



**Climate Risk Adaption Policy - AEW SARL**

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## 1. Introduction

AEW's SRI Policy is aligned with the international climate agreement signed in Paris in December 2015, as climate change is a major challenge for humanity that poses important risks and creates opportunities for the real estate industry. The real estate sector in Europe accounts for approximately 40% of total energy consumption and about 25% of greenhouse gases (GHG) emissions.

AEW believes that a sustainable and socially responsible approach to real estate investment management, which anticipates and adapts to climate change both protects and enhances the value of our clients' assets, now and in the future.

This document is AEW's policy of adaptation to climate risk and is based on the TCFD framework.

The policies mentioned in this document will be updated as often as necessary to adapt to regulatory evolution, scientific knowledge, market practices and expectations of investors.

## 2. Governance

### 2.1 General organisation and Board oversight

AEW's Executive Committee is in charge of all climate related risks and delegates to a number of subcommittees including:

- The Risk Committee
- The SRI Committee
- The Investment Committee

The Risk Committee and SRI Committee gather together at least every quarter. Additionally, the SRI committee gathers every two months.

The Investment Committee, which includes the CEO, gathers with country Investment Managers when necessary. Together, they consider climate issues when overseeing acquisitions. Energy consumption and GHG emissions are considered and included within the preliminary and final investment memorandums, both of which are reviewed by the investment committee.

Internal persons responsible for specific climate risks and resilience:

- Physical risks and resources - Head of SRI
- Regulatory risk - Head of Legal
- Market risk - Head of Research
- Insurance risks - Insurance Manager
- Reputation and liability - Compliance Officer

### 2.2 Board and Committee consideration of climate related issues

The SRI committee, which includes the CEO, is responsible for all climate related issues. This committee is composed of managers from departments including legal, asset management and country managers of the main European countries.

It is responsible for the coherence of our different policies relating to climate risks and the implementation of our climate risk policy.

The SRI committee and the Executive Committee receive periodic reports on the status of defined indicators in order to know the progress of the climate policy objectives. These reports are prepared by various teams including SRI, legal, asset management, investment management and fund management.

All members of the SRI committee receive initial information on climate risks and TCFD methodology.

The Executive Committee receives regular information regarding all new legal requirements and any potential impact of climate hazards on insurance.

The governance of specific risks are presented in the specific risk presentation.

### 2.3 Management's role in assessing and managing climate-related risks

	Climate Risk	Definition	Pilot	Report
Physical risks	Direct	Impact of natural hazards due to climate change to buildings	Head of SRI	Report to the board and the SRI Committee
	Resources	Lack of resources due to climate change or regulation to tackle climate change	Head of asset management France	Member of the Board and reports to the SRI Committee
Transition risks	Regulatory	Regulatory evolution with new requirements	Head of legal department	Member of the Board and reports to the SRI Committee
	Market	Quick change in market expectations	Head of research	Member of the Board and reports to the SRI Committee
	Reputation	Due to civil society and Non-Governmental Organization	Head of compliance France	Report to the board and the SRI Committee
	Liability	Due to investors and other contractors with AEW	Head of compliance France	Member of the Board and reports to the SRI Committee
	Insurance	Risk of insurance market and contract changes	Insurance manager	Report to the board and the SRI Committee