



## **Sustainability Guideline**

### **1. Introduction**

Gaw Capital believes that a responsible approach to real estate investment will protect and enhance the value of its investments, thereby enhancing returns for its fund investors. Gaw Capital recognises many of its fund investors share an interest in exploring the implementation of responsible economic, environmental and social - henceforth referred to as “sustainability” practices, and are therefore committed to integrating sustainability considerations in the investment and portfolio management process.

This Sustainability Practice Guideline is designed to set out Gaw Capital’s principles, objectives, and management systems for investments and responsible business practices with respect to sustainability.

### **2. Code of Conduct**

2.2.7 of Gaw Capital’s Code of Conduct states:-

“Gaw Capital Associates are committed to pursuing sustainability as an integral component of its business strategy, driving transactions that generate commercial, environmental and social returns. Gaw Capital’s commitment to sustainability is driven through its global standards, the management of its internal operations, the investment it makes and the due diligence applied to all transactions it engages. Gaw Capital is also committed to creating a lasting community impact by building trusting relationships with partners and prospective sellers in various locations / target markets, including real estate brokerage firms, investors, established property operators and well-known developers.”

### **3. Investment Process**

Gaw Capital strives to integrate sustainability in each phase of the decision-making process relating to its investments. However, the manner in which this will be implemented and monitored will vary across each investment for various reasons including: the degree of control that Gaw Capital exercises over the investment, contractual restrictions, local practices and the nature of the asset in question.

Gaw Capital acknowledges the importance of its role in urban renewal of local communities. As such, Gaw Capital aims to deliver sustainable



community-based projects that facilitate positive interaction with local communities and cultures where appropriate.

Gaw Capital aims to increase transparency with stakeholders and third parties, and commits to reporting and benchmarking their Sustainability performance on the GRESB Platform, which also facilitates continual improvement in performance.

### **Pre-investment**

When assessing possible investments, sustainability forms part of the due diligence process. These sustainability considerations include: energy and water efficiency, pollution and waste management, renewable energy, accessibility for disabled people, access to public transportation, health and safety conditions, and community impact assessment.

Based on the due diligence findings, Gaw Capital may exclude investing in targets which have sustainability risks. However, scoring low in sustainability performance does not automatically prevent an investment if the target has potential for value creation through improvements in sustainability performance.

### **Assets managed by Gaw**

Gaw Capital prioritises repositioning underperforming properties that can be made more valuable through an improvement in their sustainability performance. Gaw Capital is committed to improving their sustainability performance by developing sustainability targets and through monitoring and monthly reporting on key sustainability indicators such as: energy and water consumption, and waste management in line with GRESB. In addition, qualitative indicators are reported using the INREV framework covering areas such as Health and Safety, Environmental Management of the asset and Social Governance.

Gaw Capital has adopted sustainability practices for managing and operating its property assets, including those relating to: safety, renewable energy, waste management and recycling initiatives, and access for the disabled. This extends not only to operating properties, but also those that are under construction.

As managers and operators play an important role in improving sustainability performance of an asset, training will be provided to these staff covering sustainability practices to adopt in management and operation.



Gaw Capital also provides sustainability guidance/training to tenants and encourages the adoption of sustainability practices within their property premises.

#### **Operational assets managed by third party property managers**

Where Gaw Capital has limited control over the management and operation of an asset, they communicate the sustainability targets to its third party property managers, and encourage them to adopt these targets and reporting practices to align with Gaw Capital managed assets i.e. monthly reporting on key sustainability indicators such as: energy and water consumption, and waste management in line with the GRESB Performance Indicators reporting requirements.

#### **4. Suppliers, joint venture partners and tenants**

Suppliers: Gaw Capital integrates sustainability indicators into its assessment of potential suppliers.

Joint venture partners: Where Gaw Capital has limited control over the portfolio properties, Gaw Capital communicates its sustainability targets with investment partners, and encourages them to align with Gaw Capital's targets and reporting practices. Joint venture partners are encouraged to incorporate sustainability considerations into their investment management processes.

Tenants: Gaw Capital provides sustainability guidance / training to tenants and encourages them to align with Gaw Capital's targets and reporting practices within their property premises i.e. monthly reporting on key sustainability indicators such as: energy and water consumption, and waste management in line with the GRESB Performance Indicators reporting requirements.