We believe that Values drive Value.

Investing responsibly creates businesses that are more resilient, more innovative and better able to deliver societal benefits – and are, ultimately, more valuable. Driving international, sustainable best practice across our portfolio of investments has helped us to reduce energy and water use, thereby cutting running costs for tenants. Buildings with impact credentials often achieve better tenant occupancy and retention rates, particularly amongst tenants such as multinationals who have their own sustainability targets to meet.

Actis actively works with operating partners in our markets to take advantage of their relevant, local experience. Part of the selection criteria for partner choice includes their health and safety track record, worker conditions and green credentials. We are pleased to work with some of the most reputable brands in our markets to deliver quality outcomes, safely.

We are proud to have developed 11 of the leading “green” buildings in our markets. For example, in Africa we have developed four of the first green certified buildings in Cameroon, Ghana, Kenya and Nigeria. In India our green certified residential and office developments are delivering significant savings to the occupants and in Korea we’ve achieved a unique blend of cultural heritage design features in highly energy-efficient, modern buildings.

In addition, our projects bring a host of benefits to local communities while offering services to the fast-growing middle class. Key benefits include creating jobs during construction and operation, and supporting local economic development through the procurement of materials and services.

We choose to invest in two dynamic, growing regions: Africa and Asia. Home to nearly 80%\(^1\) of the world’s population, they are both experiencing four key trends (we call them the “4Ds”):

1. **Demographic shifts** - in particular rapid urbanisation and a growing middle class.
2. **Digital disruption** including a high penetration of mobile phones, increasing ecommerce and a corresponding demand for data.
3. **Deficit of quality Real Estate** which is built to tenants’ real needs and affordability.
4. **Demand for yield** from institutional investors who are increasingly seeking stable cash flows from core Real Estate, a situation compounded by current economic turmoil.

---

\(^1\) World Population Review, 2017
Actis Real Estate team

Actis Real Estate Partners

David Morley
Head of Actis Real Estate

Ashish Singh
Partner

Thomas Liu
Partner

Louis Deppe
Partner

Brian Chinappi
Head of Asia Real Estate

London
Cairo
Johannesburg
Cape Town
Port Louis
Nairobi
Lagos
Mumbai
Dubai
New Delhi
Shanghai
Hong Kong
Seoul
Singapore

Actis office
(excluding Americas)
### Actis Real Estate team by location

<table>
<thead>
<tr>
<th>Location</th>
<th>Partner</th>
<th>Director</th>
<th>Principal</th>
<th>Associate</th>
<th>Analyst</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Nairobi</td>
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<td>Hong Kong</td>
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<td>Shanghai</td>
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<td>Seoul</td>
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<tr>
<td>Johannesburg</td>
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<tr>
<td>Mumbai</td>
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<tr>
<td>Lagos</td>
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<tr>
<td>Singapore</td>
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<td>2</td>
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</tbody>
</table>

### Overview

- **15 Years of investment**
- **33 Investment professionals**
- **c.1.5bn US$ committed**
- **37 Investments**
- **12 Countries invested in**
- **2.0x Realised gross MOIC US$**

> "We are at work in the world’s most dynamic and interesting markets; creating Real Estate assets with the potential to transform urban landscapes."

Funke Okubadejo, Director, Real Estate, Lagos
Values drive Value

We believe that investing responsibly creates businesses that are more resilient, more innovative and better able to deliver societal benefits – and are, ultimately, more valuable.

In-house team

Four dedicated full-time professionals with a combined 50+ years of experience managing and assessing environmental, social and governance issues across growth markets.

The Responsible Investment (RI) team is led by Shami Nissan who is supported by a team of two responsible investment professionals in London and one in Johannesburg. The team is actively engaged in the management and oversight of Actis’ Real Estate funds, ensuring that international industry practice is adopted across the portfolio, as well as measuring the social and environmental impact of the investments using the Actis Impact Score™.

The RI team work closely with investment teams and management teams to support the adoption of international best practice. The team is actively involved pre-investment and throughout the asset management phase. The RI team supports management teams to manage ESG issues by aiding them with the implementation of Actis’ specific ESG policies that address health and safety, social issues, environmental issues, business integrity and climate change.

Approach

We have a proven Responsible Investment approach to Real Estate that is simple, repeatable and systematic.

Shami Nissan / Director / EXCO member
Shami joined Actis in 2014 and has over 18 years’ experience in responsible investment, primarily serving the private equity, banking and development finance sectors. Shami was previously a senior consultant at PwC’s Sustainability and Climate Change team for 10 years and prior to that was with the UN’s Development Program.

James Magor / Director
James joined Actis in 2016 and has over 15 years’ experience in responsible investment. James was previously a Manager in CDC’s ESG team, where he supported the Private Equity team. Prior to CDC, James was a Senior Consultant with Ramboll-Environ in the International Finance team working Europe, Africa and Asia.

Marina Johnson / Associate
Marina joined the Responsible Investment team in 2019 with 10 years’ experience in consulting on Social and Environmental performance in developing markets. Before joining Actis she was a senior consultant at ERM, working with financial institutions and corporate clients to assess compliance with IFC Performance Standards.

Carl Henning / Associate
Carl has 12 years’ experience in the ESG field, starting his career in the construction and project management world on large infrastructure projects on the African continent. Following eight years in these sectors he successfully migrated into the Private Equity team.
Shami Nissan
Director
EXCO member
London

Shami, what is distinctive about Actis’ approach to sustainability?

One of the most distinctive features about Actis is the appreciation that the values of our firm drive financial performance; we call this Values drive Value. Our belief in the values of accountability, teamwork, transparency, and responsible investing is integrated throughout the organisation, all the way up to the fund heads, the Senior Partner and our Executive Committee. This helps us attract, motivate and retain the best talent, and it underpins performance and reward. It also frames our investment sectors, which can be summarised as core infrastructure and essential services. We invest in sectors that are positively contributing towards solutions from an environmental and social sustainability perspective, and these are also sectors that are most financially resilient and capable of delivering consistent competitive financial returns.

So how has this influenced Actis’ Real Estate investments?

Firstly, we are pioneers and leaders in our markets. We have developed four of the first green buildings in Cameroon, Ghana, Kenya and Nigeria, we were the first to put solar panels on the roof of a shopping mall in Nigeria, and we do this because we see the alignment between contributing to environmental sustainability and lowering Real Estate operating costs. We are also leading the way in other areas such as technical training and worker welfare because these improve construction quality and reduce downtime. Secondly, our deep experience in the hard assets sectors gives Actis a competitive advantage and distinct insight into social interactions between people and infrastructure. The Responsible Investment team sets the Actis standard and transfers knowledge about labour conditions, health and safety and community engagement between our Energy Infrastructure and Real Estate businesses, leading to better outcomes for our people and our investments. Also, when we’re assessing power solutions for our buildings and data centres, we draw on world-leading in-house expertise from our Energy Infrastructure team and the Responsible Investment team, which works across all asset classes and plays an important role in transferring best practices and seizing opportunities to maximise the energy and water efficiency of our Real Estate portfolio.

Accreditations and Awards

- PRI Principles for Responsible Investment
  ‘A+’ rating in 2017, 2018 & 2019

- Operating Principles for Impact Management
  Signatory

- Environmental Finance Sustainable Investment Awards 2020 Winner
  Private equity manager of the year

- Garden City

- Best Green Building in Sub-Saharan Africa African Property Investment Awards 2017
Almost 80%\(^1\) of our global population lives across Asia and Africa. Rapid urbanisation and a growing middle class coupled with relative undersupply of quality Real Estate creates great potential for impact and growth in these less mature regions.

The continued rise in carbon emissions and global temperatures contributing to the climate crisis creates opportunity for the building and construction sector, currently responsible for c. 40\(^2\)% of global carbon emissions.

- At Actis, we understand the huge impact that investing in Real Estate can have in our markets. Real Estate is at the centre of this rapid economic and social change, which will transform the built environment in emerging cities over the next decade.
- Asia comprises 60\(^3\)% of the world’s current population and has the highest growth rate today, with its population almost quadrupling during the 20th century.\(^4\) In 2020 Asia will have the world’s largest GDP and by 2030 will contribute approximately 60\(^6\)% of global growth.\(^5\)
- In Africa, the population is set to reach 2.4 billion by 2050, with the annual urban population growth rate in sub-Saharan Africa currently at 4.1\(^7\)%, driving economic opportunities across the continent.\(^8\)
- We are a leader in institutional portfolios of green-accredited office and retail assets in growth markets, with one of the largest holders of green-certified properties in sub-Saharan Africa. Through our investments in Real Estate in Asia and Africa we are helping rapidly growing urban areas meet their infrastructure needs sustainably.
- Our Real Estate Funds will continue this legacy with a combination of opportunities across Asia and Africa.

---

1. World Population Review, 2017
2. International Energy Agency (IEA) 2017
3. World Population Review, 2020
4. Seasia, 2019
5. World Bank, 2015
6. World Population Review 2020
7. Raconteur, 2019
8. Africa Development Bank Group, 2020
The scale of the opportunity (continued)

More than 60% of the projected increase in urban population from 2010 to 2050 will take place in Asia.¹

Asian 2050 population estimate.²

Percentage of largest global cities found in Asia.³

Market perspectives with Brian Chinappi, Head of Asia Real Estate

Brian Chinappi
Head of Asia Real Estate
Hong Kong

Growth markets have become increasingly important to the global economy, and now account for more than three quarters of growth in output and consumption, almost doubling over the past 20 years.⁴

Despite its size, the rate of economic growth in Asia has outpaced all but a handful of small emerging countries over the past decade, and is forecast to continue to do so.

The Real Estate markets in the high growth countries of Asia have developed through a number of cycles over the past two decades, creating what Actis believes to be a diverse market of considerable scale.

Large cities are at the heart of this expansion in economic activity, with the region home to 12 of the world’s 20 largest by population,⁵ creating substantial demand for Real Estate. According to current projections, Asia’s investable Real Estate universe is forecast to become the largest globally, rising from 28% of the opportunity set at the end of 2016 to 35% of the total by 2026.⁶

Simultaneous growth in per capita income has led to a substantial increase in the size and wealth of Asia’s middle class. Due to the large absolute size of Asia’s population, this expansion of the global middle class is today heavily concentrated in the region, with c. 90% of the next billion people to enter this income group forecast to be living in Asian cities.⁷

Together these economic and demographic shifts create an exciting opportunity to invest in the region. In addition, potentially reduced liquidity post Covid-19 should provide a number of incremental, distressed opportunities which, combined with increased off-taker appetite for yielding assets, will further enhance our proven “build to core” strategy.

¹ United Nations
² Our World in Data, 2019
³ CityMetric, 2015
⁴ IMF April 2017
⁵ United Nations, Department of Economic and Social Affairs, Population Division (2018).
⁶ PGIM A Bird’s Eye View of Real Estate Markets: 2017
⁷ The Unprecedented Expansion of the Global Middle Class: An Update; Brookings: Global Economy & Development Working Paper 100 | February 2017
Our impact approach

Driving measurable positive impact alongside competitive financial returns.

In 2019, Actis became a founding signatory of the IFC Operating Principles for Impact Management (OPIM) and in 2020, our disclosure statement describing our impact management system was assured by PwC.

**Actis Impact Score™**
- The AIS™ was launched in 2019.
- Developed from the five dimensions of impact that were established by the Impact Management Project (IMP).
- AIS™ is used by Actis to forecast impact outcomes and systematically measure performance of every investment.
- Generates an impact score, which is a measure of absolute impact, and an impact multiple, which measures how much the impact has increased under Actis.

**Actis “Thought leadership”**

Click on the following titles to find out more:
- Impact.is report
- Actis Impact Measurement Methodology
- Sustainability in action – Street view
- Actis in action
- Growing Impact – New Insights into the Practice of Impact Investing

**Urban, mid-income housing in India – What drives the Actis Impact Score?**

Baseline AIS = 27
Forecast AIS = 145
Impact Multiple = 5.4x

"We actively apply a common system of beliefs and international standards across all our regions, in most instances, far exceeding locally-accepted practices."

Ashish Singh / Partner
Creating a virtuous circle of profitable financial growth and positive economic, environmental and societal impact for the cities and communities in which we invest.

**SDG 8**
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Investing in Real Estate generates temporary and permanent employment opportunities for a diverse, gender-balanced workforce, with employment sustained directly in construction and facilities management, and indirectly in the supply chain and tertiary service sectors.

**SDG 11**
Make cities and human settlements inclusive, safe, resilient and sustainable.

Real Estate plays an important role in supporting sustainable city development with affordable space and inclusive design. Our Real Estate investments help to fill the deficit of a well-located and connected supply of housing, affordable commercial space, logistics and data centres, among other sectors.

**SDG 9**
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Investment-grade Real Estate sustains and enhances business for local small and medium-sized enterprises, continuously stimulating local economic development.

**SDG 13**
Take urgent action to combat climate change and its impacts.

Actis is committed to sustainable development by: (i) developing resource-efficient, green-certified properties; and (ii) an asset management strategy of implementing actionable resource efficiency programmes and low-carbon power solutions.
SDG 8 – Economic Growth and Generating Employment

Real Estate makes a significant contribution to economic growth and generates employment: a high volume of jobs for lower income groups during construction, and permanent skilled/semi-skilled, gender-balanced jobs during operation.

Challenge

• Asia makes up 60% of the global workforce, yet one fourth of all workers, estimated at close to 450 million people, still live in moderate or extreme poverty.¹

• Sub-Saharan Africa’s workforce is expected to grow by over 400 million people by 2035, at an average rate of 14% every 5 years.²

• African economies have a shortage of stable, gender-diverse employment opportunities for a growing population. Without policy reform, only 100 million new jobs are expected in Africa, a shortfall of 300 million.³

Opportunity

• Real Estate investment can help to drive employment opportunities in growth economies. Employment is created through direct employment in construction and management activities, as well as indirect employment through the supply chain and service workers.

Impact Outcomes

• Real Estate generates employment for millions of people across Asia and Africa, both temporary positions during construction and permanent, longer-term employment in operation.

• Actis focuses on the utilisation and training of local management teams entrenched in the local communities to promote skills and technology transfer.

• Actis puts in place initiatives to improve labour conditions for construction workers.

• Employment opportunities reach a diverse workforce of unskilled, semi-skilled and skilled male and female workers, including local young people in regions of high youth unemployment.

Impact value creation model

Activity

Constructing and operating Real Estate

Involves multiple constituencies:

• Construction workers
• Professionals (architects etc)
• Suppliers and contractors
• Operation and maintenance

Outcome

Creates direct and indirect jobs

Creates demand for low/high skill labour:

• Directly through construction and operation
• Indirectly through suppliers and tenants

Beneficiary/impact result

Higher income for people

• Formal jobs result in higher personal incomes

Better quality of life for people

• Productive employment
• Secure and formal work
• Good working environment
• Decent work for women and men

Local economic growth

• Improved income for more economic spending
• Lower unemployment levels

¹ International Labour Organization, 2017
² Key Indicators of the Labour Market, International Labour Organization, 2018
Actis’ Real Estate portfolio employed over 2,200 people in permanent positions in 2019.

<table>
<thead>
<tr>
<th>Office and Residential Development – India</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Our Indian portfolio alone currently provides permanent jobs for over 850 people in operations and facilities management.</td>
</tr>
<tr>
<td>• Peak construction workforce across our Indian assets totals &gt;13,000 jobs.</td>
</tr>
<tr>
<td>&gt;850 Employees in operations and facilities management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mahindra Windchimes – India</th>
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</thead>
<tbody>
<tr>
<td>• 28% of the hours worked in the year to 31 March 2020 have been by female staff on the operational facilities management team.</td>
</tr>
<tr>
<td>28% Share of hours worked by female staff</td>
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<table>
<thead>
<tr>
<th>Carrock Data Centre – China</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 12 month construction period provided jobs for over 200 local people.</td>
</tr>
<tr>
<td>&gt;250,000 Hours of employment generated during construction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ArcSkills – Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya’s construction industry output has risen on average 13% year on year since 2014. There is an estimated gap of over 500,000 mid-level technicians hampering the country’s economic growth prospects. ArcSkills is helping to bridge this skills gap by offering international, accredited construction training to individuals from informal settlements around Garden City precinct. The training delivered to 450 young people focuses on construction-related trade: formwork, carpentry, masonry, plastering and plumbing.</td>
</tr>
</tbody>
</table>
Real Estate stimulates local business activity including innovation in industry and growth of local small and medium-sized enterprises (SMEs).

**Challenge**
- A limited number of local suppliers results in a large gap between the net export of raw materials compared with finished goods in Africa.¹
- The share of inputs sourced locally by foreign investors is as low as 21% in Sub-Saharan Africa.²
- Growth of SMEs in Asia are limited by lack of finance, restricted ability to invest in R&D, and under-developed sales channels.

**Opportunity**
- In Asia, SMEs comprise more than 98% of the total number of enterprises and estimates of their economic contribution range from 15–40% of GDP.³
- SMEs in Sub-Saharan Africa can be a major source of quality service providers and employment. SMEs contribute about 33% of gross GDP.⁴

**Impact Outcomes**
- Procurement in our Real Estate projects, sourced by local suppliers and service providers, can enhance SME sales channels and local business activity.
- Our tenants source goods and services locally, driving the growth and development of SMEs; for example agricultural producers supporting supermarkets in a shopping mall, or cleaning companies servicing buildings.
- Actis’ investments have been shown to have “spill-over” effects on the broader regional economy by attracting new businesses and investors to the region.

**Impact value creation model**

**Activity**
- Sourcing local goods/services
  - Purchase of goods produced locally including: local agricultural goods, materials etc
  - Local employment including: property service companies, security services, suppliers

**Outcome**
- Empowers local SMEs
  - Support local SMEs throughout the supply chain

**Beneficiary/impact result**
- Local economic growth
  - Stimulates economic growth through the development of local businesses
  - Potentially reduces the income distribution gap as value is created among SMEs

¹ Sub-Saharan Africa Trade Summary, WTS, 2017
² Amendolagine, V. et al. (2017) : Global Value Chain and Foreign Manufacturing Investors
³ SME Finance Forum
## SDG 9 in practice

### Place and Mahi – India

We support local business through development. Our Indian investments Place and Mahi both used over 90% local contracts for all procurement of materials and labour.

>90%

**Local contractors used**

### Rivendell – China

For our Chinese developments, 100% of build cost is spent locally. Our investments contribute to the growth of small businesses in the local economy.

100%

**Build cost spent locally**

### Accra Mall – Ghana

Our development of the Accra Mall, the first shopping mall in Ghana, resulted in an estimated 900 jobs within the mall’s primary supply chain and GHS42m spent with local suppliers. New companies have opened to meet the mall’s needs, which now supply other shops and restaurants in Accra.

900

**Jobs created**

### Garden City Residential – Kenya

- 100% local Kenyan contractors.
- 300 young people, including over 120 women, were trained in construction skills, with 95% obtaining certification.
- Materials and services were also procured locally, with significant benefits to the Kenyan economy.

\[
\text{c. US$15m}
\]

**Value of local procurement to the Kenyan economy**

### Rack Centre – Nigeria

Investment in Information and Communication Technology (ICT) infrastructure stimulates sectoral growth and promotes digital inclusion, which can improve access to banking, education, health, agriculture and governance. An additional 10% in broadband penetration would increase GDP from 0.9%–1.5%. 1 90% of African internet content is hosted abroad. It is essential to address the shortfall in affordable, high-quality ICT infrastructure. High-performing mobile networks provide the foundations for the digital economy and act as a catalyst for a diverse and innovative range of economic services.

1 Czernich et al 2009
SDG 11 – Sustainable Cities and Communities

Developing sustainable, inclusive cities and communities creates a sense of place and pride—they are aspirational and inspirational.

**Challenge**

- Almost one billion people are estimated to live in slums or inadequate housing.¹
- Cities occupy 3% of total land in the world, but account for 60–80% of energy consumption and more than 70% of carbon emissions.²
- 60% of the world’s population will live in urban areas by 2030. Sustainability of our cities is key to ensure a high quality of life for everyone.³

**Opportunity**

- By 2050, two thirds of the global population, 6.5 billion people, will be living in cities.⁴
- c. 90% of urban expansion will take place in growth markets.⁵
- Eight out of every 10 mega cities are located in emerging countries.⁶

**Impact Outcomes**

- Investing in under-supplied Real Estate sectors, including urban, mid-income housing, commercial space, logistics and data centres, can help bridge the deficit in rapidly growing cities.
- Investing in property in well-located centres with connections to public transport nodes helps to reduce congestion and urban sprawl in cities.
- Inclusive urban design that considers accessibility, public space, amenities on-site, and open green space, is important in place-making and supporting the well-being of local communities.

**Impact value creation model**

**Activity**

Investment in accessible and sustainable Real Estate

- Connected and accessible locations
- Diverse uses: public amenities, gathering spaces, green and recreational space

**Outcome**

Increase access to open and inclusive space

- Affordable property supply
- Greater amenities for local community
- Enhanced mobility and ease of access to services

**Beneficiary/impact result**

Improved well-being of residents/visitors

- Promote physical and mental health
- Provide vibrant and safe areas for social activity

Local community development

- Active interaction in the local community
- Equity and cohesion for all

---

¹ UNDP: Human Development Report, 2019
² UNDP 2020
³ UN data booklet, 2016
⁴ UNDP 2020
⁵ UN 2014. “World’s population increasingly urban, with more than half living in urban areas”
⁶ Seedstars, 2018
**SDG 11 in practice**

The quality and sustainability of built environments, including provision of green space, is increasingly important as a differentiating factor to attract tenants and is cited by tenants as being key to retaining talent. It also reduces the heat load on our buildings, which in turn reduces operational running costs for both the owner and tenants.

<table>
<thead>
<tr>
<th>TREIT 26G – India</th>
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<tbody>
<tr>
<td>• 3.8 acres set aside for recreational amenities including a volleyball court, tennis court, basketball court, jogging track and net cricket.</td>
</tr>
<tr>
<td>• 1,300 trees to help reduce perceptible temperature by 10°C.</td>
</tr>
<tr>
<td>1,300 Trees planted</td>
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<tr>
<th>Temple Stay – South Korea</th>
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<tbody>
<tr>
<td>The only sizeable landmark retail and hotel complex that provides visitors with a cultural experience – improving the urban environment of Insadong Street to help preserve and introduce Korean culture to visitors.</td>
</tr>
<tr>
<td>c. 3,000 Floor space (m²) dedicated to Korean arts and culture</td>
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<table>
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<tr>
<th>Garden City – Kenya</th>
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<tbody>
<tr>
<td>• 5.5 acres set aside for public open space, including gardens, children’s play equipment and a food court.</td>
</tr>
<tr>
<td>• Awarded Vision 2030 status by the Kenyan Government in recognition of its economic growth impact.</td>
</tr>
<tr>
<td>24% Area used for gardens and landscaping</td>
</tr>
</tbody>
</table>

"Understanding our local markets, end user affordability and cultural sensitivities are all critical to the success of our programmes."

Thomas Liu / Partner
How do you estimate the need for urban, mid-income housing?

Globally, the investment required to reduce the housing affordability gap has been estimated to be as high as US$650 billion per year, or 1% of global GDP. In rapidly urbanising economies, such as Kenya and India, there is an immense shortage of quality housing units that are affordable for middle-income households.

Housing is a key area where investors can have a social and developmental impact in our markets. Housing is fundamental to achieving SDG 11, aimed at creating sustainable cities and communities, which targets adequate, safe and affordable housing for all by 2030.

Both the Africa and Asia teams have invested in residential schemes, can you describe the positive impacts generated?

There are a number of social and economic benefits to be realised through a responsible investment approach to Real Estate. Whilst some of these approaches are apparent in Real Estate more generally, a number of them are specific to middle-income housing.

To succeed, housing developments focus on keeping margins competitive in order to drive sales volumes and scale. As such, our development teams focus on maximising local procurement which benefits local value chains and increases the focus on sourcing from SME businesses. This also has the indirect benefit of reducing carbon emissions or embodied energy associated with the assets, to the extent that the import of construction materials is reduced.

Another focus for our housing projects is to identify key locations that are either located within the vicinity of homebuyer workplaces or that are close to major transport nodes. Reducing commute times for homeowners has the indirect benefit of reducing carbon footprint and promoting sustainable city development, as the alternative would be living in housing on urban peripheries, where land is less expensive.

Is sustainability still a consideration?

Sustainability continues to be an increasing attraction to homebuyers, who understand the tangible benefits that owning a green home carries. Whilst more-established, international certification standards such as LEED and GBC are strong, they are often too expensive for middle-income housing projects to absorb. Our investments focus on attaining IFC EDGE certification that is more economic to implement is widely recognised and more specifically tailored to the markets in which we invest.

How do you address the skills gap in some of our markets?

Whilst the social and economic benefit of jobs created through construction is well understood, investors can go a step further by formally creating programmes that can certify upskilling of construction workers, increasing employability and wages for those who participate. In Africa, we have partnered with ArcSkills, who deliver on-site training for construction trades over a multi-week course that culminates in certification from an internationally recognised body. Most of the entry participants are unemployed, low-skilled youth who live close to the construction site. The project bears the cost of the training, all materials and a daily stipend to participants. We then work with the general contractor to place as many of the graduates within our sites as possible.

1 McKinsey Global Institute 2014
Green buildings are an essential component of the low carbon transition.

**Challenge**
- Property is a significant contributor to global climate change, with buildings accounting for approximately a third of global energy consumption and c. 40% of global energy-related carbon emissions.  

**Opportunity**
- Global construction output is expected to almost double to US$15 trillion by 2025, up from US$8.7 trillion in 2012. Growth markets in Asia will be the fastest-growing region, with Sub-Saharan Africa expected to be the second highest. 
- Green design is increasingly appealing to tenants, contributing to improved occupancy rates and longer term tenant retention. 
- Implementing low carbon power solutions and increasing the resource efficiency of existing Real Estate stock reduces carbon emissions and water consumption, and is highly complementary to Actis’ “green by design” strategy.

**Impact Outcomes**
- Green-certified properties, built for more efficient energy usage and water consumption, whilst reducing the embodied energy of materials used. 
- Retrofitting “green by design” features where commercially feasible (e.g. rooftop solar) to reduce reliance on non-renewable fuel sources and to save costs.

---

**Impact value creation model**

**Activity**
- Enhancing the resource efficiency of the properties
  - Managing resource usage to reduce consumption
  - Investing in retrofitting and green certification where feasible
  - Utilising renewable energy where possible

**Outcome**
- Reduced energy and water consumption
  - Making more effective use of scarce resources

**Beneficiary/impact result**
- Reduces the impact of the building on the environment
  - Lower carbon emissions
  - Minimising contribution to climate change
Actis is an official EDGE Champion—recognised by the IFC and other business leaders as endorsing the green building standards established by the EDGE certification.

**Benefits of the IFC EDGE Sustainability Certification for End-Users**

Smart homebuyers understand the tangible benefits that owning a green home brings. Through sensible solutions such as those presented by IFC EDGE, developers can meet the expectations of consumers who want to save money while living in comfortable spaces with good ventilation and abundant daylight.

EDGE-certified homes attract prospective buyers who understand the long-term value of their investment in a green residence, with its lower utility bills and higher resale price. These homeowners also believe in the sense of fulfilment that comes with making a responsible choice. Developers can capitalise on these advantages and aspirations to win new customers and promote their brand.

"We are proud to have been at the forefront of developing green certified buildings in Africa, respecting environmental considerations alongside efficiency requirements."

Louis Deppe / Partner
Why was installing solar PV at Jabi Lake Mall beneficial to Actis’ fund investors?

We’ve been tracking solar generation costs for several years and we anticipated the rapid price fall. At the time we constructed Jabi Lake Mall, it was on the cusp of being economically viable to install a rooftop solar power plant but the numbers didn’t quite work, so we installed a “solar ready” reinforced roof and waited for the optimum time to install the system. The 600kW solar PV system began operating in 2020 and today it’s providing c. 30% of total power needed in the mall. Power from the system costs c. 15% less than the grid tariff, and is expected to result in US$1.2 million of savings over the next 20 years.

How does the project contribute to positive impact?

Climate change represents a significant threat to our way of life and countries like Nigeria have less capacity to adapt than other parts of the world. I’m acutely aware that our Real Estate portfolio must be part of the climate solution and I’m proud that this solar project will reduce diesel consumption by 470,000 litres and reduce greenhouse gas (GHG) emissions by over 13,000 tonnes.
Partner selection, a key component of our strategy, always includes a close alignment with best-in-class environmental and safety standards.

Brian Chinappi / Head of Asia Real Estate

India

**Mahindra Luminaire**
Gurgaon
- Indian Green Building Council – Gold
- 20% saving on electricity
- 30% saving on water
- 50% rainwater harvesting

**Joyville Howrah**
Kolkata
- EDGE pre-certified
- 300–800 rupees saved per month by homeowners on utilities bills

**Mahindra Windchimes**
Bangalore
- Indian Green Building Council – Platinum
- 20% saving on electricity
- 30% saving on water
- 100% rainwater harvesting

**TREIT**
Gurgaon
- Pre-certified for USGBC LEED Platinum
- 40% saving on water
- 40% saving on electricity
- 75% recycling of construction waste

South Korea

**Temple Stay**
Seoul
- Level III Green Standard for Energy and Environmental Design (G-SEED) program and Level I on the Building Energy Efficiency Certification programme

**Young City**
Seoul
- Building Efficiency Certification Level I from Korean Energy Agency and Green Building Certification (Excellent/Green Level 2) from Korea Environmental Industry & Technology Institute

"Partner selection, a key component of our strategy, always includes a close alignment with best-in-class environmental and safety standards."

Brian Chinappi / Head of Asia Real Estate

Sustainable Real Estate
**SDG 13 in practice**

Buildings are a major contributor to climate change, responsible for c. 40%\(^1\) of global greenhouse gas emissions. By building sustainably, greenhouse gas emissions can be reduced.

<table>
<thead>
<tr>
<th><strong>Temple Stay</strong> – Seoul, South Korea</th>
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<tbody>
<tr>
<td>Temple Stay collects and uses rainwater and is able to harvest 190 tonnes per day. It also uses energy-efficient LED lighting systems, which saves around 150 thousand kWh per year.</td>
<td><strong>190</strong> Tonnes of rainwater harvestable per day</td>
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<tr>
<th><strong>33P Place</strong> – Pune, India</th>
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<tbody>
<tr>
<td>33P Place received an Indian Green Building Council Affordable Housing GOLD Pre-certification. Power generation of 46 kW from solar PV panels. US$ 4,000 is saved annually on electricity billing due to solar PV panels installed in common areas.</td>
<td><strong>46kW</strong> Power generated from solar panels</td>
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<th><strong>Mahindra Windchimes</strong> – Bangalore, India</th>
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<tbody>
<tr>
<td>Mahindra Windchimes has a solar water heating system for up to 50% of total capacity.</td>
<td><strong>50%</strong> Water heated from solar panels</td>
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<tr>
<th><strong>TREIT 26G</strong> – Gurgaon, India</th>
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<tr>
<td>TREIT 26G – 100% sourcing of green power and 2.5% on-site renewable energy generation. 40% reduction in water consumption through installation of low-flow water fixtures throughout the project, 100% waste water treated and 60% water reuse targeted.</td>
<td><strong>60%</strong> Water reuse</td>
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\(^1\) Global Status Report, International Energy Agency/UN Environment, 2018
ESG Risk Management

The Responsible Investment team focuses on the following four key ESG pillars as part of our due diligence and asset management:

1. **Environmental sustainability**
   Energy and water measures and climate change risks are considered during the design phase to enhance environmental sustainability and reduce operating costs.

2. **Labour & working conditions**
   A best in class approach to working conditions, terms of employment and health & safety protects all of our workers and safeguards our investments.

3. **Land acquisition**
   Thorough land title due diligence is complemented with a detailed understanding of current and former land users to mitigate risk and safeguard value.

4. **Governance**
   Implementing international best practice governance and partnering with the highest quality operators is key to mitigating risk and enhancing the value of our businesses.
ESG Risk Management in practice

Construction traditionally offers a pathway out of poverty in our markets. However, often the processes involved do not have sufficient human and labour rights safeguards. We seek to apply best practice and follow international standards in establishing decent labour conditions and accommodation for our workers.

**India**

**Mahindra Windchimes – Bangalore**  
**Mahindra Luminaire – Gurgaon**
- Both projects received the Vishwakarma Award for Excellence in Construction Health, Safety and Environment
- Over 7,000 construction workers at peak
- 13 million hours worked without a serious accident

**China**

**Carrock Data Centre – Tianjin**  
**Rivendell – Chongqing**
- Carrock: >250,000 hours of construction, zero accidents
- Carrock targeting a Power Usage Effectiveness (PUE) of 1.2, significantly below the average locally and globally
- Rivendell: >5.8 million hours of construction, zero accidents
For more information please contact:

<table>
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<tr>
<th>Americas</th>
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<th>EMEA</th>
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