Statement on Principal Adverse Impact of Investment Decisions on Sustainability Factors

Financial market participant: Asia Green Real Estate AG

Summary

ASIA GREEN REAL ESTATE AG considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of Fund Manager: Asia Green Real Estate AG.

This principal adverse impacts statement covers the reference period from 1 January to 31 December 2023.

Asia Green Real Estate AG considers Principal Adverse Impacts (PAI) indicators that are applicable specifically to investments in real estate assets taken from Table 1 and 2 of Annex I of the Sustainable Financial Disclosure regulation technical standards.

Zusammenfassung:

Asia Green Real Estate evaluiert die wesentlichen negativen Auswirkungen (Principal Adverse Impacts – PAI) von Anlageentscheidungen auf diverse Nachhaltigkeitsfaktoren. Dieses Dokument konsolidiert die PAI auf die Nachhaltigkeit der Vermögensverwalterin Asia Green Real Estate.

Diese Erklärung beinhaltet die Periode vom 1. bis zum 31. Dezember 2023.

Asia Green Real Estate berücksichtigt die PAI Indikatoren, welche speziell für Investitionen in Immobilienvermögen aus Tabelle 1 und 2 des Anhangs I der technischen Standards der Sustainable Financial Disclosure Regulation anwendbar sind.

Principal Adverse Impacts on sustainability factors

Table 1 – Climate and other Environment-Related indicators[1]

Adverse sustainability indicator	Metric	Impact 2022	Impact 2023	Explanation	Actions taken, planned, and targets set for the next reporting period
Indicators applicable to investments in real estate assets					
Fossil fuels					
Exposure to fossil fuels through real estate assets	Share of investments	0%	0%	The real estate assets are not involved in the extraction, storage, transportation, or manufacture of fossil fuels.	The same share of investments was maintained compared to 2022 and is planned to be maintained in 2024.
Energy efficiency					
Exposure to energy-inefficient real estate assets	Share of investments	39%	43%	6 out of 7 assets are awarded EDGE certification, which represented 57% of REF's assets based on the NAV in 2023. EDGE certification implies that the assets are energy-efficient, demonstrating at least 20% reduction in energy consumption compared to the reference buildings. REF's assets demonstrate 31% energy savings on average.	The share of energy-inefficient investments increased due to appreciation of the ABI Plaza asset, which is the only energy-inefficient asset in the REF's portfolio. The decarbonization retrofit of ABI Plaza is scheduled to be conducted over a two-year ramp-up period. The project aims to receive Greenmark Super Low Energy and EDGE certification after the retrofit.

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

The policies to identify and prioritize principal adverse impacts on sustainability factors are described in the Sustainable Investment Objective and Methodologies and Disclosure-Related Policies section of Asia Green Real Estate's website: https://www.asiagreen.com/en/esg.

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[1] The PAI indicators coverage disclosed in this report reflects the proportion of eligible assets for which data is available and provided in this report. Eligible assets refer to all real estate investments under the Fund Manager. Data provided is derived from investment projects in Asia Green Real Estate Fund (REF). Data coverage on eligible asset: 67%. Eligible assets refer to all the investments in the umbrella, excluding derivatives, cash and cash equivalent.

Engagement policies

The engagement policy can be found in the Disclosure-Related Policies section of Asia Green Real Estate's website: https://www.asiagreen.com/en/esg.

References to international standards

Asia Green Real Estate is committed to certifying every investment with the appropriate green building standards. In close collaboration with our local partners, we optimize the performance of our investments in terms of sustainability to assure that we create environmentally, economically, and socially sound buildings. We established a long-standing partnership with the IFC World Bank Group to accredit our investments with EDGE green building certification. Furthermore, we have achieved the following sustainability and accreditations:

- Global Real Estate Sustainability Benchmark (GRESB)
- EDGE certification by IFC, a member of World Bank Group
- LEED
- Greenship and China Green Star
- United Nation Sustainability Development Goals alignment

Historical comparison

Historical comparison of the period reported on with the previous period reported has been included in this document.

Table 2 – Additional climate and other environment-related indicators[1]

Adverse sustainability indicator	Metric	Impact 2022	Impact 2023	Explanation	Actions taken, planned, and targets set for the next reporting period
Indicators applicable to investments in real estate assets					
Greenhouse gas emissions					
GHG emissions	Scope 1 GHG emissions	47.22 tCO_2e	30.38 tCO_2e	Asia Green is committed to achieving net zero carbon emissions by 2050. To achieve this, 3 categories of measures are planned: 1) increasing energy efficiency; 2) using renewable energy; 3) carbon offsetting.	In 2023, total GHG emissions per m^2 of rented area decreased by 11%. For the actions taken and planned, please refer to the information under "Energy consumption intensity". Target 2024: 2% reduction of total GHG emissions per m^2 of rented area.
	Scope 2 GHG emissions	1816.36 tCO_2e	714.48 tCO_2e		
	Scope 3 GHG emissions	841.11 tCO_2e	1991.8 tCO_2e		
	Total GHG emissions	2704.69 tCO_2e	2736.66 tCO_2e		

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Energy consumption					
Energy consumption intensity	Energy consumption intensity	0.0001 GWh/m^2	0.0001 GWh/m^2	Building operators implement various energy saving initiatives, which include measures such as utilization of energy-efficient LED and motion sensor lights, turning off lighting and air filtration fans on unoccupied floors, and raising of tenant awareness on energy use.	In 2023, the target to reduce energy consumption per m^2 of rented area by 2% was achieved. Target 2024: further 2% reduction of energy consumption per m^2 of rented area through continued implementation of energy saving measures.
Waste					
Waste production in operations	Share of investments	0%	0%	100% of the REF's assets are equipped with facilities for waste sorting and recycling.	The same percentage was maintained compared to 2022 and is planned to be maintained in 2024.
Resource consumption					
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	0%	0%	In 2023, there were no construction and major renovation activities conducted.	Target 2024: maintain the same share.
Biodiversity					
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	90%	90%	Vegetated areas are located in the common and facility areas of the buildings: outdoor parks, lobby areas, swimming pool areas, and tenant facility areas.	The same share of vegetated surface area was maintained compared to 2022 and is planned to be maintained in 2024.