

# PATRIZIA ESG Strategy Statement

## Environmental, Social and Governance

As a leading global partner for pan-European real estate investment, PATRIZIA represents many years of market experience, a broad range of products, optimal investment opportunities and attractive returns. We believe that the inclusion of relevant ESG aspects into our business practices can positively impact fund performance and have a positive impact on the environment and society. At the same time, we are mindful of our fiduciary responsibility and our underlying priority is to deliver favourable risk-adjusted returns to our clients in ways that help to achieve their long-term best interests. For us, responsible investment means to invest in sustainable futures, building communities and striving to set industry benchmarks.

PATRIZIA's ESG programme is championed at the most senior levels of business and led by the ESG Committee, chaired by the COO. The ESG Committee defines and drives the company's ESG agenda and supports our ongoing commitment to ESG matters, including PATRIZIA's corporate governance framework.

### Sustainable Futures

PATRIZIA is aware that real estate is one of the largest contributors to worldwide energy consumption and CO2 emissions that drive climate change. We understand our role and responsibilities as an investment manager to help create a sustainable built environment by reducing environmental harm and positively contributing to society.

#### **Reduce our carbon footprint**

Our guideline is to apply environmentally sustainable principles into our business plans wherever feasible. We strive to cut our overall carbon footprint, as a generic metric of our environmental performance.

#### **Measure and digitise our non-financial impact**

We are working hard on continuously improving our system to gather and assess our environmental performance. We work closely with our property managers to improve data coverage and develop relevant KPIs to include in our business plans and improve our real estate portfolio's energy and water efficiency and reduce waste.

#### **Integrate ESG KPIs in decision making**

In addition to using environmental asset data to comply with reporting standards we are analysing our asset portfolio and business operations to reduce our environmental impact to a minimum. Also, we are continuously improving the standardised documentation and digitalisation of compliance with health and safety standards.

### Building communities

The social component of ESG has been a focus of PATRIZIA since the company's beginnings. Investing in real estate means investing in communities; PATRIZIA aims to do both in a sustainable manner. With our ESG Strategy, we safeguard the social impact of our business and try to improve and adapt continuously.

#### **Stakeholder Engagement**

In order to finding solutions to decrease our environmental impact we rely on cooperation with our stakeholders and therefore stay in constant dialogue with our investors, tenants and service providers. Teaming up with our stakeholders is of major importance to us, to identify common interests and because we are convinced that together with our stakeholders we are stronger when it comes to working towards a more sustainable real estate business.

### Employee development and growth

Our employees are at the heart of our business and we commit to ensuring a sustainable and healthy workplace, an interesting and challenging work environment and relevant training opportunities to promote the professional and personal development of our PATRIZIANS.

### Support PATRIZIA Children Foundation

Part of PATRIZIA's corporate culture is the understanding that some of the Group's success must be shared with those who are in desperate need. This is one of our core beliefs and led to the foundation of the [PATRIZIA Children Foundation](#) 20 years ago.

## Industry Benchmark

PATRIZIA is committed to high standards of governance and risk management and keep our investors and shareholders transparently informed. Governance especially is perceived as a window that provides insights for clients into PATRIZIA's overall management quality and organisation.

### Compliance with advancing regulation

The fight against climate change is driving many global agreements and these changes are making themselves felt in changes to regulations and laws that will affect our industry for years to come. In the Paris Agreement EU member states have set national climate targets, which are now reflected in increasing legislation and regulation. We are closely monitoring this development and the regulation which addresses real estate owners and asset managers to prepare our portfolio respectively. Regulatory changes include stricter requirements for developments and installations as well as obligatory disclosure of energy consumption and CO2 emissions.

### Climate change risks and opportunities

Our ESG Strategy is embedded in an Environmental Management System (EMS) to better control climate change risks and opportunities and manage improvements. In addition to the regulatory transition, as described before, climate change also means a physical risk for real estate properties and taking the long-term investment horizon of our investments into consideration it is inevitable to integrate such risks into our decision-making processes. To do so we align our risk management procedures with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

### Transparent reporting and corporate governance

We align our ESG reporting with industry guidelines where appropriate, such as GRESB and INREV to provide transparent and comparable information to our investors. As a signatory to UN PRI, PATRIZIA is committed to voluntarily abide by the principles of responsible investments. Furthermore our corporate values and corporate governance are aligned with the principles of the UN Global Compact and established industry standards.

PATRIZIA is committed to incorporating the above ESG practices into its business strategy and operations. This Policy and commitments made shall be under continuous review to ensure we are successful in this aim.



**Thomas Wels**

Co-CEO, Member of the Board and Chair of the ESG Committee

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