

Blackstone Property Partners Europe Holdings SARL

Real Estate Management Luxembourg

ESG Risk Rating

12.8

Last Full Update Dec 18, 2023

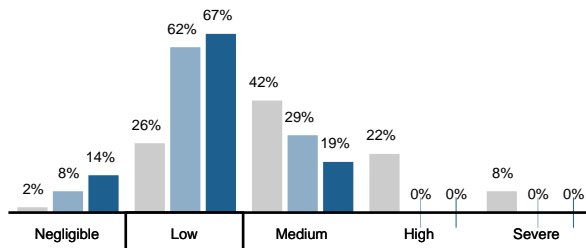
-2.3

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	900/15904	7th
Real Estate INDUSTRY	219/1051	22nd
Real Estate Management SUBINDUSTRY	50/161	31st

Peers Table

Peers (Market cap \$0.0 - \$0.0bn)

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Vesteda Groep BV	23.4 Low	55.2 Strong	10.7 Low
2. Specialfastigheter Sverige AB	23.8 Low	54.8 Strong	11.0 Low
3. Blackstone Property Partners Europe Holdings SARL	23.7 Low	47.0 Average	12.8 Low
4. Inretail Shopping Malls	23.8 Low	45.3 Average	13.2 Low
5. Clarion Housing Group Ltd.	24.0 Low	44.6 Average	13.5 Low

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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

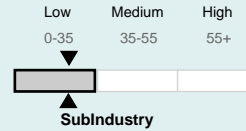
23.7

-0.1

Low

Momentum

Beta = 0.99



Blackstone Property Partners Europe Holdings SARL (BPPEH) is focused on acquiring, managing and leasing, primarily logistics and residential real estate, across Europe. Considering the increasingly stringent environmental regulations and growing customer awareness of issues related to climate change, failure to effectively manage the carbon footprint of its portfolio (808 assets, spanning 6.2 million square metres, as of year-end 2022), could negatively affect portfolio performance. Additionally, BPPEH's competitiveness relies on its ability to attract and retain professionals who are able to skilfully select properties, manage building-related risks and provide a high standard of maintenance. Moreover, building safety features represent a key consideration for existing and prospective tenants. As such, subpar products may cause accidents, damaging customers' goods or injuring workers.

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

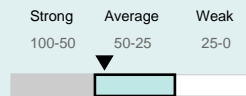
ESG Risk Management

47.0

+9.5

Average

Momentum



BPPEH's senior management oversees ESG strategy within the company; however, available evidence suggests that its senior management's compensation is not tied to ESG targets. The company tackles climate change transition risk by stating an aim to secure green building certifications for its office properties and physical risk by maintaining senior management oversight of the issue. There is room for improvement, though, regarding its integration of physical climate change into regular risk assessments. On the human capital side, despite disclosing a strong diversity and inclusion programme, BPPEH lacks transparency on initiatives to measure employee performance annually and on employee benefits. The company's product governance programme is supported by an annual tenant satisfaction survey, although it lacks regular product and service safety risk assessments across the whole portfolio.

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

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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
ESG Integration -Financials	5.7 Medium	34.2 Average	3.8 Low	29.3%
Corporate Governance	5.0 Medium	43.0 Average	2.9 Low	22.3%
Human Capital	4.0 Medium	38.9 Average	2.5 Low	19.7%
Product Governance	4.0 Medium	46.0 Average	2.2 Low	16.9%
Business Ethics	5.0 Medium	73.7 Strong	1.5 Negligible	11.7%
Overall	23.7 Low	47.0 Average	12.8 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

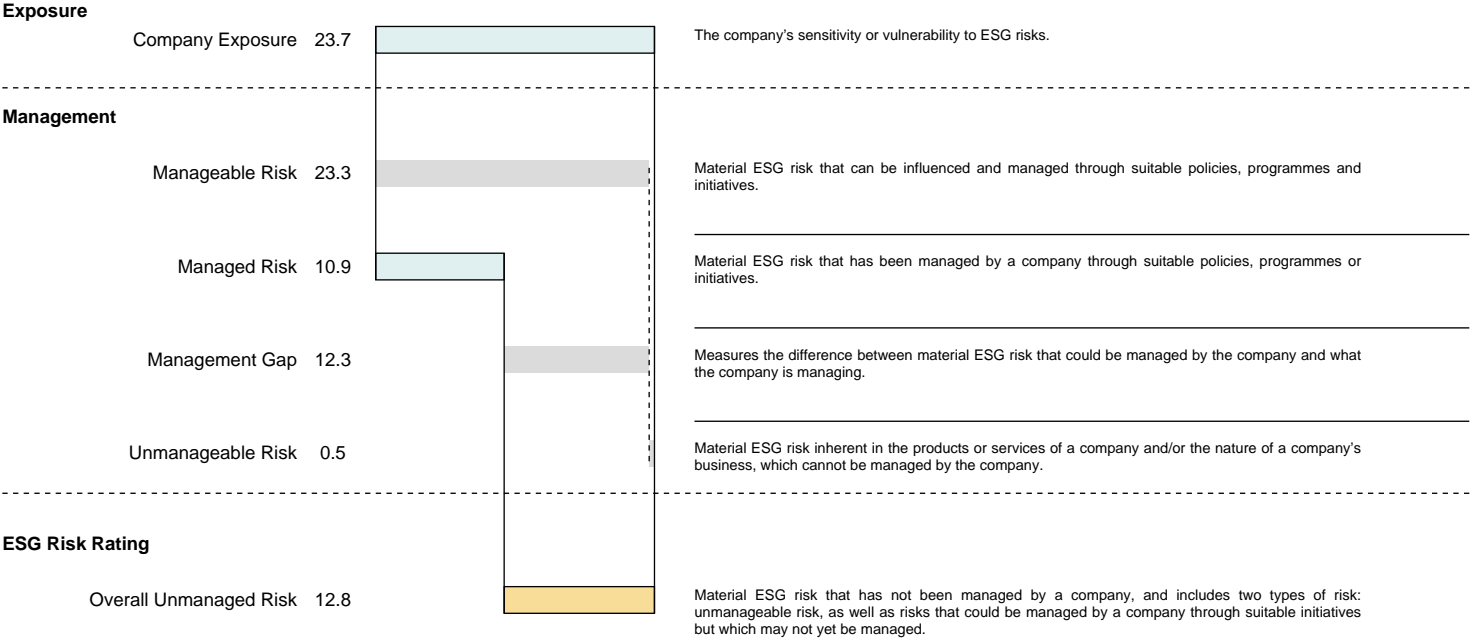
Social Impact of Products

Society - Human Rights

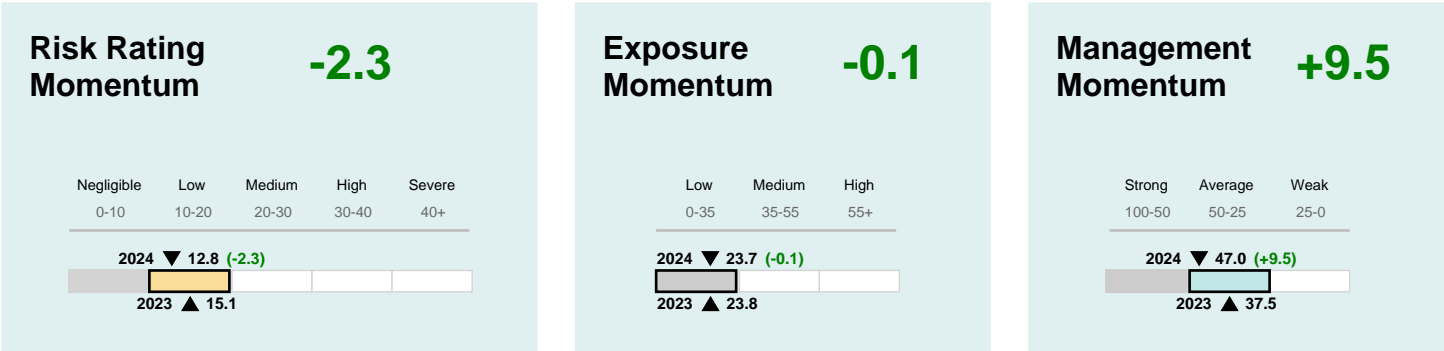
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Risk Decomposition



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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