



STONEWEG

---

# ESG and Responsible Investment Policy

---

September 2023



STONEWEG

## Introduction

Stoneweg is a real estate investment Group established in 2015 and headquartered in Geneva, Switzerland. As an active operator in the real estate investment industry, Stoneweg is committed to integrating Environmental, Social and Governance (ESG) criteria into all of its activities, taking into consideration its responsibility to the environment, its employees, society, and all its stakeholders.

Stoneweg's overarching strategy is based on our ability to detect and take advantage of market conditions; we believe ESG and sustainability will act as an extension of that strategy and it is in the interest of Stoneweg to integrate responsible investing into all aspects of our asset selection and development.

Real estate plays a central role in a prosperous society, serving basic human needs such as housing, workspaces, infrastructure for healthcare and transportation of goods. The impact it can have though, on the environment and people, should not be ignored. We believe that taking ESG factors into account is essential in the creation of sustainable value for the Group, our investors and our communities. ESG integration can reduce risk and enhance returns by reducing cost and increasing efficiency; reducing risk of fines; reducing externalities; and improving adaptability and resilience. Ultimately, real estate is a long-term investment that requires a long-term view of risk management. Sustainability criteria are central to that.

## Scope

This policy applies to Stoneweg Group and all Stoneweg strategies. With regards to Stoneweg's business, the scope will include the management of physical offices, all Stoneweg employees, and any contractors or consultants providing services to Stoneweg.

With regard to the structure of the Group, we have adopted Group level ESG policies covering the ESG topics identified as material, and systematically disseminated them to the strategies when relevant.



STONEWEG

### Alignment with the Sustainable Development Goals (SDGs)

Stoneweg has set its objectives and commitments based on the UN Sustainable Development Goals (SDGs). The 17 SDGs were agreed and set by all UN members in 2015. They represent the UN's blueprint to address key global challenges, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 goals are all interconnected and particularly aimed at governments. The Paris Agreement, though negotiated in parallel to the SDGs, became one of its goals.

Despite certain of the goals and the targets underpinning them not being directly applicable to businesses and investors, the SDGs have become a powerful framework for all actors, with some investors already reporting against their impact on the SDGs and driving capital to contribute to their achievement. The 169 targets associated with the 17 goals provide helpful indicators for companies in efforts to align and ultimately contribute to tackling some of the most pressing issues facing the world.

In that respect, **Stoneweg selected 8 goals**, among the 17 SDGs, on which our activities can have a real impact and on which we aim to focus our efforts.





STONEWEG

**Stoneweg supports the Sustainable Development Goals**

SDG	UN goal description	Goals for Stoneweg
	<p>Promote gender equality</p>	<p>Improve gender representation at all levels of the organization, granting all employees equal rights, responsibilities and opportunities</p>
	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Maximize the use of clean and renewable energy in buildings and achieve high levels of energy efficiency</p>
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Ensure labour rights are protected through Stoneweg's HR policy</p>
	<p>Built resilient infrastructure, promote sustainable industrialization and foster innovation</p>	<p>Invest in new technologies and sustainable buildings with innovative floorspace utilization concepts and offerings</p>
	<p>Make cities inclusive, safe, resilient and sustainable</p>	<p>Use existing properties more intensively and take a participative approach to new projects and large site transformations which incorporates their utilization by local communities</p>
	<p>Ensure sustainable consumption and production patterns</p>	<p>Define and monitor sustainability criteria for the entire product life cycle from construction to demolition, identify opportunities for circularity</p>
	<p>Develop measures to combat climate change and its effects as a matter of urgency</p>	<p>Reduce resource consumption and implement measures to protect against climate-related risks</p>
	<p>Build effective, accountable and inclusive institutions at all levels</p>	<p>Ensure transparency and accountability through effective governance</p>



STONEWEG

### Our Sustainability Pillars

In integrating ESG considerations into Stoneweg’s strategy, we commit to focus on three key pillars that target environmental stewardship, people and communities, and being a responsible business. We have undertaken a materiality assessment to understand which topics are important to our internal and external stakeholders. We commit to set targets against each of these pillars that reflect the outputs from that assessment to ensure that we are improving performance through an effective and meaningful focus on ESG factors that are material to our business and our stakeholders.

Our pillars are outlined below. We have aligned our priorities to the UN Sustainable Development Goals to demonstrate our commitment to addressing key global challenges.

#### Stoneweg Pillar’s mapping to SDGs



	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
<p><b>Designing a Sustainable Future</b></p>	Green Buildings and Building Certifications	✓		✓	✓	✓	✓	
	Sustainable Building Materials				✓	✓	✓	
	Energy Management and Efficiency	✓					✓	
	Greenhouse Gas Emissions						✓	
	Climate Adaptation and Mitigation						✓	
<p><b>Developing People and Communities</b></p>	Equality, Diversity and Inclusion	✓						
	Health and Wellbeing			✓		✓		
	Training and Development				✓			
	Community Engagement				✓	✓	✓	
	Volunteering & charitable contributions					✓		
<p><b>Being a Responsible and Accountable Business</b></p>	Responsible and Sustainable Supply Chains	✓		✓		✓		
	Human Rights	✓		✓				✓
	Data and Cyber Security				✓			
	Transparency & Accountability							✓
	Anti-Bribery and Corruption			✓				✓



STONEWEG

We will integrate the considerations under each pillar within our business processes, investment recommendations and Group policies.

### Designing a Sustainable Future



Designing our investments for the future is a critical element of Stoneweg's strategies. To ensure our developments are fit for the future we adhere to all relevant environmental standards and aim to minimise the environmental impact of our investments. The decarbonisation of the built environment will play a crucial role in mitigating the climate crisis and we will contribute to global goals to ensure we integrate environmental considerations into each step of the investment process.

### Developing People and Communities



Stoneweg puts people and communities at the heart of its strategy. Our people are at the heart of our business and we are committed to ensuring their wellbeing, and supporting them to develop their skills on an ongoing basis. We also recognise our responsibility to the communities in which we operate. We are committed to developing and supporting communities through our business strategy, ensuring the local communities are engaged and considered in all of our activities.

### Being a Responsible and Accountable Business



Stoneweg is committed to operating in a responsible and accountable manner. This includes ensuring compliance to all relevant laws and regulations. In order to fulfil the role expected of us by society, we integrate strong governance practices and ensure the respect of all those within the Stoneweg value chain.

This policy is designed to create explicit and systematic integration of ESG issues in the conduct of our business, ensuring a long-term view of our impact and an effective risk management. This approach is particularly relevant in Real Estate, due to the significant local and long-term impacts of this asset class.

By integrating ESG factors into all levels of our property asset management, our investors also benefit from properties that are sustainable and stable in value.

Our ESG policy is based on two important factors, the **analysis of material issues** in the investment process and **transparency**.



STONEWEG

### **Analysis of material issues**

The integration of ESG factors allows to analyze the material issues inherent in each project and represents an essential aspect of the investment process, in order to identify risk and opportunities.

The assessment of these issues shall be considered by the investment committee when issuing investment recommendations as well as throughout the stages of development. The analysis of material issues will be communicated by the investment teams to the ESG Committee on a regular basis.

The analysis will include:

- A description for each strategy of how ESG criteria are integrated into the investment recommendations process;
- The presentation by investment teams of the evidence regarding ESG criteria integration, and;
- A half-year evaluation of portfolios in relation to the main ESG indicators.

### **Transparency & Reporting**

We strive to provide the highest level of transparency regarding how we integrate ESG factors into our investments. Following the adoption of this policy, the Group will regularly – at least annually – report on its ESG and sustainability performance. As the Group’s strategy is developed, appropriate reporting standards and frameworks will be adopted, including global criteria common to all projects as well as criteria adapted to the specificity of each of them. In time, the Group will seek to obtain third party assurance of non-financial reporting.

### **Data and Metrics**

Stoneweg will strive for greater transparency in how performance across non-financial ESG metrics is assessed. A strong data foundation is critical to this process. In line with the pillars outlined, the Group – through management and operational personnel – will set Stoneweg’s ESG goals and objectives. The Group’s performance will be assessed against appropriate performance metrics and key performance indicators, which will be overseen and actively monitored by senior management.

### **Group ESG Committee**

In order to ensure appropriate oversight of all ESG efforts and initiatives, this policy provides for the establishment of a Group committee that is specifically tasked with the definition of the ESG strategy and the approval of ESG initiatives and policies. The Group ESG committee is also responsible for the oversight of the conformity of Group’s activities with ESG initiatives and policies. It brings together representatives from various Group units and functions in order to have the broadest possible view of the situation.

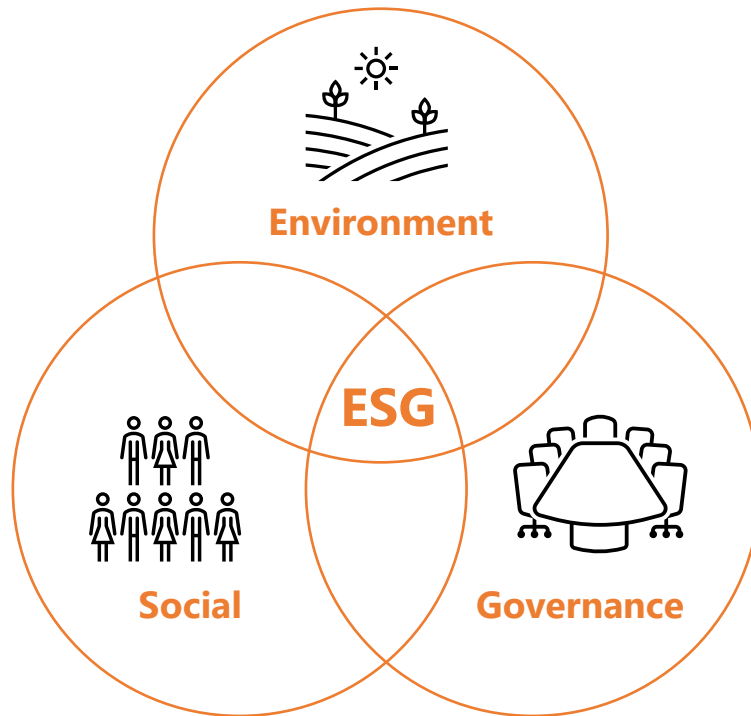
The Group ESG Committee is responsible for regularly reviewing the policy (in regard to changes in the responsible investment processes) and managing ESG reporting, in which we will communicate our sustainability progress to stakeholders.



STONEWEG

## APPENDIX

ESG principles guide strategic decisions and allow the assessment of the quality of the Corporate Social Responsibility (CSR) policy implemented by the Group. The acronym ESG covers three areas:



### Environmental

Impact of the Group's activity on the environment. This includes the use of, and interaction with, renewable and non-renewable resources and other environmentally related elements (energy consumption, greenhouse gas emissions, water consumption, air quality, biodiversity, green workplaces, building materials....)

### Social

Impact of the Group's activity on all stakeholders. Including respect of human rights, management of human resources, engagement with local communities, clients and other stakeholders.

### Governance

The rules under which management, the Group and its strategies operate and which are inherent to the business model and the regulatory framework. The corporate governance framework sets out the rules and procedures that guide effective decision-making and appropriate oversight to ensure the Group can achieve its objectives and balance the interests of stakeholders.