Green Building and ESG Strategy
Asia Green Real Estate
Restricted use
Sustainable investing and green building milestones
A commitment to sustainable real estate since the company’s establishment

Green building investments are part of Asia Green Real Estate’s DNA since its establishment in 2009. The first investment was certified in 2010.

Development of EcoTool, a proprietary sustainability assessment, which analyzes the three dimensions of sustainability: Resources, Health and Comfort

With its first EDGE-certified property, the company launches a strategic partnership with the IFC World Bank on its sustainable building certification program.

World Financial Center received LEED certification and is awarded the WELL certification for its outstanding interior design.

Recognized by GRESB as Regional Sector Leader in 2020 and further improved scores in 2021. Additionally, Asia Green was awarded the Green Star label, showing consistency across all assessment aspects.

Asia Green Real Estate’s funds are compliant with Sustainable Finance Disclosure Regulation (SFDR) Article 8, confirming the systematic evaluation of ESG criteria within the investment process.

Asia Green Real Estate is a PRI signatory and has committed to follow the United Nations Sustainable Development Goals and the PRI Montréal Pledge.

Er Xian Qiao received the DGNB gold certification for sustainable residential projects.

Implementation of full PRI sustainability and reporting standards and participation in the assessment.

Further improve the monitoring of resource usage in certified properties.
Sustainability within the Asia Green’s structure
A dedicated sustainability team integrated into the core business

Asia Green Real Estate has an established in-house Green Building Committee that establish ESG strategy guidelines and implement initiatives, which aim at strengthening the company’s sustainable real estate strategy.

The Green Building Team’s responsibilities include:

A) Deploy of the proprietary internal sustainability assessment (EcoTool) as well as its review and regular update*

B) Commit 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) Implement of a Green Building strategy throughout the project life cycle (acquisition / development due diligence, design, construction and operational stage)

D) Report transparently on the impact of our ESG strategy towards Asia Green’s main stakeholders

E) Sharing knowledge with all employees internally through 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.
Sustainable real estate market strategy

Asia Green Real Estate’s 5 steps strategy

1. Select Local Partner
   - Aligned sustainability and ESG mindset

2. EcoTool Sustainability Assessment
   - Bottom-up approach to improve project with local partner

3. Sustainability Measures
   - Specify sustainability and ESG measures on project level

4. Project Implementation
   - Ensure, monitor and audit the implementation of sustainability measures and achieve certification

5. Operation and Monitoring
   - Ensure stabilized assets and measure savings during operational stage

Resources
- Excellent local network
- Asia Green Building Team experts
- Project partner
- Project partners
- In-house controllers
- External auditors

Tools
- EcoTool
- Contractual Agreement
- EcoTool
- EDGE certification pre-assessment
- EDGE Certification
- Regional and International certification
- Periodical audits
- GRESB assessment

Expected Outcome
- Alignment on sustainability standards for the project
- Identification of potential savings
- Additional CAPEX requirements
- Cost within budget
- Certification
- Tangible & measurable resources savings
- Continuous improvement
Sustainable real estate value chain

Adding value to all our stakeholders

- Address sustainability mindset through sustainable investment
- Global ESG contribution

- Specify green building measurements
- Increase quality
- Create economic value

- Save energy, water and material
- Save utility costs
- Enjoy higher health and comfort levels

Green Building Certifications and Pledges
EcoTool – Proprietary tool of Asia Green Real Estate
Improving projects and adding value through in-house knowledge

We align our projects with EDGE (developed by IFC World Bank) to quantify energy, water and material savings complying with our investors’ Sustainability Mindset.

EcoTool Health and Comfort qualitative dimensions look into user’s well being inside our project environment that leads to Sustainable Living Standards.

Before sustainable measures implementation (Base Case)
Overall EcoTool result: 55% (100% = Best case)

After sustainable measures implementation (Improved Case)
Overall EcoTool result: 74% (100% = Best case)
EDGE – International green building label

Our close partnership with the IFC World Bank Group

EDGE (Excellence in Design for Greater Efficiencies) is an initiative launched by IFC, a member of the World Bank Group, to advance global green building construction. EDGE helps to match international building codes to the certified projects without losing local context. Asia Green Real Estate has formed a strategic partnership with IFC – The World Bank since January 2017 as an effort to identify the most cost-effective solutions to obtain EDGE certification for our investments.

Example of EDGE certification for Asia Green’s project:
EDGE certification quantifies that our projects are at least 20% better compared to local building base case in terms of energy, water and material savings. Going forward, we aim to certify our project with advanced level of EDGE.
After its 2020 GRESB assessment where Asia Green Real Estate was recognized as Regional Sector Leader for the performance of its core portfolio of residential buildings held by the Asia Green Real Estate Fund, the Fund improved its scores substantially confirming Asia Green Real Estate’s ESG commitment.

GRESB 2021 highlights
Asia Green Real Estate submitted the sustainability achievements of its residential and office building portfolio for the Global Real Estate Sustainability Benchmark (GRESB). The Fund has improved its scores substantially compared to 2020. The improvement resulted in an increase versus last year’s scores of 19% for its standing investments (82 points) and 11% for its properties under construction (84 points). The GRESB participation is part of our strategic and consistent approach to environmental, social, and governance practices (ESG) throughout our work. We are proud of our 2021 GRESB results which reaffirm our passionate commitment to sustainability.

About GRESB
GRESB is a mission-driven and investor-led organization providing standardized and validated Environmental, Social and Governance (ESG) data to the capital markets. Established in 2009, GRESB has become the leading ESG benchmark for real estate and infrastructure investments across the world. In 2020, 1,229 real estate portfolios were reported to GRESB covering over 96,000 assets and representing US $4.8 trillion AUM. The data is used by more than 100 institutional and financial investors to monitor investments across portfolios and navigate the strategic choices needed for the industry to transition to a more sustainable future.
The sustainable real estate economics
Cost savings compensate for additional capex of green building measures

Example of moderate green building measures of a residential project in Jakarta CBD

- **Total Construction Cost**
- **Annual Utility Cost Savings based on EDGE measurements**
- **Pay Back Period**

**Sustainability measures implemented in the project**
- LED lighting
- Double laminated low-E glass
- Energy efficient AC system
- High efficiency water fixtures

**Energy Savings** - 704,047 kWh/year (consumption of 217 Indonesian households)
**Water Savings** - 12,632 kl/year (5 Olympic-sized pools)
**CO2 Savings** - 456 tCO2/year

Total additional CAPEX of 1.7% out of the total construction cost can be compensated with annual utility cost reductions generated from the implementation of sustainable measures within 3.7 years period.