

Peach Property Group AG

Real Estate Management Switzerland SWX:PEAN

ESG Risk Rating

10.3

Last Full Update Oct 6, 2023

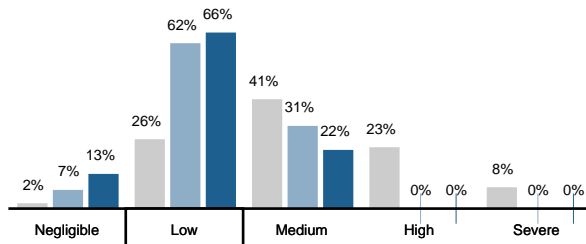
-1.1

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	328/15582	3rd
Real Estate INDUSTRY	87/1034	9th
Real Estate Management SUBINDUSTRY	23/160	15th

Peers Table

Peers (Market cap \$0.2 - \$0.3bn)

	Exposure	Management	ESG Risk Rating
1. Peach Property Group AG	27.9 Low	63.9 Strong	10.3 Low
2. Helical Plc	23.5 Low	48.5 Average	12.3 Low
3. Eastnine AB	22.9 Low	38.8 Average	14.2 Low
4. The Israel Land Development Co. Ltd.	28.6 Low	16.2 Weak	24.0 Medium
5. Transcontinental Realty Investors, Inc.	31.9 Low	12.3 Weak	28.1 Medium

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ESG Risk Analysis

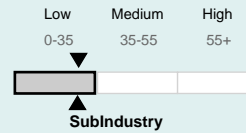
Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

27.9 **+0.5**

Low Momentum

Beta = 1.00



Peach Property Group AG's (PPG) business model focuses on the management and letting of residential units, primarily in Germany. In the context of increasingly stringent environmental regulations and growing customer awareness of climate change, failure to effectively manage the environmental footprint of its portfolio (more than 27,500 units as of end-FY2022) could negatively affect portfolio performance. Additionally, PPG's continued success relies greatly on its ability to attract and retain professionals who can skilfully select properties, anticipate and manage building-related risks, and provide tenants with excellent maintenance and complaints handling services. Furthermore, issues such as the quality of the indoor environment and fire safety are key considerations for tenant satisfaction. Poor safety features could trigger customer loss and litigation in the event of accidents.

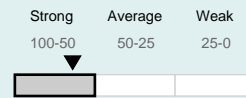
The company's overall exposure is low and is similar to subindustry average. Human Capital, Product Governance and ESG Integration -Financials are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

63.9 **+4.9**

Strong Momentum



PPG's management of its ESG risks is underpinned by the strong management of its material issues related to ESG Integration and Product Governance. It is cognizant of physical climate risks and is gradually implementing initiatives to address them. It also offers affordable rental housing. Moreover, PPG conducts real estate life cycle assessments for its new properties, as well as regular occupier surveys to gauge tenant satisfaction levels. However, it has scope for improvement in certain areas. Certified green buildings account for less than 1% of PPG's portfolio. Moreover, it is unclear whether PPG provides employees with safety training. On the human capital front, the company is committed to freedom of association and gender pay equality and is opposed to discrimination. However, it could improve programmes and disclosures on its employee development and retention initiatives.

The company's overall management of material ESG issues is strong.

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score Category	ESG Risk Management Score Category	ESG Risk Rating Score Category	Contribution to ESG Risk Rating
Corporate Governance	9.0 High	49.5 Average	4.5 Medium	43.9%
Human Capital	4.0 Medium	52.5 Strong	2.0 Low	19.4%
Business Ethics	5.0 Medium	75.6 Strong	1.4 Negligible	13.6%
ESG Integration -Financials	5.7 Medium	75.4 Strong	1.4 Negligible	13.6%
Product Governance	4.2 Medium	76.5 Strong	1.0 Negligible	9.5%
Overall	27.9 Low	63.9 Strong	10.3 Low	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

 **Severe (0)**

 **High (0)**

 **Significant (0)**

 **Moderate (0)**

 **Low (0)**

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Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

None (14)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Data Privacy and Security

Environmental Impact of Products

Labour Relations

Lobbying and Public Policy

Marketing Practices

Quality and Safety

Sanctions

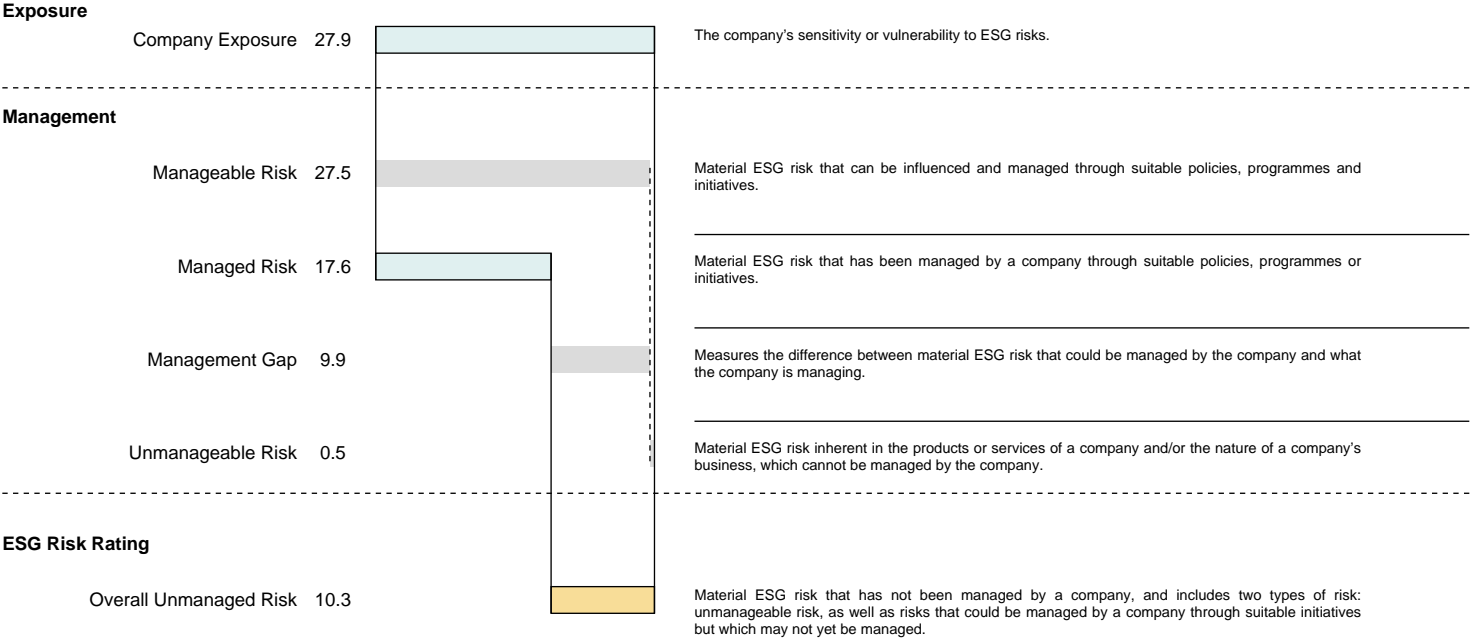
Social Impact of Products

Society - Human Rights

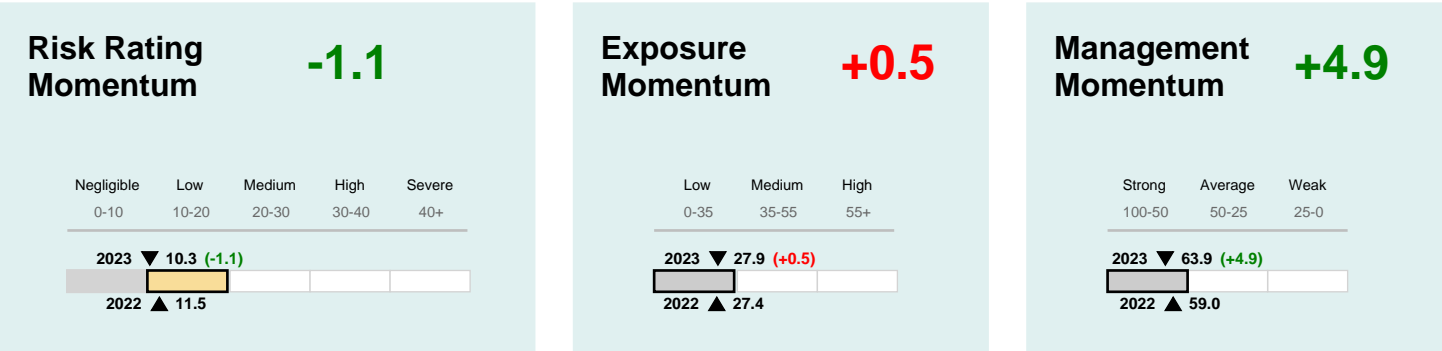
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Risk Decomposition



Momentum Details



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GLOSSARY OF TERMS

Beta (Beta, β)






A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

	Negligible risk: enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
	Low risk: enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
	Medium risk: enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
	High risk: enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
	Severe risk: enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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