefitting from new central heating boilers or control systems.

Our Environment Policy guides on how PSD and its key suppliers should operate to reduce our environmental impact. Measuring this impact and reporting on it transparently are important elements of our environmental-footprint-reduction journey. We commission tailored reports from expert third-party providers to ensure PSD is in the best position to understand ESG regulatory developments and opportunities. As a landlord, we do not have direct control over tenants' utility consumption, but we provide them with tips to encourage consumption reduction, and we endeavour to ensure that a greater proportion of the building electricity is supplied from renewable sources.

EPRA Sustainability Best Practice Recommendations continued

Table 1: Age of building stock, across the PSD portfolio (buildings before 1939 meet the 'Altbau' classification)

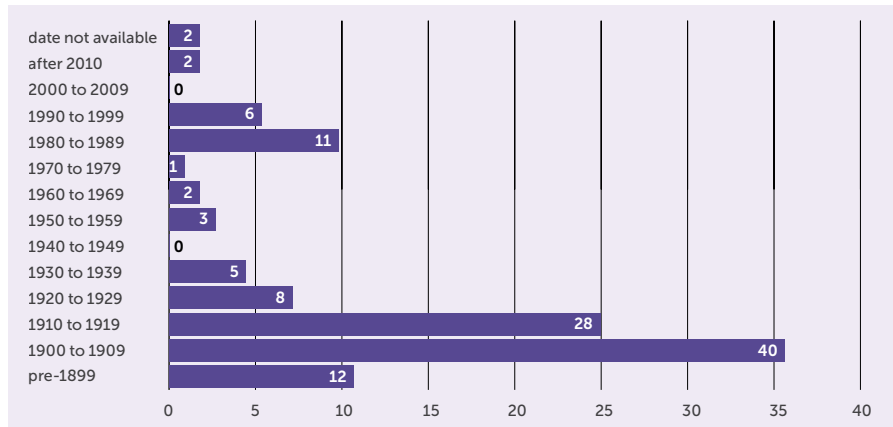


Table 2: Breakdown of energy certificates levels for the 96 properties included in the EPRA reporting for 2022, covering 115 residential and 5 commercial buildings

Energy efficiency grade	kWh/m ² /a	Description – level of energy efficiency	Number of certificates per heating system					Sub-Total		
			District heating	District heating & gas central & single heating	Gas & oil central heating	Gas central & single heating	Gas central heating		Gas heating (single)	Oil central heating
A+	<30	Energy efficiency improvements meet KfW 40+ or Passivhaus levels							0	
A	<50	Energy efficiency improvements meet 2016 building regulations							0	
B	<75	Energy efficiency improvements meet 2014 building regulations	4						4	
C	<100	Energy efficiency improvements exceed 1995 building regulations	7		2	1	4	2	16	
D	<130	New build residential property or building stock pre-1949 – energy efficiency improvements meet current building regulations	9				5	5	3	22
E	<160	Residential property – energy efficiency improvements meet 1982 building regulations or building stock pre-1949 – high level of energy efficiency improvements	9	1			12	17	5	44
F	<200	Building stock pre-1949 – medium level of energy efficiency improvements	1			1	6	14	1	23
G	<250	Building stock pre-1949 – energy efficiency improvements meet 1977 building regulations	1				2	3	1	7
H	>250	Building stock pre-1949 – no energy efficiency improvements				1	1	2		4
			31	1	2	3	30	43	10	120

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 63% in 2022 (76% in 2021) of the total portfolio floor area, followed by district heating, with 30% (18% in 2021) coverage and oil with 7% (2022 and 2021), 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 for gas excludes any properties with individual gas boilers (36 properties), as the tenants deal directly with the gas supplier, hence QSix have no overview of the consumption. There are occasions where QSix pays invoices for vacant apartments, and these are included in the EPRA data analysis. This relates to six properties in 2022, see Table 4. The data analysis for 2022 therefore covers 97% of the floor area for gas properties (excluding the single gas boilers) and 100% for oil and district heating. When including the single gas properties, the data collection represents 62% of both the total square meters, apartments and commercial units.

Table 3: Type of heating and hot water systems across the PSD portfolio, covering 96 properties, 2,553 residential apartments and 135 commercial units

Heating system	Residential				Commercial				Total				
	Number of apartments	Square meters (m ²)	% units	% m ²	Number of units	Square meters (m ²)	% units	% m ²	Number of properties	Number of apartments & units	Square meters (m ²)	% units	% m ²
District heating	775	52,181	95%	91%	37	4,954	4.6%	8.7%	20	812	57,135	30.2%	30.3%
Gas central heating	918	61,232	95%	93%	48	4,949	5.0%	7.5%	31	966	66,181	35.9%	35.1%
Oil heating	128	9,916	95%	81%	7	2,389	5.2%	19.4%	9	135	12,305	5.0%	6.5%
Sub-total	1,821	123,329	95.2%	90.9%	92	12,292	4.8%	9.1%	60	1,913	135,621	71.2%	71.8%
Gas heating (individual boilers)	732	49,381	94%	93%	43	3,802	5.5%	7.1%	36	775	53,182	28.8%	28.2%
Total	2,553	172,710	95%	91%	135	16,094	5.0%	8.5%	96	2,688	188,803		

Table 4: Type of heating and hot water systems for the PSD portfolio measured in this report, covering 63 properties, 1,944 residential apartments and 95 commercial units

Heating system	Residential				Commercial				Total				Compared to total portfolio (excluding gas heating individual boiler)			
	Number of apartments	Square meters (m ²)	% units	% m ²	Number of units	Square meters (m ²)	% units	% m ²	Number of properties	Number of apartments & units	Square meters (m ²)	% units	% m ²	% portfolio	% units	% m ²
District heating	775	52,181	95.4%	91.3%	37	4,954	4.6%	8.7%	20	812	57,135	42.4%	30.3%	100%	100%	100%
Gas central heating	902	59,700	95.1%	93.5%	46	4,180	4.9%	6.5%	28	948	63,880	35.3%	33.8%	90%	98%	97%
Oil heating	128	9,916	94.8%	80.6%	7	2,389	5.2%	19.4%	9	135	12,305	5.0%	6.5%	100%	100%	100%
Sub-total	1,805	121,797	95.3%	91.4%	90	11,523	4.7%	8.6%	57	1,895	133,320			95%	99%	98%
Gas heating (individual boilers)	139	9,828	96.5%	N/A	5	381	3.5%	3.7%	6	144	10,209	5.4%	5.5%	N/A	N/A	N/A
Total	1,944	131,625	95.3%	91.7%	95	11,904	4.7%	8.3%	63	2,039	143,529			N/A	N/A	N/A

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) and use national and local information where available, see Table 5. 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)). Scope 2 emissions are reported using both the 'location-based' and 'market-based' accounting methods and cover electricity and district heating. Our market-based Scope 2 emissions are based on utility-specific conversion factors for certified green electricity and local district heating supply in Berlin. Where no utility-specific data was available the UBA data was used. 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 52 to 113 tonnes of CO₂, compared to the supplier's alternative standard electricity tariff and the average electricity mix supplied in Germany. Scope 3 emissions cover the supply and transportation losses associated with electricity and heating consumed. There are no Scope 3 emissions associated with the operation of company offices. As the Waste category for Scope 3 emissions relates to operational waste, the associated responses to Waste in Table 5 are N/A.

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 2022)
Gas systems			
Electricity	Scope 2	Market based	Emission factors according to the German Environment Department (Umweltbundesamt – UBA 2022) Utility-specific emission factors (Vattenfall (electricity and district heating))
District heating supply	Scope 3	Location based	Annual emissions factor for electricity mix and local district heating according to UBA 2022 Energy-related emissions (generation, transmission & distribution losses) for district heating and electricity according to UBA 2022
Waste	N/A	N/A	Conversion factors for volume to weight, according to regional and local statistics

EPRA Sustainability Best Practice Recommendations continued

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, social and environmental matters are covered on pages 24 et seq and pages 40 et seq of the 2022 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 2022 Annual Report, on pages 24-33.

Our environmental performance measures are set out in this EPRA sBPR Report in the following Tables.

Reporting period

The reporting period is the 2022 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	Measurement unit	Indicator	2021	2022	2021	2022	% change	
ENERGY	Elec-Abs, Elec-LfL	MWh	Electricity	Landlord shared services (sub)metered exclusively to tenants	278	304	269	301	12.1%
				Total landlord-obtained electricity	278	304	269	301	12.1%
				Total tenant-obtained electricity	N/A	N/A	N/A	N/A	
				Total electricity	278	304	269	301	12.1%
				% from renewable sources	100%	100%	100%	100%	
				No. of applicable properties	Electricity disclosure coverage	90	89	84	84
	No. of applicable units		90	89	84	84			
	m ² of applicable properties		30,446	30,257	28,954	28,881			
	%	Proportion of electricity estimated	0.0%	1.8%	0.0%	1.6%			
	Fuel-Abs, Fuel-LfL	MWh	Fuel	Landlord shared services (sub)metered exclusively to tenants	10,338	9,503	10,075	9,474	-6.0%
				Total landlord-obtained fuel	10,338	9,503	10,075	9,474	-6.0%
				Total tenant-obtained fuel	N/A	N/A	N/A	N/A	
				Total fuel	10,338	9,503	10,075	9,474	-6.0%
				% from renewable sources	0%	0%	0%	0%	
				No. of applicable properties	Fuel disclosure coverage	43	43	40	40
	No. of applicable units		1,238	1,227	1,184	1,184			
	m ² of applicable properties		87,276	86,394	82,899	82,897			
	%	Proportion of fuel estimated	0.0%	0.0%	0.0%	0.0%	0.0%		
	DH&C-Abs, DH&C-LfL	MWh	District heating & cooling	Landlord shared services (sub)metered exclusively to tenants	7,530	6,513	4,753	4,311	-9.3%
				Total landlord-obtained heating & cooling	7,530	6,513	4,753	4,311	-9.3%
				Total tenant-obtained heating & cooling	N/A	N/A	N/A	N/A	
				Total heating & cooling	7,530	6,513	4,753	4,311	-9.3%
				% from renewable sources	0	0	0	0	
				No. of applicable properties	Heating & cooling disclosure coverage	20	20	18	18
	No. of applicable units		815	812	527	525			
	m ² of applicable properties		57,738	57,135	39,339	38,829			
	%	Proportion of heating & cooling estimated	0.00%	18.0%	0.00%	27.3%	27.3%		
	Energy-Int	MWh/m ² /year	Energy Intensity		0.086	0.078	0.084	0.079	-6.3%

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 2023). 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. Currently, none of PSD's district heating and fuel sources are derived from renewable sources, hence the response in these line items is zero percent.

The CO₂ emission factors have been amended to reflect 2021 and 2022 provided by the German Environmental Department (UBA). The 2022 emission factors for electricity were not available at the time of writing this report. These will be updated accordingly for next year's reporting period.

Sustainability Best Practice Performance Measures (EPRA Tables) continued

Elec-Abs and LfL: The absolute figures for 2021 and 2022 cover 90 and 89 properties respectively or 88% of the total communal floor area for both years. The LfL comparison shows an increase of 12.1%. This is in line with the findings given previously, in that there was an increase in electricity consumption for households, for both 2021 and 2022.

Heating data provided covers gas, oil and district heating and represents 97% of all the gas portfolio and 100% of the oil and district heating portfolio, see Table 4. As mentioned previously the properties with single gas boilers are excluded from the data analysis due to the bills being covered by the tenant. This relates to 28% of the portfolio and apartments.

Fuel-Abs: The absolute figures cover 43 properties or 46% of the total portfolio floor area for both 2022 and 2021.

DH&C-Abs: The figures for district heating cover 20 properties or 30% 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 due to individual apartment sales in 2022.

Fuel and DH&C-LfL: The LfL comparison shows a 6% decrease in fuel and district heating use in 2022. These decreases are in line with the energy price increases in early 2022 and tenants applying energy saving measures. The energy certificate analysis given under 'Narrative of Performance' shows that 42 buildings (35%) meet a performance level of B to D and 78 buildings (65%) meet E to H. The energy consumption and demand analysis also indicates that portfolio performs well, given that it mainly consists of 'Altbau' buildings, with 93 buildings (78%) constructed before 1939 (see Table 1). The actual average heating consumption available for 55 buildings was 138 kWh/square meters, which is 11% above the current average for residential properties in Germany (125 kWh/square meters per annum, Reference – Umweltbundesamt). The average heating demand available for 64 buildings was 155 kWh/square meters, which is within the average for buildings constructed before 1980 (125-200 kWh/square meters).

Energy-Int: The energy intensity per square meter 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 2021 and 2022 heating show a decrease of 6%, which matches the overall decreases of fuel and district heating consumption but an increase in electricity use.

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	Measurement unit	Indicator	2021	2022	2021	2022	% change		
GHG	GHG-Dir-Abs, GHG-Dir-LfL		Heating	Total Direct Scope 1:						
				oil	482	492	430	434	0.9%	
				gas	1,717	1,541	1,716	1,594	-7.1%	
				Total Indirect Scope 2:						
			tCO ₂	Market based	electricity	0	0	0	0	
				local district heating	1,324	1,164	615	595	-3.1%	
	GHG-Indir-Abs, GHG-Indir-LfL			Location based	electricity	122	133	118	132	12.1%
					local district heating	1,946	1,683	1,228	1,114	-9.3%
				Total Scope 3						
				energy supply – transportation and distribution	742	668	618	577	-6.5%	
				Total	Scope 1 + Scope 2 (location based)	4,267	3,850	3,492	3,274	-6.3%
				Total	Scope 1 + Scope 2 (location based) + Scope 3	5,009	4,518	4,110	3,851	-6.3%
				No. of applicable properties		92	92	84	84	
				No. of applicable units	GHG disclosure coverage	2,384	2,654	2,094	2,100	
				m ² of applicable properties		171,599	185,241	154,805	155,078	
			%	Proportion of GHG estimated	0.0%	8.0%	0.0%	10.3%	10.3%	
	GHG-Int	tCO ₂ e/m ² /year	GHG Intensity	(Scope 1 + Scope 2)/m ²	0.026	0.021	0.025	0.022	-12.1%	
				(Scope 1 + Scope 2 + Scope 3)/m ²	0.031	0.024	0.029	0.026	-11.3%	

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.

All of the market-based electricity is sourced from renewable energy. Therefore, the market-based greenhouse gas emissions are zero.

GHG-Dir and GHG-Indir-Abs: The absolute figures cover 92 properties or 91% and 98% of the total portfolio floor area for 2021 and 2022 respectively.

GHG-Dir and GHG-Indir-LfL: The decrease of emissions across oil, gas and district heating matches the reductions seen in the Energy impacts for DH&C-LfL and Fuel-Lf. These decreases compensate for the increase of 12% within electricity (Elec-LfL).

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

GHG-Int: The climate emissions intensity per square meter 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 are consistent across 2021 and 2022. The LfL comparison shows an increase of estimated data of 9%.

Table 8: Water supply and usage

Impact category	EPRA Sustainability Best Practice Performance Measures	PORTFOLIO PERFORMANCE								
		Total portfolio								
		Absolute measures (Abs)		Like-for-like (LfL)			% change			
Environmental impacts	EPRA code	Measurement unit	Indicator	2021	2022	2021		2022	% change	
WATER	Water-Abs, Water-LfL	m ³	Water	Landlord shared services	202,903	201,144	190,823	184,170	-3.5%	
				(sub)metered exclusively to tenants	N/A	N/A	N/A	N/A		
				Total landlord-obtained water	202,903	201,144	190,823	184,170	-3.5%	
				Total tenant-obtained water	N/A	N/A	N/A	N/A		
				Total water consumption	202,903	201,144	190,823	184,170	-3.5%	
			m ³		Water withdrawn by source type	N/A	N/A	N/A	N/A	
			m ³		Water withdrawn by source type	N/A	N/A	N/A	N/A	
			m ³		Water withdrawn by source type	N/A	N/A	N/A	N/A	
				No. of applicable properties	Water disclosure coverage	92	91	84	84	
				No. of applicable units		2,411	2,397	2,271	2,263	
				m ² of applicable properties		170,313	169,291	159,550	158,699	
				%	Proportion of water estimated	14.9%	2.4%	15.8%	1.7%	-14.1%
		Water-Int	m ³ /m ² /year	Water Intensity		1.191	1.188	1.196	1.160	-3.0%

The majority of the water consumption is not sub-metered, hence it is not possible to separate the consumption for tenants.

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 data is based on actual consumption from 2021 and 2022. They cover 92 properties or 90% of the portfolio for 2021 and 91 properties or 91% of the portfolio for 2022. The LfL comparison shows a reduction in consumption of 3.5%.

Water-Int: The LfL comparison shows a decrease of estimated data from 15.6% to 1.7%. The 3% decrease in water intensity 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 individual apartments and commercial units were sold in 2022.

Sustainability Best Practice Performance Measures (EPRA Tables) continued

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	Measurement unit	Indicator	2021	2022	2021	2022	% change		
WASTE	Waste-Abs, Waste-Lfl	m ³	Waste	Total landlord-obtained waste	15,378	16,078	14,480	15,386	6.3%	
				Total tenant-obtained waste	N/A	N/A	N/A	N/A		
				Total waste by disposal route	N/A	N/A	N/A	N/A		
				Total hazardous	N/A	N/A	N/A	N/A		
				Total non-hazardous	N/A	N/A	N/A	N/A		
				Recycled	4,398	4,460	4,148	4,233	2.1%	
				Incineration	10,980	11,617	10,332	11,153	7.9%	
				Landfill	0	0	0	0		
				Other	0	0	0	0		
				Recycled	28.6%	27.7%	28.6%	27.5%	-4.0%	
				Incineration	71.4%	72.3%	71.4%	72.5%	1.6%	
				Landfill	0%	0%	0%	0%		
				Other	0%	0%	0%	0%		
				No. of applicable properties		90	90	84	84	
				No. of applicable units	Waste disclosure coverage	2,384	2,375	2,271	2,263	
	m ² of applicable properties		167,990	167,321	159,550	158,699				
	%	Proportion of waste estimated	7.1%	7.0%	7.5%	10.0%	2.4%			
	Waste-Abs, Waste-Lfl	Tonne	Waste	Total landlord-obtained waste	1,830	1,908	1,721	1,833	6.5%	
				Total tenant-obtained waste	N/A	N/A	N/A	N/A		
				Total waste by disposal route	N/A	N/A	N/A	N/A		
				Total hazardous	N/A	N/A	N/A	N/A		
				Total non-hazardous	N/A	N/A	N/A	N/A		
				Recycled	682	693	641	667	4.1%	
				Incineration	1,148	1,215	1,080	1,166	7.9%	
				Landfill	0	0	0	0		
				Other	0	0	0	0		
				Recycled	37.3%	36.3%	37.2%	36.4%	-2.3%	
Incineration				62.7%	63.7%	62.8%	63.6%	1.3%		
Landfill				0%	0%	0%	0%			
Other				0%	0%	0%	0%			
No. of applicable properties					90	90	84	84		
No. of applicable units				Waste disclosure coverage	2,384	2,375	2,271	2,263		
m ² of applicable properties		167,990	167,321	159,550	158,699					
%	Proportion of waste estimated	7.1%	7.0%	7.5%	9.1%	1.6%				

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 license scheme called 'Grüner Punkt'. According to the waste contractor, which covers 99% of data available for analysis, all of the collected household waste is taken to the local waste-to-energy plant for incineration. This represents 64% of the total weight of waste collected for the properties covered in this report. The energy generated is used to produce biogas to power the contractor's collection trucks. The remainder of the collections is either paper (19%) or green waste (17%), which are both recycled or composted locally. Therefore, none of the waste collected 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.

Waste-Abs, Waste-LfL: The absolute data is based on actual consumption using 2021 and 2022 invoices for 90 properties, covering 95% and 96% of the total portfolio respectively. The LfL comparison shows an increase in waste generated of just over 6% for both volume and tonnage. This increase is in line with fewer apartments being vacant in 2022 (2%) and clearing apartments for a new tenant often generating additional waste. 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 individual apartments within the existing portfolio were sold in 2022.

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	Measurement unit	Indicator	2021	2022	2021	2022	% change	
CERTIFIED ASSETS	Cert-Tot	%	Mandatory (Energy Performance Certificates)	% of portfolio certified by floor area	100.0%	100.0%	100.0%	100.0%	
				level of energy performance (A,B,C etc)	see Table 2		see Table 2		
				% of portfolio certified by number of properties	100.0%	100.0%	100.0%	100.0%	
	Cert-Tot	%	Voluntary (e.g. BREEAM, LEED)	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	
				type and level of certification attained (i.e. LEED Platinum)	N/A	N/A	N/A	N/A	
			% of portfolio certified by number of properties	N/A	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 92% of the total portfolio's floor area and 95% of the portfolio's properties, with the remainder consisting of commercial tenants. Please see Tables 1 and 2 in the 'Narrative on Performance' section for a breakdown of the energy performance certificates per property. To date, PSD has not applied for any voluntary additional asset certifications.

Table 11: Health and Safety

Social & Corporate Governance impacts	EPRA code	Measurement unit	Indicator	Scope	2021	2022	% Change
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 2022 reporting period the inspections did not reveal any violations of regulations and/or voluntary codes concerning H&S aspects that were not immediately remedied.

Social and Governance Performance Measures

Table 12: Employee Health and Safety

Social & Corporate Governance impacts	EPRA code	Measurement unit	Indicator	Scope	Year			
					2021	2022	% Change	
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, (hence the Employee Health & Safety responses are all N/A), 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			
					2021	2022	% Change	
DIVERSITY	Diversity- Emp	% of employees	Diversity Employees	Board of Directors members	Corporate Operations	M 60%/ F 40%	M 60%/ F 40%	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
				Board of Directors members	Corporate Operations	M:F 1.1:1.0	M:F 1.0:1.0	F 10%
	Executive Management	Corporate Operations	N/A	N/A	N/A			
	Diversity- Pay	Ratio (Women/ Men)	Gender pay ratio	Managers	Corporate Operations	N/A	N/A	N/A
				All employees	Corporate Operations	N/A	N/A	N/A

Diversity

The Board of Directors of PSD are all Non-executives. Therefore, the responses to all Executive Management, Managers & Employees questions are all N/A. 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 2022 Annual Report. At the end of 2022, there were five Directors, three male and two female, giving a 60% male/40% female split. The female percentage in 2022 remains the same as in 2021 and up +33% on 2020. The male/female split for senior positions on the board is 50% male/50% female.

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. **Although it is not a requirement under Companies (Jersey) Law 1991 to have the Directors' Remuneration Report or the Directors' Remuneration Policy approved by shareholders, the Board believes that, as a company whose shares are listed on the London Stock Exchange, it is good practice for it to do so.** There are three levels of fees based on the Directors' roles, one for the Chair (£50k), one for the Directors (£40k plus an additional Jersey resident director's fee of £5k, from 1 January 2022), and an additional fee for the Director who chairs the Audit Committee (+£5k). Refer to Remuneration Policy on pages 56-58 of the 2022 Annual Report for more details. The male/female pay ratio in 2022 improved over that in 2021, to reach parity at 1.0:1.0. 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	
					2021	2022		
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	Corporate Operations			
			Departures – Turnover	new employees		N/A	N/A	N/A
				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, (hence, all replies to Employee questions are all N/A), 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 2022 which was in line with that received in 2021. 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 49 of the 2022 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 51-52 of the 2022 Annual Report. **The next external evaluation is due in 2024.** Although PSD does not have any employees, it takes due interest in how its Property Advisor, QSIX, engages with its employees, and has adopted a People Policy that is aligned with that of QSIX.

Table 15: Community engagement

Social & Corporate Governance impacts	EPRA code	Measurement unit	Indicator	Scope	Year		%
					2021	2022	Change
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.

Social and Governance Performance Measures

continued

We have a Vulnerable Tenant Policy and process in place which covers all of our portfolio and provides support to tenants facing difficult situations. The Company has engaged, and engages with tenants on a case-by-case basis, deferring rental payments if it would cause unnecessary hardship. In this, in 2022 the Company has supported its tenants, both residential and commercial, during a period of significant inflation. In 2022 PSD also made available a number of apartments on a rent-free basis for Ukrainian refugees, and is pleased to report that these tenants have transitioned into long-term tenancies, with the costs covered by the Berlin district of Teltow Fläming.

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. Since 2020 we have 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. In 2022, PSD's support to the Intercultural Initiative helped with the operational costs of a support apartment which provides accommodation for families who no longer need to live in a refuge, but still require protection and support to build an independent life. We also helped fund education therapy sessions for children and family counselling support. In 2021, we 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. PSD's donation to Laughing Hearts in 2022 facilitated the purchase of a garden swing, well received new-experiences trips for the children to Hamburg and to Hungary, residential items for the charity's facilities, as well as the opportunity to attend workshops and camp to learn English. For more information on our approach, see page 31 of the 2022 Annual Report.

Table 16: Corporate Governance

Social & Corporate Governance impacts	EPRA code	Measurement unit	Indicator	Scope	Year		%
					2021	2022	Change
CORPORATE GOVERNANCE	Gov-Board	Total number	Composition of the highest governance body (members)	Corporate Operations	5	5	0%
			Executive	Corporate Operations	0	0	0%
			Non-Executive (members)	Corporate Operations	5	5	0%
			Average Tenure of governing body (# years)	Corporate Operations	3.38 years	3.38 years	0%
			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 2021 page 46 et seq.	AR 2022 page 50 et seq.	N/A
	Gov-Col	Narrative on process	Process for managing conflicts of interest	Corporate Operations	AR 2021 page 36 et seq.	AR 2022 page 40 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 50-51 of the 2022 Annual Report.

At the end of 2022, there were 5 Non-Executive Directors, 3 male and 2 females, equating to a 60%/40% male/female Board split, equal to that at the end of 2021. All board members are Non-Executives therefore the number of Executives is stated as zero. 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 2023.

The Board's average tenure for 2022 remained consistent with that of 2021 standing at 3.38 years. In March 2022 one Director (female) retired from the Board after close to 5 years of service, and one new Director (female) was appointed to the Board and assumed the role as Chair of the ESG Committee. In August 2022 a Director (male) sadly passed away, having served on the Board since September 2020.

In 2022, two of the Board members had competencies relating to environmental and social topics from their experiences in working on other Boards. Isabel Robins took over from Monique O'Keefe as 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 38-39 of the 2022 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 40 of the 2022 Annual Report.

There is no percentage change comparison for the different years Narrative on process, as these year-on-year comparisons are absolute.



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