

EPIC Suisse AG

Real Estate Management Switzerland

ESG Risk Rating

18.3

Updated Mar 22, 2022

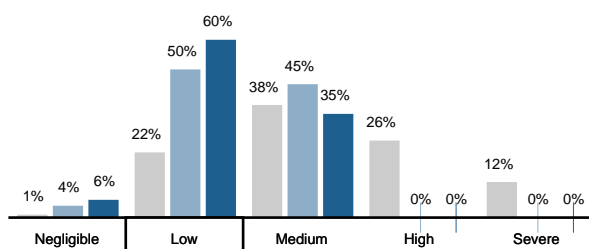
-0.3

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	2692/14666	19th
Real Estate INDUSTRY	458/1036	45th
Real Estate Management SUBINDUSTRY	88/158	56th

Peers Table

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

	Exposure	Management	ESG Risk Rating
1. Greystar Real Estate Partners LLC	24.0 Low	26.1 Average	17.9 Low
2. In'li SA	24.0 Low	24.2 Weak	18.3 Low
3. EPIC Suisse AG	27.2 Low	33.2 Average	18.3 Low
4. SELP Finance SARL	23.4 Low	18.5 Weak	19.2 Low
5. Annington Homes Limited	24.1 Low	20.8 Weak	19.2 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

27.2 **+3.2**
Low Momentum
 Beta = 0.97

Low 0-35 Medium 35-55 High 55+

SubIndustry

EPIC's business strategy involves the long-term ownership of office complexes, logistic and shopping centres. Considering the increasing frequency of extreme weather events linked to climate change, investing in properties that are ill-equipped to face environmental threats may lead to stranded assets. Moreover, EPIC's success relies on its ability to hire and retain personnel able to skillfully select properties and who can foster loyalty with both investors and clients. Failure to do so could expose EPIC to business disruptions and inability to execute on its growth strategy. In addition, the company has to ensure superior building quality and safety to obtain and maintain a competitive edge. Incidents in this area may pose danger to tenant safety and well-being, potentially resulting in liability lawsuits and reputational damages for the company.

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

33.2 **+10.4**
Average Momentum

Strong 100-50 Average 50-25 Weak 25-0

EPIC lacks in ESG disclosure as it has not published relevant reports in recent years. It has a committee overseeing governance issues at the board level; however, it is unclear if it has assigned responsibility for environmental and social issues. Additionally, the company's executive compensation is not explicitly tied to ESG performance targets. Nevertheless, its whistleblower programme is adequate and a strong environmental policy is in place.

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
Corporate Governance	9.0 High	51.8 Average	4.3 Medium	23.7%
ESG Integration -Financials	5.4 Medium	24.1 Weak	4.1 Medium	22.4%
Human Capital	5.0 Medium	22.0 Weak	4.0 Low	21.6%
Product Governance	3.8 Low	6.3 Weak	3.6 Low	19.5%
Business Ethics	4.0 Medium	43.1 Average	2.4 Low	12.9%
Overall	27.2 Low	33.2 Average	18.3 Low	100.0%

Events Overview

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

Category (Events)

5 Severe (0)

4 High (0)

3 Significant (0)

2 Moderate (0)

1 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 (13)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Environmental Impact of Products

Labour Relations

Lobbying and Public Policy

Marketing Practices

Quality and Safety

Sanctions

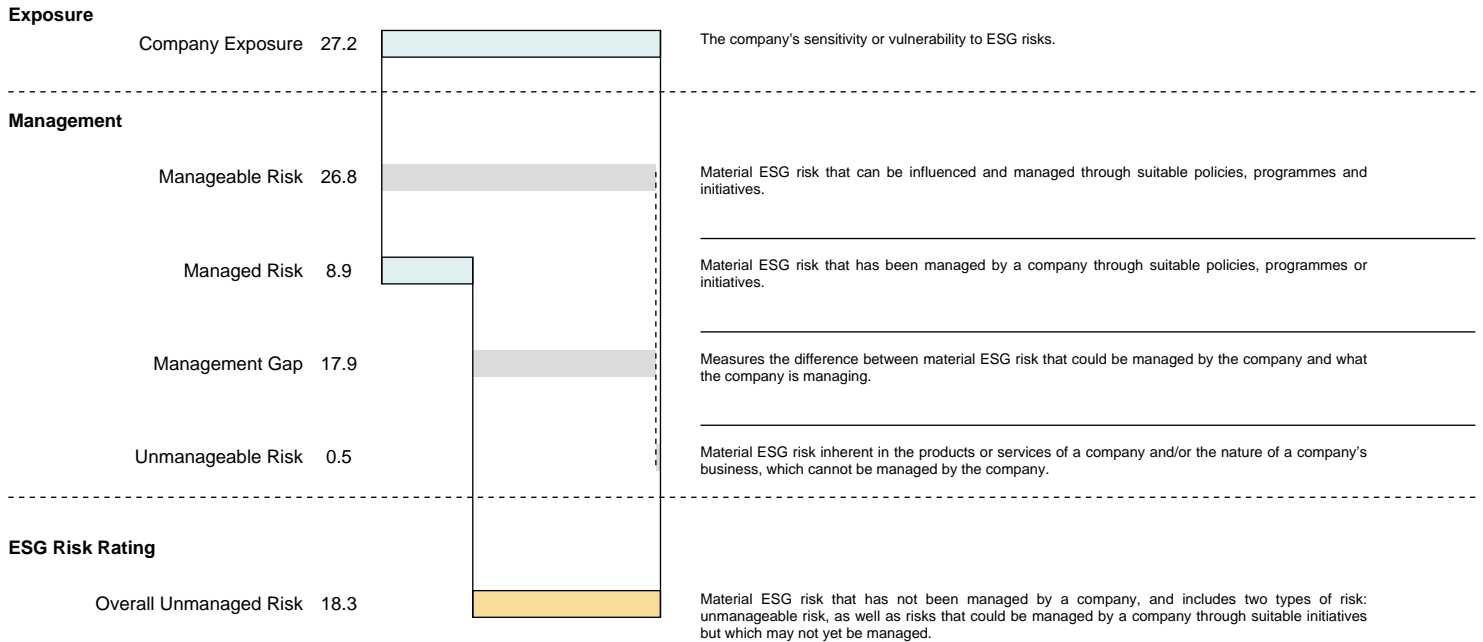
Social Impact of Products

Society - Human Rights

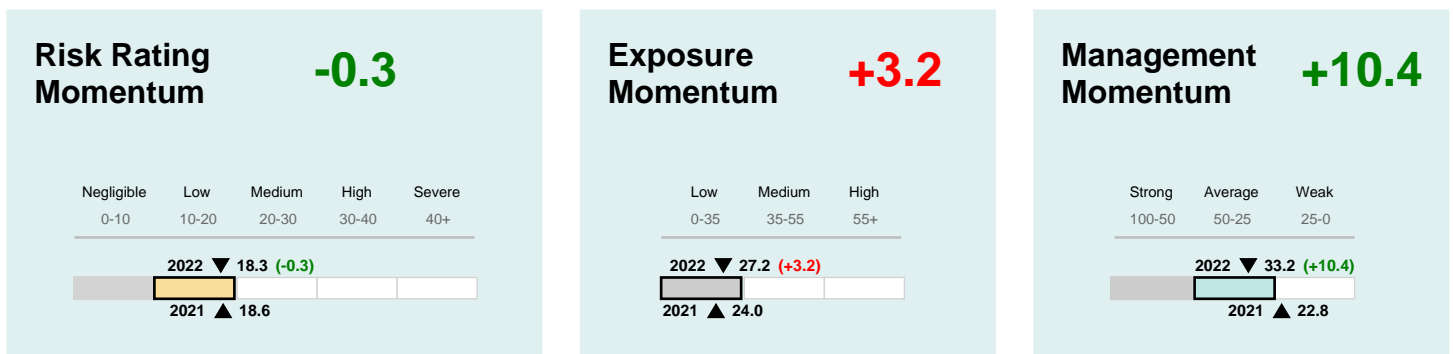
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Risk Decomposition



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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To learn more about Sustainalytics ESG Risk Rating framework, please visit: <https://www.sustainalytics.com/esg-data#framework>.

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