

Transparency of the promotion of environmental or social characteristics and of sustainable investments

This document includes information relating to environmental and social characteristics of financial products and information relating to sustainable investments, in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (SFDR)¹.

Product name: TOPSMART INVESTMENTS AIFLNP V.C.I.C. LIMITED

License Number: LPAIF 138/2018

Name: Green Land Development

SFDR Classification: Article 8 Fund

ESG Naming Compliance: Compliant with ESMA Guidelines 34-1592494965-657

Summary

This fund promotes certain environmental and/or social characteristics in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (the “SFDR”) but does not have as its objective sustainable investment.

The Fund does not have as its objective sustainable investment but commits to a minimum proportion of such investments. Specific sustainability metrics will be used to measure the attainment of the environmental and/or social characteristics of the fund in accordance with the methodologies described below.

The fund's asset distribution is shown in a chart that details the expected percentage of investments aligned with the environmental and/or social characteristics of the fund and the commitment to sustainable investments.

Internal and external data sources are used to ensure that the fund is invested in accordance with the environmental and/or social characteristics promoted. Data obtained from outside sources can be enhanced by internal research and analysis. We seek to reduce limitations on data sources by using strong due diligence practices and manual verification steps.

¹Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

B. Does this financial product have a sustainable investment objective?

Product name: TOPSMART INVESTMENTS AIFLNP V.C.I.C. LIMITED License Number: LPAIF 138/2018	
Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It will make a minimum of sustainable investments with an environmental objective: __% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ It will make a minimum of sustainable investments with a social objective: __%	☐ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective ☒ It promotes E/S characteristics, but will not make any sustainable investments

This fund promotes environmental or social (“E/S”) characteristics but does not have as its objective sustainable investment. The fund will not have a commitment to a minimum proportion of sustainable investment, as illustrated above.

C. Environmental or social characteristics of the financial product

Environmental or social characteristics of the financial product

The E/S characteristics promoted can be environmental and/or social and include the following features:

The Fund does not apply formal sector- or value-based exclusion lists. However, due to the nature of its investment strategy, which is exclusively focused on real estate development projects, the Fund does not engage in investments related to **fossil fuel production, coal mining, tobacco, weapons manufacturing, gambling, or other controversial industries**.

Environmental characteristics: The Fund focuses exclusively on financing **residential and commercial projects with a high energy-efficiency profile**, in line with its commitment to contribute positively to the environment. This includes investments in buildings designed to meet EU nearly zero-energy standards and certified as Energy Class A or B.

Social Characteristics

- **Investor Engagement:**

The fund is limited to a maximum of 50 investors. This ensures investors are fully informed, promoting fairness and accountability.

- **Improved Living Environment:**

The fund supports the creation of healthier and smart-living spaces. These can enhance resident wellbeing through better air quality, natural light, and sustainable design aligning with broader social benefits in urban quality of life.

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

D. Investment strategy

What investment strategy does this financial product follow?

The overall Investment Objectives of the Fund are to generate long-term risk-adjusted gains and returns for its Partners with a focus on real estate development opportunities. Specifically, the Fund finance residential and commercial property developments, particularly those with a high energy footprint. For example, projects that emphasize positive social impact, environmental impact and energy efficiency.

As part of the investment process strategy, the Fund invests directly and indirectly in projects and developments often via partnerships or co-investment vehicles and the Fund does not invest in companies or projects that are on Fund's exclusion list based on their business activities or conduct following the principle of responsible investment.

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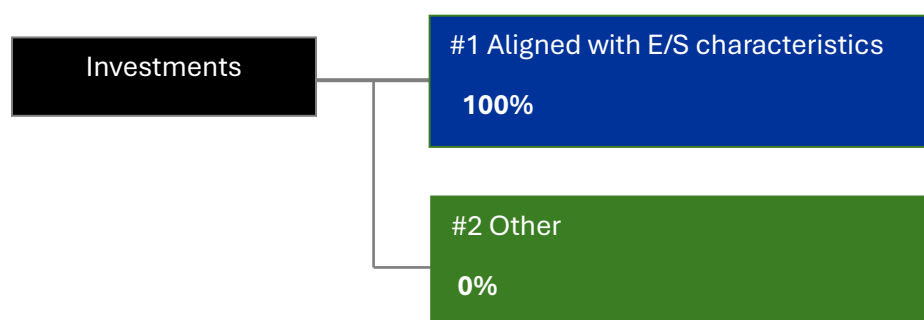
The list shows an aggregation of exclusions that result from the Fund's general policy and the additional exclusions that are added to the specific investment strategy.

- Pornography
- Alcohol
- Conventional weapons
- Coal
- Gambling
- Gas
- Nuclear weapons
- Oil
- Arctic drilling and oil sand
- Tobacco
- Controversial weapon

E. Proportion of investments

What is the asset allocation planned for this financial product?

The fund commits to a minimum proportion of investments as illustrated below. Where no percentage proportion or 0% is displayed, such investments may be relevant for the strategy, but the fund is not committed to always holding a specific proportion, and the proportion of such investments may be as low as 0% at the investment manager's discretion.



#1 Aligned with E/S characteristics: includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other: includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to making a minimum portion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU Criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that consider the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not consider the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors

☐ Yes

☒ No, although the Fund considers sustainability factors as part of their investment processes, there is currently limited and inconsistent reporting of the indicators for principal adverse impacts (as outlined in SFDR) due to limitations in obtaining reliable and comprehensive data on sustainability impacts. The fund’s investment strategy currently prioritizes other aspects of ESG integration, and the Portfolio Managers of the Fund will keep their position on principal adverse impacts under review on an annual basis.

Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of investments in transitional and enabling activities?

As the Fund does not commit to investing in any sustainable investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. Therefore, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

F. Monitoring environmental or social characteristics

The fund seeks to develop and manage properties that contribute to climate change mitigation, promote energy efficiency and improve occupant well-being.

The purpose of monitoring is to ensure that the environmental characteristics promoted such as energy efficiency, smart technology integration, and emission reductions are measurable, verifiable, and maintained over time in line with the fund's stated investment strategy

The following sustainability indicators are used to measure the attainment of the E/S characteristics of the fund:

- **Key Sustainability Indicators (Environment-Focused)**

Environmental Key Category	KPI (Indicator)
Energy Efficiency	- % of buildings with EPC rating A - Average energy consumption per m² - % of buildings using smart energy systems
Emissions	- GHG emissions per m² (Scope 1 & 2) - Portfolio carbon intensity
Certifications	- % of assets with green building certifications
Climate Risk	- % of assets exposed to climate-related physical risk such as Flood, Heat & Water Stress - Assets with resilience measures in place

Social Indicators	KPI (Indicator)
Tenant well-being	- Indoor air quality / ventilation (air flow) standards met
Accessibility	- % of assets meeting universal design standards
Safety	- # incidents per year
Tenant engagement	- % of tenants receiving ESG communication / training

The fund monitors environmental performance via:

- Yearly energy and emissions reporting.
- Use of smart meters and building management systems.
- Annual external audits and third-party EPC verification.
- Internal ESG scorecards per asset.

G. Methodologies

Description of the methodologies used to measure how the social or environmental characteristics promoted by the financial product are met.

The methodologies that apply to measure environmental and social characteristics promoted by the fund are as follows:

Collection of primary ESG data

The fund uses robust, consistent and transparent methodologies to measure how well it attains its promoted environmental or social characteristics.

The Fund is using Synesgy - ESG global platform to collect primary data, which is evidence the fund is leveraging a standardized ESG data platform to measure, monitor and report environmental and social criteria.

The Synesgy ESG global platform validates and uses ESG data through a structured, multi-stage process that ensures the accuracy, compliance and auditability of sustainability-related information.

Synesgy is a global ESG self-assessment and data collection platform designed to help companies including real estate funds to collect and to validate ESG data from their operations and suppliers. It supports SFDR, CSRD, GRI, and EU Taxonomy alignment. The platform offers questionnaire ESG based assessments, evidence upload documentation, ESG scoring, action plan to improve the sustainability level and benchmarking.

H. Data sources and processing

a. What are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?

The fund is using the Synesgy ESG global platform to collect structured ESG data from its portfolio companies, real estate assets, developers, suppliers and its service providers. This is done through ESG self-assessment questionnaires which are distributed, filled out and submitted digitally on the Synesgy ESG global platform.

The Fund collects ESG data such as:

- Energy use
- Water consumption
- Waste management
- Calculation of GHG emissions under Scope1, Scope 2 and Scope 3
- Building energy certifications - EPC
- Social metrics (e.g., accessibility, tenant safety, employee diversity etc.)

This process enables the Fund to meet its regulatory obligations under the **Sustainable Finance Disclosure Regulation (SFDR) Article 8**, which requires to promote environmental or social characteristics to monitor those characteristics and to use measurable sustainability indicators

The data collected through the Synesgy ESG global platform is validated and the platform uses ESG data through a structured multi-stage process that ensures the accuracy, compliance and auditability of sustainability-related information.

More information about the external data sources used by the Fund is available upon request.

b. What are the measures taken to ensure data quality?

We apply various measures to control the quality of the external and internal data sets used. Below is an overview of the measures taken to ensure ESG data quality collected from the Synesgy ESG global platform:

1. Mandatory Documentation & Evidence Upload

Respondents are required to provide evidence by uploading supporting documentation. For example:

- a. Energy Performance Certificates (EPCs)
- b. Utility bills (electricity, gas, water)
- c. Building certifications (BREEAM, LEED, ISO 14001)
- d. HR policies for social indicators

Purpose: Ensures that reported data is verifiable and not based on random-declared values.

2. Automated Validation and Cross-Checks

The Synesgy ESG global platform performs automated data validation as per table below:

Validation Type	Examples
Completeness checks	Ensures all mandatory fields are filled
Range plausibility	Detects values outside expected range
Internal consistency	Cross-checks between answers (example - if energy use is declared but emissions are zero)
Outlier detection	Flags extremely high/low values based on benchmarks
Document match checks	Confirms if uploaded files match declared values (example – if kWh in utility bill matches relevant entry)

3. Audit Trail & Data History

The Synesgy ESG global platform maintains version control of submissions and uploads.

Historical logs of:

- a. Who submitted the data
- b. When data was modified
- c. What evidence was uploaded

Purpose: To enable external assurance and compliance review.

While the Synesgy ESG global platform provides a strong foundation for ESG data collection and validation, the Fund makes use of additional internal quality assurance practices to further enhance the credibility and reliability of the ESG data.

- Conduct independent verification of the ESG metrics reported
- Quality assurance test whereby controls are made to check that the data values are in the expected range and behave as intended.
- Segregation of duties whereby there is a separation of responsibilities of key processes between more than one person based on their area of expertise.
- Segregation of IT environments that protects the integrity and availability of the environment producing the data and allows for testing of new data in terms of quality and robustness before it is used in a production environment.
- Provide brief training for real estate managers, suppliers and key stakeholders responsible for submitting ESG data.

c) How is data processed?

As described above, the Fund makes use of primary data which is derived from ESG Assessments completed by the respondents. We seek to obtain as much and the most granular company data possible.

Our ESG data analyst uses specific KPIs and ESG scores for each asset and compared to others either within the same region, sector or against industry benchmarks. This allows our management team to have visibility of the sustainability level of each investment based on the Environmental and Social criteria.

I. Limitations to methodologies and data

a. Are there any limitations to the methodologies and data sources used?

The fact that most of the data received is primary data and self-reported data there are few limitations. One key limitation of self-reported ESG data is the risk of inaccuracy and bias as the information provided by developers, suppliers, tenants and service providers may be incomplete or based on estimations rather than verified metrics. Without mandatory data validation, there is limited assurance that the responses reflect actual performance which may cause misrepresentation or greenwashing.

Additionally, lack of ESG knowledge among respondents can lead to inconsistent interpretations of questions further undermining data reliability and comparability across the fund's portfolio.

b) How do those limitations not affect how the environmental or social characteristics promoted by the financial product are met?

To mitigate the limitation of self-reported ESG data, the Fund has implemented a multi-layered validation approach. This includes requiring supporting documentation (e.g. energy bills, certifications, or audit reports) for critical data points and prioritizing the use of independently verified sources where possible. The fund can also introduce random spot checks to verify the accuracy of submitted responses. In addition, standardized training or guidance materials can be provided to respondents to ensure consistent understanding of ESG questions. Finally, integrating automated data quality checks through platforms like the Synesgy ESG global platform can enhance the reliability and consistency of reported data.

J. Due diligence

Description of the due diligence carried out on the assets of the fund, including the internal and external controls on that due diligence

The Fund combines in-depth ESG screening with both internal governance and external validation to ensure that all investments are compliant with sustainability objectives. Internal controls ensure quality and consistency of data while external experts bring technical credibility and independent oversight to the due diligence process. The Fund employs structured internal control mechanisms to ensure data integrity and compliance with investment policies.

Below are the key internal control mechanisms used by the management team:

- All investment proposals are reviewed by a multidisciplinary committee including ESG officers.
- Assets are assigned to ESG risk scores; those below minimum thresholds are flagged or rejected.
- ESG risks identified during due diligence are integrated into the asset management plan.
- Four – eyes – principle: All ESG findings are reviewed and signed off by at least two qualified individuals.
- Site visits for physical inspection and validation.

The Management Team believes the most effective way to integrate ESG factors into an investment process is for investment teams to consider ESG factors as part of due diligence and ongoing portfolio management process. Therefore, the investment teams are responsible for researching and integrating ESG issues into the investment decision making process. Investment teams are responsible for conducting the ESG analysis and the Investment Committee is responsible for considering ESG factors as a part of their overall investment evaluation.

K. Is engagement part of the environmental or social investment strategy?

Engagement is a core component of both the environmental and social investment strategy of the Fund. The management team actively engages with property managers, developers, contractors and tenants to improve the environmental performance of all assets. Engagement via ESG primary data collection using the Synesgy ESG global platform allows the management team of the Fund to engage directly with counterparties to gather ESG data to identify performance gaps and to develop improvement plans.

For the Fund, engagement is not one time activity, but a continuous process of monitoring and feedback where ESG expectations are properly communicated and performance is tracked and benchmarked to avoid greenwashing.

L. Reference benchmark

Has a specific index designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?
☐ Yes ☒ No, a reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

M. Where can more product-specific information be found?

More product-specific information or periodic reports can be found on the website: https://www.topsmartinv.com
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Appendix

UN sustainability Goals

The UN SDGs are a set of 17 Sustainable Development Goals adopted by the United Nations in 2015 as a call for action to end poverty, protect the planet, and ensure peace and prosperity by 2030.

