



## **Asia Green Real Estate AG**

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### **Environmental Policy**

*May 2023*

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## **I. Introduction**

Asia Green Real Estate AG (“Asia Green” or the “Investment Manager”) is on a mission to combine the most rigorous investment discipline with excellent local execution capabilities, expressed as the solid financial performance with the outstanding sustainability performance along the entire lifecycle of its buildings and portfolios.

Based on the above and with Asia being a key area in tackling climate change, environmental responsibility is one of the cornerstones of the Investment Manager’s mission and vision and an integral part of its investment processes. The environmental policy at hand outlines the framework implemented by Asia Green and defines its environmental procedures that comply with the company’s ESG strategy and in particular its environmental sustainability related objectives.

## **II. Asia Green Green Building Team**

A dedicated Green Building Committee who is responsible for the development of ESG strategy and definition of concrete environmental targets. Achievement of environmental sustainability objectives is ensured by the sustainability measures defined by the team of sustainability professionals, internal Green Building Team of the Investment Manager.

The Green Building Team’s responsibilities include:

- a) Implementation of the Green Building strategy throughout the project life cycle (due diligence, acquisition and/or development and operational stages of the building)
- b) Commitment to certify, where possible, all new projects with IFC’s EDGE Green Building certification\* as part of the company’s green building strategy for its asset portfolio
- c) Conduction of the internal sustainability assessment via the proprietary sustainability tool, EcoTool, as well as its review and regular update
- d) Continuous collection and assessment of environmental data pertaining to investment projects of Asia Green in order to ensure compliance with the relevant sustainability disclosure regulations that Asia Green is subject to, in particular with the EU Sustainable Finance Disclosure Regulation (SFDR)
- e) If necessary, suggestion of the appropriate and necessary measures to ensure that Asia Green S.A. SIF-SICAV - Real Estate Fund and Asia Green S.A. SIF-SICAV - Diversified Real Estate Fund, both managed by Asia Green, reach their environmental objectives on sustainability indicators stipulated in Annex 1 of the present policy and keep their classification as Article 9 SFDR funds at all times

- f) To allow for benchmarking of the portfolios of Asia Green, preparation of the required environmental data for the annual participation in the GRESB assessment and leading reporting process, in particular for the Real Estate Fund
- g) In line with Asia Green's commitment to achieve net-zero carbon emissions for its portfolio of the investment projects by 2050, propose suitable green building initiatives for every investment project either by specifying measures to increase the current standard and/or specifically aimed at achievement of net-zero carbon emissions by 2050
- h) Transparent information of the impact of our ESG strategy towards our main stakeholders (investors, JV partners, tenants and employees of Asia Green group of companies)
- i) Regular ESG related issues knowledge sharing with all employees of Asia Green group of companies via trainings and webinars

\*While IFC's EDGE focuses on quantifying energy, water and material savings, Asia Green's proprietary EcoTool assessment includes Health and Comfort dimensions.

### **III. Environmental Design Process and Project Assessment**

To achieve its environmental targets, it is essential to ensure that all projects are certified with local and international green building certifications. As an integral part of each investment, permits and local regulatory requirements are assessed in the course of due diligence and construction, covering a planning framework to mitigate health, environmental and safety issues, an assessment on land usage/zoning, material specification quality and sustainability standards as well as the socio- economic impact of the surrounding communities. The outcome of the integrated design process and assessment conducted by the entity's Green Building Team generates ESG measures aimed at improvement of ESG performance of the project. These measures are incorporated and implemented during planning, construction and operational stage.

### **IV. Review of the Policy**

The policy at hand is subject to annual review and, if necessary, update by the Green Building Team of Asia Green. If no update is needed, the policy will be applied consistently over time. Where an update of the Policy is required, the formal approval of the management of Asia Green is necessary.

**Annex 1**

The following sustainability performance indicators are monitored and evaluated on a yearly basis in the frames of SFDR reporting for the Real Estate Fund and the Diversified Real Estate Fund, sub-funds of Asia Green S.A. SIF-SICAV (Luxembourg), classified as Article 9 SFDR:

<b>Sustainability performance indicator</b>		<b>Metric</b>
<b>Greenhouse gas emissions</b>	GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
	Carbon footprint	Carbon footprint
	GHG intensity of investee companies	GHG intensity of investee companies
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
	Share of non-renewable energy consumption and production	Total energy consumption
		Total energy consumption from renewable sources
		Share of non-renewable energy consumption
Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	
<b>Energy performance</b>	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per m <sup>2</sup>
	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets
	Breakdown of energy consumption by type of non-renewable sources of energy	Portion of renewable electricity out of the total renewable energy consumed
		Portion of renewable electricity out of the total renewable energy consumed
		Portion of renewable fuels out of the total renewable energy consumed
		Portion of renewable district heating & cooling out of the total renewable energy consumed
		Total electricity consumption

		Total fuel(s) consumption
		Total district heating & cooling consumption
		Share of electricity consumption from non-renewable sources
		Share of fuels consumption from non-renewable sources
		Share of district heating & cooling consumption from non-renewable sources
<b>Fossil fuels</b>	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels
<b>Water</b>	Emissions to water	Water emissions per million EUR invested
	Water usage and recycling	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies
		Weighted average percentage of water recycled and reused by investee companies
<b>Waste</b>	Hazardous waste and radioactive waste ratio	Hazardous waste per million EU invested
		Radioactive waste per million EUR invested
	Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
	Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average
<b>Resource consumption</b>	Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations
<b>Biodiversity</b>	Activities negatively affecting biodiversity-sensitive areas	Share of investments
	Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets
<b>Social and employee matters</b>	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises

	(OECD) Guidelines for Multinational Enterprises	
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments - Policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises
		Share of investments - Grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap	Average unadjusted gender pay gap
	Board gender diversity	Average ratio of female to male board members
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in companies involved in the manufacture or selling of controversial weapons
<b>Human Rights</b>	Lack of human rights policy	Share of investments in entities without a human rights policy
	Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
	Lack of processes and measures for preventing trafficking in human	Share of investments in investee companies without policies against trafficking in human beings
	Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation
	Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or the type of operation
	Number of identified cases of severe human rights issues	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis

Annex 2

Environment aspects covered by the Environmental Policy at hand:

<b>Environmental indicator</b>	<b>Relevant document or regulation</b>	<b>Stage of investment project lifecycle</b>
Biodiversity and habitat	AGRE GB & ESG Strategy, Environmental Permit	Planning, development
Climate/climate change adaptation	AGRE GB & ESG Strategy, EDGE	All
Energy consumption	EDGE, AGRE GB & ESG Strategy	All
Greenhouse gas emissions	EDGE, AGRE GB & ESG Strategy	All
Indoor environmental quality	EcoTool, AGRE GB & ESG Strategy	All
Material sourcing	EcoTool, AGRE GB & ESG Strategy	Planning, development
Pollution prevention	Environmental Permit, AGRE GB & ESG Strategy	All
Renewable energy	EcoTool, AGRE GB & ESG Strategy	All
Resilience to catastrophe	AGRE GB & ESG Strategy, Environmental Permit	Planning, development
Sustainable procurement	EcoTool, AGRE GB & ESG Strategy, Procurement Policy	All
Waste management	AGRE GB & ESG Strategy, Environmental Permit, EcoTool	All
Water consumption	AGRE GB & ESG Strategy, EcoTool, EDGE	All
Other: overall CRS and ESG	Code of Conduct (page 4), INREV DDQ (page 54)	All