



CLIMATE TRANSPARENCY REPORT 2020

PATRIZIA AG

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-2FF69F63-28B6-47EA-BE07-45EAAE8FC855/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Private				
SG 07.6 CC	✓	Private				
SG 07.7 CC	-	Private				
SG 07.8 CC	✓	Private				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Private				
SG 14.2	✓	Private				
SG 14.3	✓	Private				
SG 14.6 CC	-					
SG 14.7 CC	-					
SG 14.8 CC	-					
SG 14.9 CC	-					
SG 15.1	✓	Private				
SG 15.2	-	Private				
SG 15.3	-	Private				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	PATRIZIA AG
Signatory Category	Mixed Services
Signatory Type	n/a
Size	US\$ 30 - 50 billion AUM
Main Asset Class	>50% Property Internally Managed
Signed PRI Initiative	2019
Region	Europe
Country	Germany
Disclosure of Voluntary Indicators	46% from 38 Voluntary indicators

PATRIZIA AG

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Considering the long-term nature of real estate, climate change risks must be taken into account, also when they are not always visible yet. Additionally, PATRIZIA is subject to increasing regulation with regards to environmental protection and climate change mitigation. This transition risk of legislative changes is monitored closely and business partners, especially property managers, are engaged to cooperate in complying with increasing requirements and protect assets against obsolescence due to policy changes. Amongst others, the following transition risks with regards to environmental issues and climate change are monitored:

- Changing market behaviour: PATRIZIA sees the shift of demand towards sustainable and responsible investment opportunities as an opportunity to future-proof its portfolio by demonstrating responsibility towards stakeholders, the environment and communities.

- Mandates on and regulation of existing products and services: PATRIZIA secures that the property portfolio is prepared for, amongst others, required EPC levels.

- Enhanced emissions-reporting obligations: PATRIZIA is taking steps to improve the Group's abilities to report its carbon footprint.

Physical risks to the Company's asset portfolio resulting from severe weather conditions and events are analysed during the due diligence process at time of acquisition. Additionally, the risks of possible structural damages are assessed and appropriately insured. Potential physical risks monitored include, but are not limited to, the following:

- Higher operating costs: PATRIZIA keeps an eye on the risk of higher operating costs due to higher insurance premiums to cover risk of climate change. However, up to today no increased insurance costs attributable to environmental or climate change risks has been recorded.

- Increased capital costs: Possible higher maintenance and CAPEX costs due to damage to facilities and inadequate technical facilities to be substituted.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

PATRIZIA monitors the development of environmental legislation and the transition to a low-carbon economy closely. While legislative timeframes are still uncertain, PATRIZIA works towards the aim to achieve carbon neutrality by 2050 as agreed upon by the EU member states and the United Nations in the course of the PARIS Agreement.

In terms of physical risks due to climate change PATRIZIA has initiated a project in 2019 to assess the risks of more extreme weather conditions and conduct a climate change scenario analysis across our portfolio. We have looked at numerous providers during the last year and will commission a solution in the course of 2020.

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
 No

Explain the rationale

PATRIZIA is aligned with the recommendations of the TCFD and discloses information accordingly in the Company's annual report, as well as in the UN PRI reporting. As described in the previous question we are commissioning a climate change scenario analysis in 2020 to further establish relevant risk management and respective reporting abilities.

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes
 No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

PATRIZIA is developing a strategy over the course of 2020 regarding climate-related risks and opportunities on the company's operations followed by an assessment of the impact on the real estate portfolio we are managing on behalf of our clients.

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
 Annual financial filings
 Regular client reporting
 Member communications
 Other
 We currently do not publish TCFD disclosures

Governance and human resources

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

We assess flood risk in our due diligence process for every acquisition. We are exploring partners to conduct a more in depth climate change risks analysis with in 2020.

- Yes, in order to assess future climate-related risks and opportunities
 No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
 Determining fixed income duration
 Allocation of assets between geographic markets
 Sector weightings
 Other, specify
 We do not consider ESG issues in strategic asset allocation