



ESR Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1821

SPACE AND INVESTMENT SOLUTIONS FOR A SUSTAINABLE FUTURE

Environmental, Social and Governance Report 2023



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SPACE AND INVESTMENT SOLUTIONS FOR A SUSTAINABLE FUTURE

ESG is deeply embedded within our corporate culture. As APAC's leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers, we aspire to be thought leaders who proactively set the standard and lay the foundation for a sustainable future.

Sustainability is central to our mission because we aspire to improve the environmental prospects of our planet. Our responsibilities to stakeholders, local communities and the world at large grow in tandem with our business. Accordingly, we commit to lead and embrace the highest standards of corporate governance in forging a path to become a carbon neutral business.

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OUR ESG APPROACH

About ESR

ESR Group Limited (“ESR”, “Group” or “We”) is Asia-Pacific’s (“APAC”) leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers. With US\$81 billion in fee-related assets under management, ESR’s fully integrated fund management and development platform extends across various APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Singapore, Southeast Asia and India, with a presence in Europe and the U.S. ESR is listed on the Main Board of The Stock Exchange of Hong Kong, and is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite and MSCI Hong Kong Indices.

Visit www.esr.com for more information.

Our activities encompass three core business areas:



FUND MANAGEMENT

ESR manages a broad range of funds and investment vehicles that invest in a diverse portfolio of premium real assets in various stages of the property life cycle, providing a single interface with multiple investment opportunities for its capital partners.



NEW ECONOMY DEVELOPMENT

ESR’s New Economy development platform has a comprehensive suite of technical capabilities and services covering every stage of the development cycle including land sourcing, design, construction and leasing.



INVESTMENT

ESR’s investments comprise co-investments into its funds and REITs under management, investments in listed/private held real estate investment vehicles, as well as investment properties (completed and under development).

OUR ESG APPROACH

About ESR

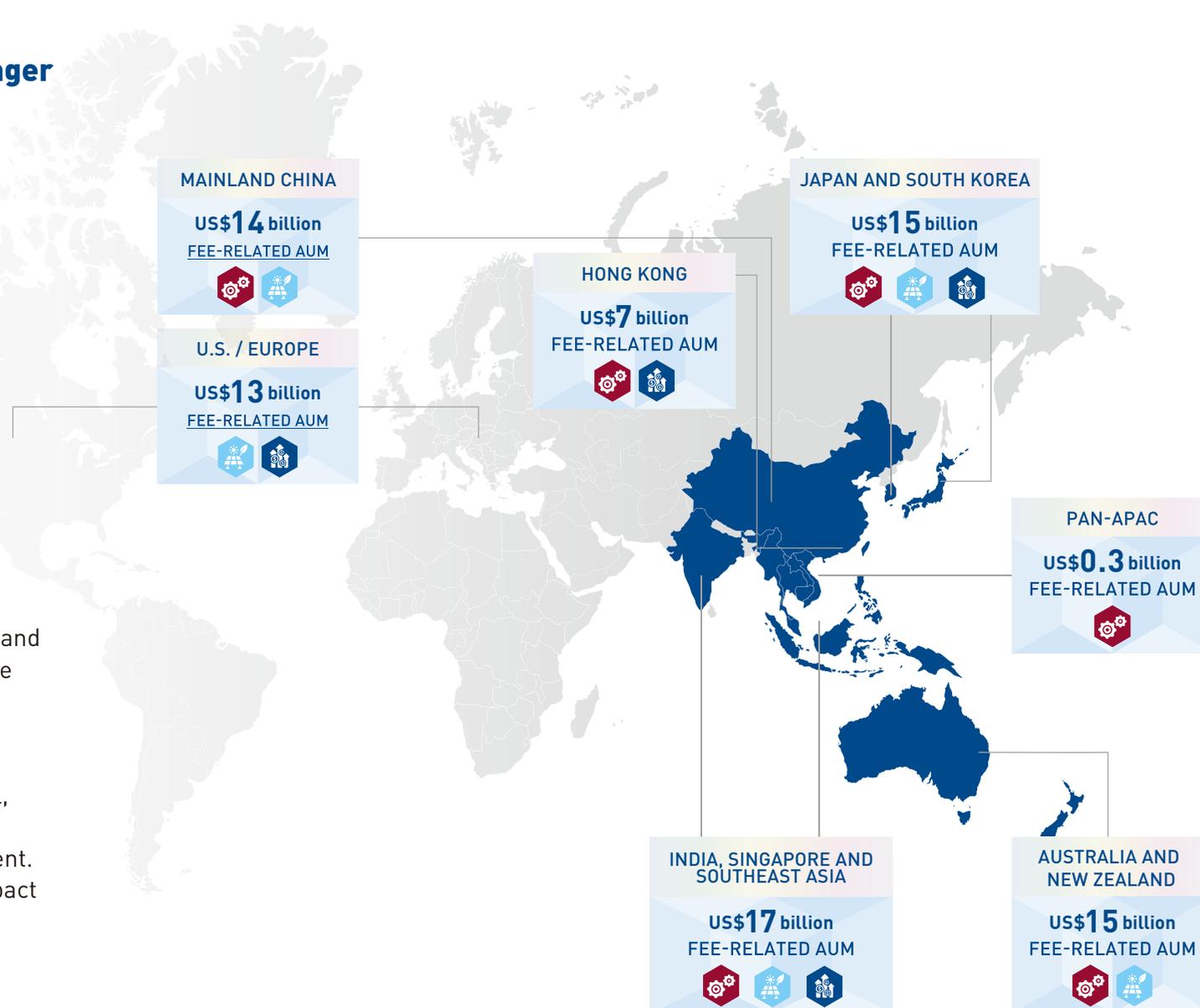
APAC's Leading Real Asset Manager Powered by the New Economy

FEE-RELATED AUM ^{1,2}
US\$81 billion

TOTAL AUM ^{1,3}
US\$156 billion

GFA ⁴
49 million sqm

ESR's vision is to deliver a fully integrated solution to leading global capital partners and customers. Leveraging our scale, extensive offerings, capabilities, and resources, we provide a suite of best-in-class real estate development products and real asset investment solutions that spur meaningful, long-term sustainable growth for our business, the economy, and the environment. ESR is committed to making a positive impact to its stakeholders and communities.



Notes:

1. Based on FX rates as at 31 December 2023.
2. Fee-related AUM excludes AUM from Associates and levered uncalled capital.
3. Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.
4. Excludes Associates.

OUR ESG APPROACH

Letter from Chairman



“Looking ahead, the Group will continue to accelerate our transition to a more inclusive, low-carbon and climate resilient future. We will leverage our diverse strengths, take collective actions to influence positively at scale and drive sustainable growth and consciousness in the markets in which we operate.”

JEFFREY DAVID PERLMAN

Chairman

As we reflect on the past year, we are proud to share our progress in advancing our ESG strategy across ESR’s integrated fund management and development platform.

At ESR, we are pleased to have the Board’s overarching commitment and continued support to create long-lasting value for our stakeholders. In line with our ESG vision, mission and framework, the Board approved the Group’s enhanced suite of ESG policies in March 2023, setting the tone for a unified approach to fostering an effective corporate governance culture and incorporating ESG factors into every aspect of our operations and business, as they are pivotal to our success and a key enabler to pre-empt and mitigate our risks. As APAC’s leading real asset manager powered by the New Economy and one of the largest listed real estate managers globally, we see tremendous potential in our scale to drive sustainable returns for our investors, minimise our environmental impact and build stronger communities where we operate.

In 2023, the Group made significant progress against our targets as set out under our ESG 2030 Roadmap, which was unveiled in May 2023. The roadmap underscores the Group’s commitment to enhance our synergies and accelerate long-term sustainable growth across the three key pillars under our ESG Framework — “Creating a Human Centric environment that is safe, supportive and inclusive for stakeholders”; “Developing and maintaining a sustainable and efficient Property Portfolio”; and “Delivering outstanding Corporate Performance for sustained and balanced growth”.

Under the Human Centric pillar, the Group continues to advocate diversity, equity and inclusion in the workplace, uphold employee health and safety, drive employee engagement and scale up community investment initiatives under three dedicated focus areas, namely: “Strengthening Social Resilience, Health and Well-being”, “Promoting Education & Upskilling”, and “Protecting the Environment”. Within our Property Portfolio pillar, the Group remains committed to developing and

maintaining sustainable and efficient operations, increasing sustainable building certifications and ratings, building flexible and adaptable properties in strategic locations, and improving resilience against climate change. Within the Corporate Performance pillar, the Group is committed to upholding the utmost standards of corporate governance to ensure accountability, transparency, fairness and integrity across all our operations. The Group has also embarked on preparatory work for our inaugural United Nations-supported Principles of Responsible Investment (“UN PRI”) reporting due in 2024.

Given the urgency of the net-zero challenge and its growing importance to our stakeholders, the Group continues to reduce energy demand through sustainable design features, reduce our carbon footprint through energy-efficient measures at the asset level, increase the uptake of renewable energy solutions and pursue green building certifications and ratings across our portfolio. As part of the Group’s decarbonisation efforts, we are proud to announce the launch of several

synergistic partnerships which include renewables in China, Australia and South Korea and electrification of our logistics supply chain in Japan. The Group is progressing well on our Net Zero Strategy and Decarbonisation Roadmap which includes an embodied carbon strategy with reduction initiatives and interim milestone targets to support the eventual target of net zero whole life carbon across our value chain.

Looking ahead, the Group will continue to accelerate our transition to a more inclusive, low-carbon and climate resilient future. We will leverage our diverse strengths, take collective actions to influence positively at scale and drive sustainable growth and consciousness in the markets in which we operate. Thank you for your continued trust and partnership in our pursuit of a sustainable future for all.

Jeffrey David Perlman

Chairman

24 April 2024

OUR ESG APPROACH

Letter from Group Co-founders and Co-CEOs



“Throughout 2023, we continued to focus on driving our strategic initiatives to advance our commitments to environmental stewardship, social responsibility and strong governance in alignment with our newly unveiled ESG 2030 Roadmap. Under this roadmap, ambitious targets were established across each of the three key pillars to accelerate positive impact across the Group.”

STUART GIBSON AND JINCHU SHEN

Group Co-founders and Co-CEOs

Although 2023 was a challenging year for the global economy and our company, we are pleased with the way we have navigated the environment. Throughout this period, we have remained steadfast in maintaining our strategic focus and delivering on our mission statement to provide Space and Investment Solutions for a Sustainable Future.

Part of our mission to build a sustainable business includes aligning the perspectives and expectations of our key stakeholders to our ESG efforts and being accountable. We have previously conducted a materiality assessment to identify important issues surrounding the Group’s social and environmental impact areas that hold the most significance for our key stakeholders including employees, customers and shareholders amongst others. In 2023, these ESG factors were reviewed, in consideration of recent global trends, as well as risks and opportunities impacting our stakeholders in short and medium to long-term horizons. The review assessed that the 15 material ESG factors (see page 8) remain relevant to the Group and they formed the focus areas under our three pillar ESG Framework: Human Centric, Property Portfolio and Corporate Performance.

Throughout 2023, we continued to focus on driving our key, strategic initiatives to advance our commitments

to environmental stewardship, social responsibility and strong governance, in alignment with our newly unveiled ESG 2030 Roadmap. Under this roadmap, ambitious targets were established across each of the three key pillars to accelerate positive impact across the Group. In our FY2023 ESG Report, we would like to share the ESG data, performance, and case studies relating to our approach in fulfilling our commitments. We are pleased to highlight these notable achievements:

- Female representation in the Group was 45.4% as we continue to build a more inclusive and equitable workplace. At the Board level with the recent appointment of Joanne Sarah McNamara (1 January 2024), we are proud to have approximately 31% female representation amongst our directors.
- In our commitment to be an Employer of Choice and in driving employee engagement, the Group achieved an average employee satisfaction score of 4.25 (out of 5) in its inaugural employee engagement survey, with an overall response rate of 80%.
- We actively engaged with communities through volunteering activities, education programmes and partnerships within our dedicated focus areas. In addition, we established a

Group Social Impact Committee to drive Group-wide community investment initiatives with global consistency and local relevance.

- 112 MW of rooftop solar power capacity and 809 EV charging stations have been installed across our assets globally in addition to the launch of numerous synergistic partnerships as part of our decarbonisation efforts to transition to a low-carbon future.
- 42.8% of our global portfolio of completed and directly managed assets were awarded sustainable building certifications and ratings, as we continue to provide best-in-class real assets and solutions for our stakeholders, leveraging state-of-the-art technologies to increase efficiency and reduce our carbon footprint.
- Continued recognition of our robust ESG performance and disclosure practices, by upholding strong ratings across various globally recognised ESG benchmarks and rankings. For another year running we obtained outstanding results in the 2023 GRESB Assessment with four Regional Sector Leaders, retained “A” in MSCI ESG Ratings and “Low Risk” in Sustainalytics ESG Risk Ratings, the latter with an approximate 20% improvement in points.

- Strengthening our leadership in sustainable finance, the Group announced that it has closed a total of seven Sustainability-Linked Loans (“SLLs”) worth approximately US\$4 billion including Hong Kong’s first-ever Green Loan for the development of a logistics centre. Post FY2023, we continued to raise additional SLLs with a cumulative total amount of US\$4.4 billion approximately.

We would like to thank our Board of Directors for their continued leadership, overall stewardship, and strategic direction in ESG. In parallel, we would also like to express our sincere appreciation and gratitude to our senior management teams, colleagues, investors, business partners, customers and communities for their invaluable support and engagement throughout. Going forward, we will continue to harness synergies and leverage our expanded scale, offerings, and capabilities to deliver meaningful and sustainable value.

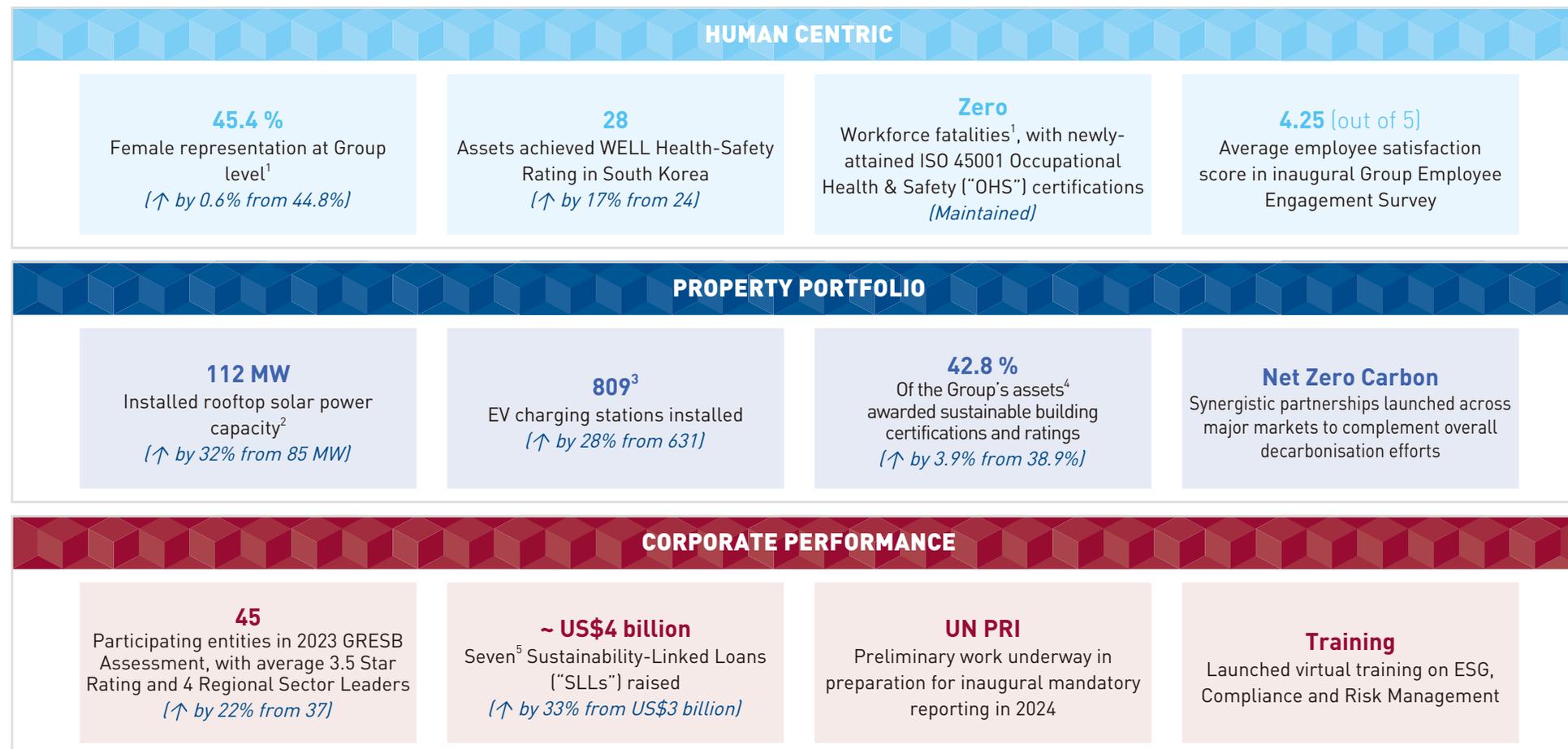
We invite you to read our FY2023 ESG Report and to provide feedback on how we could further advance our ESG journey and create positive changes for all.

Stuart Gibson and Jinchu Shen
Group Co-founders and Co-CEOs
24 April 2024

OUR ESG APPROACH

2023 ESG ACHIEVEMENTS

Significant progress has been made based on our ESG 2030 Roadmap, launched in May 2023. Our priorities include promoting diversity, equity and inclusion, supporting local communities, reducing impact on the environment, addressing climate change and upholding our commitment to corporate governance, amongst others. Some key achievements in 2023 are outlined below:



1 Refers to employees of ESR Group for FY2023.

2 Refers to completed projects as of end-Dec 2023. By 1 H 2024, the total capacity will be approximately 150 MW, including solar panels to be installed during the next six months.

3 Refers to fully operational EV charging stations as of December 2023 and excludes installation work in progress during early 2024.

4 Refers to the GFA of certified completed directly managed assets representing approximately 13.4 million sqm in GFA as of December 2023.

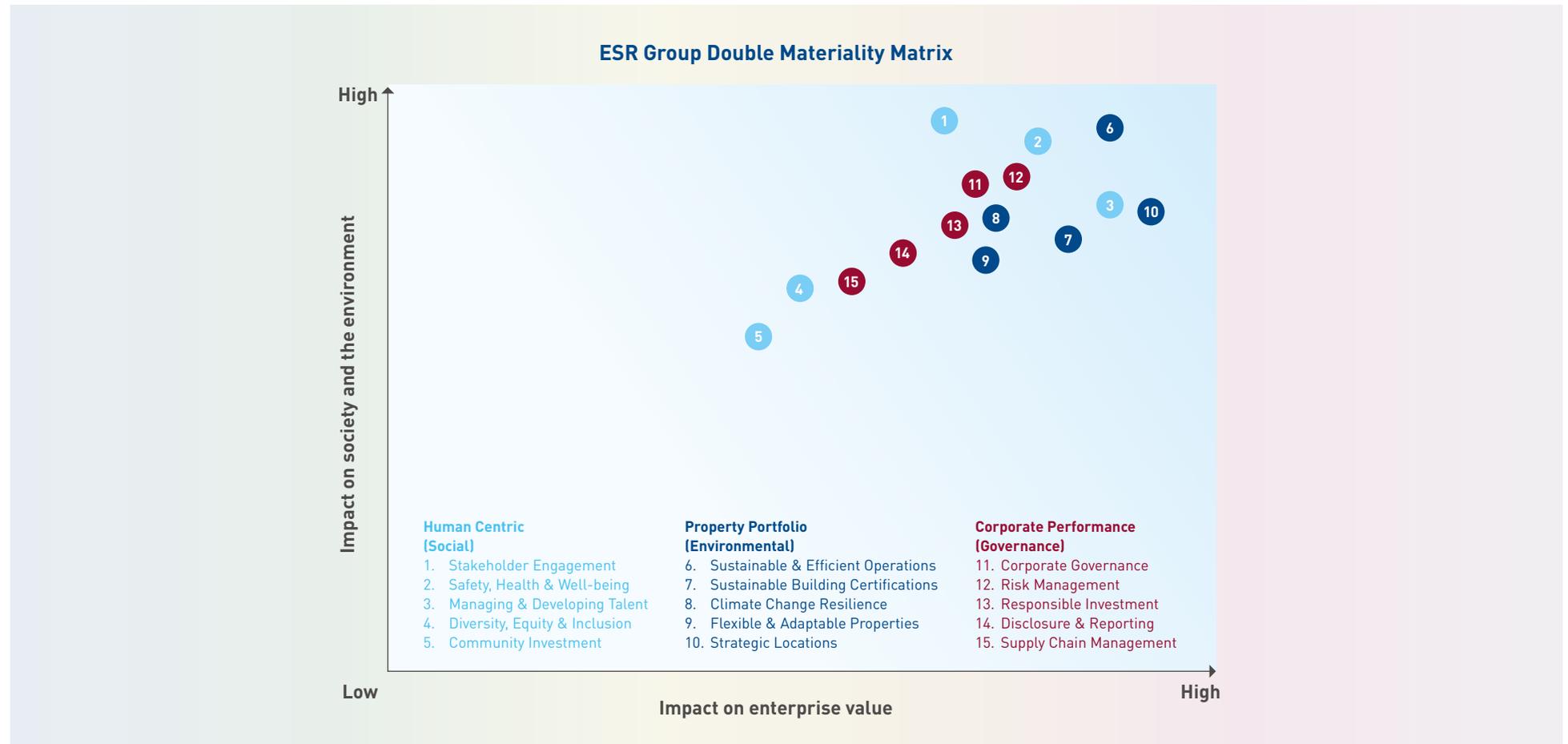
5 The Group announced it has closed a total of seven Sustainability-Linked Loans ("SLLs") worth approximately US\$4 billion as at end-2023. To-date, there are in total 10 SLLs raised with a cumulative total amount of US\$4.4 billion approximately.

6 Above comparisons in brackets refer to increase in absolute and/or percentages as compared to FY2022.

OUR ESG APPROACH

MATERIALITY

Understanding perspectives of our key stakeholders is critical to aligning our ESG efforts with their expectations. Previously, we assessed our material ESG factors to reflect the evolving trends and market practices. Supported by an external consultant, the comprehensive process involved workshops with senior management, internal and external stakeholders and included an assessment of global trends and an internal business review. The conclusion of the workshop provided an updated set of 15 material ESG factors which were prioritised and adopted as the Group’s focus areas under the pillars of Human Centric, Property Portfolio and Corporate Performance. In 2023, these factors were reviewed, in consideration of recent global trends, as well as risks and opportunities impacting our stakeholders in the short, medium, and long-term horizons. As a result, the 15 material ESG factors were deemed to remain relevant to the Group for FY2023.



OUR ESG APPROACH

ESG @ ESR

ESG considerations are integrated into every aspect of our business through proactive decision-making. We strive to achieve our ESG objectives while keeping in mind our stakeholders' expectations and incorporate ESG factors into our business operations.

Sustainability considerations are built into our core business activities, including investments, fund management and New Economy development through implementing best practices, setting up goals and monitoring performance. We seek to facilitate continuous improvement across each market where we operate and throughout each stage of the whole asset life cycle.

A comprehensive ESG investment checklist, approved by the Investment Committee, was established in January 2022. This checklist is an assessment of ESG requirements by fund investors covering climate-related risks, building certifications, renewable energy adoption, indoor environmental quality, material sourcing and sustainable procurement, building technical assessments and environmental management systems, energy, water and waste management efficiencies and occupier considerations, amongst other factors, where applicable. Through this checklist, the Group is able to integrate ESG considerations in its due diligence for better decision making and risk management.

In addition, ESR utilises a proprietary database for climate risk assessments in accordance with the requirements outlined by the International Sustainability Standards Board ("ISSB")'s International Financial Reporting Standards ("IFRS") S2, which is built upon the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD") Framework. Third-party consultants are appointed to conduct specific ESG due diligence including soil and site studies for construction and industrial waste management channels.

INVESTMENT
IDENTIFICATION

DUE DILIGENCE

PERMIT
APPROVALS

ASSET
DEVELOPMENT

ASSET
MANAGEMENT

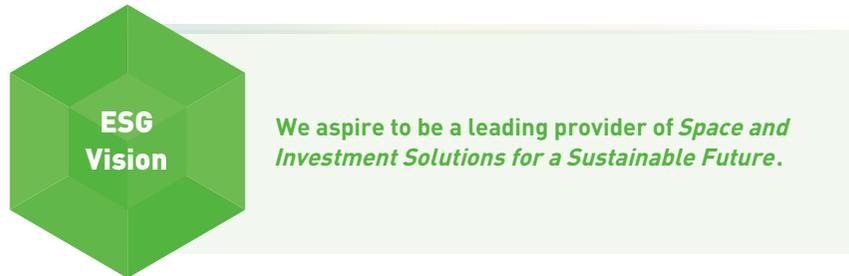
MONITORING &
REPORTING



OUR ESG APPROACH

ESG @ ESR

ESG Vision and Mission



ESG Framework

Our ESG Framework organises material ESG topics for our business into 15 focus areas under three key pillars: Human Centric, Property Portfolio and Corporate Performance. Each focus area has accompanying strategic initiatives and targets that are monitored, measured and reported on an annual basis. This report provides an overview of our management approaches, as well as an update on our performance during the year.

HUMAN CENTRIC

Basic human needs are universal. As we strive to create a safe, supportive and inclusive environment for all employees, customers, suppliers and communities, meeting those needs today while ensuring they can be met in the future is the cornerstone of sustainable development.

Focus Areas

- Stakeholder Engagement
- Safety, Health & Well-being
- Managing & Developing Talent
- Diversity, Equity & Inclusion
- Community Investment

PROPERTY PORTFOLIO

Sustainability is central to our mission because we aspire to improve the environmental prospects of our planet. We are committed to environmental stewardship by developing and maintaining sustainable and efficient buildings.

Focus Areas

- Sustainable & Efficient Operations
- Sustainable Building Certifications
- Climate Change Resilience
- Flexible & Adaptable Properties
- Strategic Locations

CORPORATE PERFORMANCE

Strong corporate performance is the foundation upon which we will achieve sustained and balanced growth giving rise to stable and dependable returns over the long-term. We embrace the highest standards of governance and ethics in all aspects of business conduct.

Focus Areas

- Corporate Governance
- Risk Management
- Responsible Investment
- Disclosure & Reporting
- Supply Chain Management

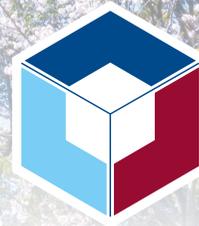
OUR ESG APPROACH

ESG @ ESR

ESG Objectives

SPACE AND INVESTMENT SOLUTIONS FOR A SUSTAINABLE FUTURE

EMBRACING DIVERSITY, EQUITY AND INCLUSION



RESPONSIBLE INVESTMENT APPROACH



Build assets in strategic locations, with a sustainability focus on-site selection, efficient design, green construction and energy-efficient operations.



Maintain a safe working environment by achieving zero ESR workforce fatalities and promoting the holistic well-being of our people.



Commit to fostering workplaces embracing diversity that are free from discrimination and achieve a gender ratio target as part of the overall diversity, equity and inclusion plan with monitoring actions and progress.



Conduct engagement initiatives with our stakeholders such as investors, business partners, tenants and communities to elevate our deliverables.



Enhance community involvement and philanthropic activities through a series of planned events involving our stakeholders.



Uphold the highest standards of corporate governance throughout the enlarged Group, with strong core values and business ethics.

ESG Commitments

Our ESG Framework is aligned to six of the Sustainable Development Goals (“SDGs”) from the United Nations 2030 Agenda, the United Nations-supported Principles for Responsible Investment (“UN PRI”), as well as global ESG frameworks, standards and industry best practices. Aligning our ESG approach to these global commitments helps to guide our business strategies towards desired sustainability outcomes.

ESG Pillar	UN SDGs	IFRS S2 (TCFD)	GRI
Human Centric	  		GRI 401 – Employment GRI 403 – Occupational Health and Safety GRI 404 – Training and Education GRI 405 – Diversity and Equal Opportunity GRI 406 – Non-discrimination GRI 413 – Local Communities
Property Portfolio	  	✓	GRI 302 – Energy GRI 303 – Water and Effluents GRI 305 – Emissions GRI 306 – Waste
Corporate Performance			GRI 205 – Anti-corruption GRI 206 – Anti-competitive Behaviour GRI 418 – Customer Privacy

OUR ESG APPROACH

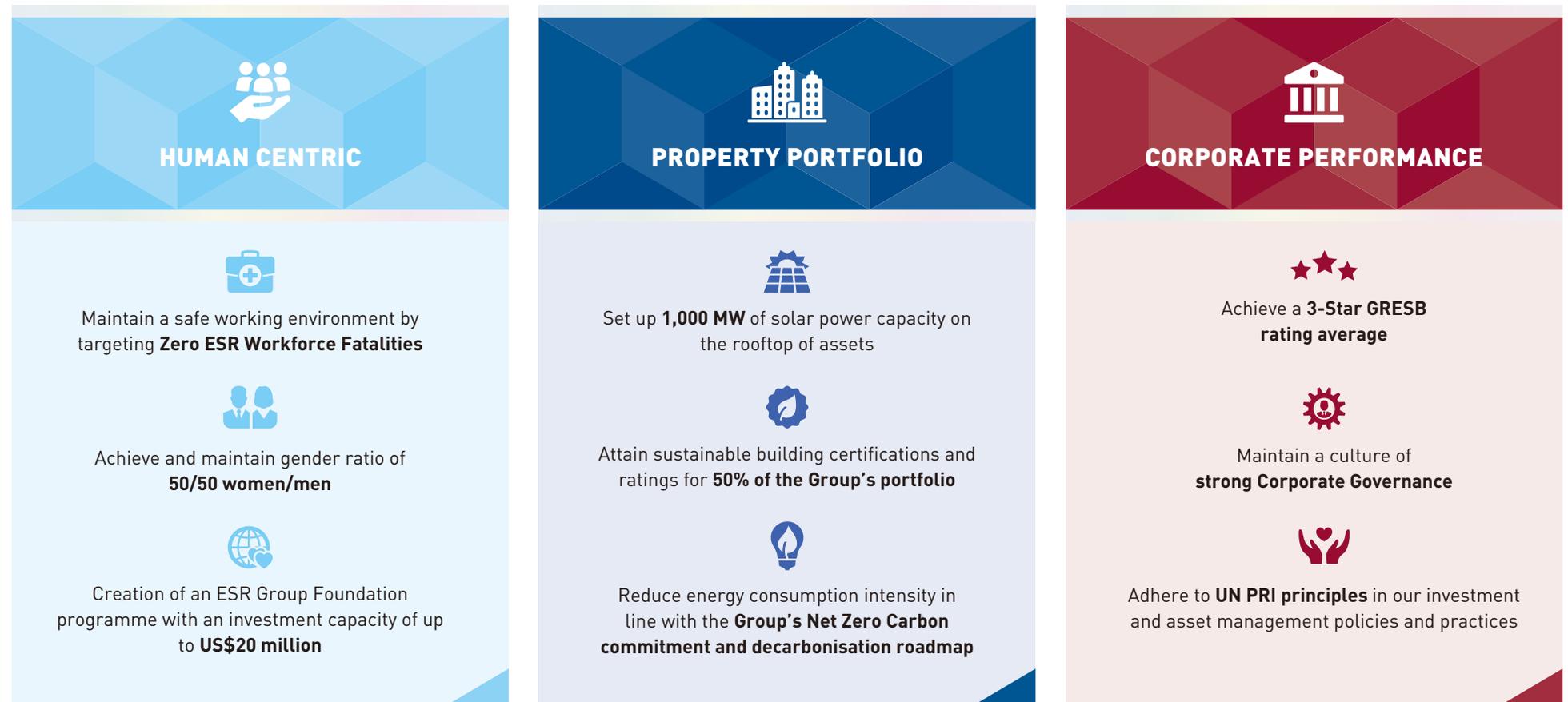
ESG @ ESR

ESG 2030 Roadmap

In May 2023, the Group reaffirmed its commitment to accelerate long-term sustainable growth by unveiling its ESG 2030 Roadmap. Under this roadmap, ambitious targets across the three pillars of its ESG Framework were established to accelerate positive impact across the Group.

As we lead the way forward in the transition to a more inclusive, low-carbon and climate resilient future, our ESG 2030 Roadmap will sharpen our focus in harnessing synergistic partnerships, driving greater ESG efforts, and maximising positive outcomes.

We will continue to track and report our progress against these nine targets in our annual ESG Reports and other disclosures going forward.



OUR ESG APPROACH

ESG in Action

We have taken proactive steps to lead the way in implementing ESG practices within our business. Through various initiatives, we are actively working to reduce our environmental footprint and create a sustainable portfolio by integrating ESG considerations into the planning, construction and maintenance of our assets. The core elements of our developments are in line with the key focus areas outlined in our Group's ESG Framework.

ESR SHENYANG HUALONG E-COMMERCE INDUSTRIAL PARK

The completion of ESR Shenyang Hualong E-commerce Industrial Park has become part of our strategic initiative to expand our new economy business in China. This expansion focuses on key sectors such as logistics, data centres, life sciences and high-tech industries. Spanning an impressive site area of 108,812.36 sqm, this park has been identified as the nation's cross border E-commerce cluster and centre with fully integrated infrastructure in Northeast China.

ESR Shenyang Hualong E-Commerce Industrial Park



Stakeholder Engagement

- Jointly with JD.com, a major domestic e-commerce company to build three temperature warehouses
- Cooperate with Jinkopower Co., Ltd. to adopt BIPV system



Sustainable and Efficient Operations

- Implement a total on-site solar power generation of 2 MW
- Build three temperature warehouses (deep cold, normal cold and air-conditioned) to provide stable power support for cold chain facilities
- Install EV charging stations to utilise renewable energy sources
- Install lighting timer switches at public areas to save energy



Flexible and Adaptable Properties

- Smart Park System – to view tenant information and monitor daily operational and environmental data in a real time basis



Strategic Locations

- Easily accessible to highway and railway station, only 10-minute driveway to Shenyang airport, providing optimal location to e-commerce, third-party logistics (3PLs) and cold storage enterprises



Disclosure and Reporting

- The property is part of GIC fund and will be participating in the GRESB standing investment assessment going forward

OUR ESG APPROACH

ESG in Action

**ESR KOREA BUCHEON LOGISTICS PARK**

Situated in the western part of Seoul, Bucheon Logistics Park in Bucheon offers convenient access from Seoul and the Gyeonggi area through the beltway surrounding Seoul and Gyeongin Expressway. The logistics park is designed for optimum logistics efficiency with features such as a one-way circulation system, a one-side cross-platform docking system and a one-floor cross dock system. Additional amenities include mezzanine offices and top-floor support facilities, creating a pleasant working environment for logistics operations. Furthermore, the logistics complex is planned with an eco-friendly approach, aiming to achieve and maintain LEED Gold grade and green building certification.

**Sustainable and Efficient Operations**

- State-of-the-art design and employee amenity space on roof level
- Clear height ranging from 9.5-12m, 724 dock doors over four warehouse floors

**Flexible and Adaptable Properties**

- Multi-storey, ramp up distribution facility of roughly 300,000m² featuring ground-level cross dock

**Sustainable Building Certifications**

- Sustainable design with LEED Gold certification
- WELL Gold certification from the International WELL Building Institute

**Strategic Locations**

- Prime infill distribution centre located within a master-planned logistics development
- Excellent connectivity to Greater Seoul and major transport infrastructures including Gimpo International Airport and Incheon International Airport

OUR ESG APPROACH

ESG in Action

SUNTEC: 177 PACIFIC HIGHWAY

Designed with sustainability and flexibility at the forefront, 177 Pacific is an impressive tower that stands tall above North Sydney, offering stunning views and 40,000 sqm of light-filled office space. This sophisticated workplace is home to renowned brands and brilliant minds, all sharing a lush garden plaza. It provides various amenities such as food and beverage options, end-of-trip facilities and 24-hour security.



Sustainable and Efficient Operations

- Full array of sustainable features to mitigate environmental impacts including use of low-temperature Variable Air Volume (VAV) systems, rainwater recycling and the use of materials with low embodied energy



Stakeholder Engagement

- Organise local events to strengthen connects among its occupants
- The proximity to North Sydney's attractions promotes a healthy work-life balance



Flexible and Adaptable Properties

- Lift large floor plates and floor-to-ceiling windows on every level, creating a sense of spaciousness
- The communal areas, such as the kitchens and end-of-trip facilities, are designed intuitively, ergonomically and for enjoyment



Sustainable Building Certifications

- Awarded 5 Star Green Star Office As Built rating, 5 Star Green Star Office Design rating, 6 Star NABERS energy rating and 5 Star NABERS water rating



Strategic Locations

- Offers a strategic location just minutes away from the CBD, accessible by car, bus or train. It is conveniently situated near North Sydney Station and the Victoria Cross metro, providing quick connections to Central, Martin Place and Barangaroo

OUR ESG APPROACH

ESG in Action

**Sustainable and Efficient Operations**

- Conducting a Life Cycle Assessment (LCA) to inform environmentally design choices and optimise material selection
- Lower energy usage through efficient lighting design, double glazed windows, insulation and a planned 1 MW rooftop solar system
- Water-efficient fixtures, rainwater capture and reuse and indigenous landscape design for reducing water consumption

**Sustainable Building Certifications**

- Targeting a 5 star Green Star Design & As Built rating to validate sustainable design and construction efforts

**Flexible and Adaptable Properties**

- Climate change adaptation plan developed in line with Green Star requirements and ISSB reporting framework
- Free-standing automation structure allows for flexibility in removing or upgrading the systems to suit tenant needs

**Strategic Locations**

- Well-connected to motorways, Melbourne Port, Melbourne Airport and the proposed Western Interstate Freight Terminal (WIFT), a significant regional infrastructure project

**Disclosure and Reporting**

- Part of LOGOS' LAIV fund, an active participant in the GRESB standing investment assessment
- Obtained GRESB 2-Star rating with on-going improvements

**LOGOS: MONDELEZ AUSTRALIA WAREHOUSE**

Located 20 kilometres west of the Melbourne CBD, Mondelez Australia warehouse is a development in progress located in Palmers Logistics Estate at 90 Palmers, Truganina, Melbourne. The Mondelez building is a 42,774 sqm development comprising of state-of-the-art automation system supporting its business operations. The property will have a 1 MW on-site solar photovoltaic system which provides clean energy for on-site operations and will be targeting to achieve a 5 star Green Star Design & As Built rating.

PILLAR 1: HUMAN CENTRIC

Human Centric

The first Pillar of our ESG Framework: Human Centric focuses on the social aspect of our operations, covering areas relating to both our internal and external stakeholders.

Focus Areas	Goals	Progress
Stakeholder Engagement	Conduct engagement initiatives with our stakeholders such as investors, business partners, tenants and communities to enhance our deliverables.	<p>Tenants: Tenant Engagement Surveys are conducted across our asset portfolio to improve building management and performance. From the results, tenant engagement initiatives such as enhancing environmental awareness, health, safety, and well-being are being implemented to improve overall tenant satisfaction. Such tenant satisfaction surveys were conducted by the funds and REITs under our business units (“BUs”) that also participate in the annual GRESB assessments i.e., ESR — Australia, China, Japan, Korea and India, LOGOS, ARA Private Funds and REITs — Suntec, Fortune, Prosperity and US Hospitality</p> <p>Investors: Capital partners and investors are regularly engaged on ESG matters throughout the year via different platforms such as ESG Non-Deal Roadshows and Investor Day. These engagement forums serve to facilitate communication and increase investors’ awareness of our ESG performance.</p> <p>Suppliers: Suppliers are regularly engaged through due diligence and screening using the Compliance Desktop platform. The elected suppliers are required to adhere to our Supplier Code of Conduct, where applicable.</p>
Safety, Health & Well-being	<p>Maintain a safe working environment by achieving Zero ESR Workforce Fatalities and promoting the holistic well-being of our people.</p> <p>2030 Roadmap Target: Zero ESR Workforce Fatalities</p>	Zero workforce fatalities was achieved in FY2023 for ESR Group’s employees. Ensuring safety remains a top priority and we are actively pursuing measures to enhance safety protocols for our contractors.
Managing & Developing Talent	Aspire to be an Employer of Choice and drive an employee engagement programme with a strong focus on workplace satisfaction, talent retention and training.	<p>An inaugural Group-wide Employee Engagement Survey was conducted in July 2023, with an average employee satisfaction score of 4.25 (out of 5) and an overall response rate of 80%.</p> <p>Continued efforts have been made through the implementation of employee engagement initiatives, including various Group-wide events and rollouts to foster collaboration and belonging. Further details can be found in this report.</p>

PILLAR 1: HUMAN CENTRIC

Human Centric

Focus Areas	Goals	Progress
Diversity, Equity & Inclusion	<p>Commit to fostering workplaces that embrace diversity and are free from discrimination, and achieve a gender ratio target as part of the overall diversity & inclusion plan with monitoring actions and progress.</p> <p>2030 Roadmap Target: 50/50 women/men gender ratio</p>	<p>Gender ratio across the Group's employees was 45.4% in 2023, an increase from 44.8% in 2022.</p> <p>There are currently 13 directors on the Board including 4 females as of 1 January 2024 (2023: 3 female directors), equivalent to 31% female representation at the Board-level.</p>
Community Investment	<p>Enhance community involvement and philanthropic activities through a series of planned activities involving our stakeholders.</p> <p>2030 Roadmap Target: Creation of an ESR Group Foundation programme with an investment capacity of up to US\$20 million</p>	<p>As part of the plans to establish an ESR Foundation, a Group Social Impact Committee was set up to drive group-wide community investment initiatives with global consistency and local relevance and participations. Various ongoing community engagement initiatives were conducted in local and overseas offices, in line with the Group's three focus areas of Strengthening Social Resilience, Health and Well-being, Promoting Education & Upskilling and Protecting the Environment.</p> <p>Inaugural Group-led volunteer activity with Suncare (SG-based) charity is to be piloted in 2024.</p>



PILLAR 1: HUMAN CENTRIC

Stakeholder Engagement

Stakeholder engagement is integral to the way we do business.

We maintain close connections with our stakeholders, both internal and external, to achieve shared business goals that align with our core values. Constructive engagement and long-term relationships are integral to our business, enabling us to pursue continuous improvement. We listen to and reflect upon the views of key stakeholder groups, consider the performance of our peers and keep abreast on the latest developments and technologies relevant to our industry to sustain our competitive advantage in the market.

**EMPLOYEES**

ESR values its workforce, as it is key to propelling the business forward and achieving major operational milestones. Our people continue to be fundamental to the resilience and agility of the Group. Attracting and retaining the right talent is crucial to our continued success. Three out of the five focus areas in the Human Centric pillar of our ESG Framework address various aspects of human capital management, including Diversity, Equity & Inclusion, Managing & Developing Talent, and Safety, Health & Well-being. We engage our employees through various channels — including Employee Engagement Surveys, myESR Intranet, Townhall sessions, Learning Bites sessions, In-Conversation sessions with our Group Co-founders and Co-CEOs and Social impact initiatives with our senior management teams.

**INVESTORS AND CAPITAL PARTNERS**

ESR has developed longstanding relationships with several of the world's largest and leading pension and sovereign wealth funds. We cultivate strong and sustainable relationships with our investors and capital partners, including shareholders, analysts and fund managers, by providing regular and relevant information on corporate and business developments. We also recognise the increasing demands from these stakeholders for comprehensive disclosure on ESG-related risks and opportunities, particularly those related to climate change and the journey to net zero. Apart from regular updates via our press releases, ESR's website and social media, ESG and Annual Reports and our participation in globally recognised ESG benchmarks such as GRESB and UN PRI, we have additional engagement channels such as investor meetings and roadshows (e.g., ESG Non-Deal Roadshows and Investor Day), quarterly reporting updates, Annual General Meetings and announcements posted on The Stock Exchange of Hong Kong Limited.

**TENANTS**

3PL and e-Commerce businesses account for the majority of our tenant base. The remainder comprises brick-and-mortar retailers, manufacturers, cold-chain logistics and others. The commonality of all these highly valued tenants is the need to be closely connected to their customers in order to operate highly efficient supply chains. Our role is to provide sustainable and innovative solutions to enable our tenants to meet this need. In addition, our property managers are responsible for upholding the highest standards expected of our facilities throughout the region. They engage tenants and liaise closely with vendors in our managed properties to oversee security, cleaning, repairs and other maintenance. In addition to regular meetings, we also obtain tenant feedback through surveys, 24/7 call centres and hosting community events. Our property and asset managers are equipped with operational expertise with their individual performance linked to sustainability indicators of their buildings, which they work closely with the tenants to achieve such objectives. Other ongoing engagement initiatives were carried out during the year including our continued partnership with Healthy Heads in Trucks & Sheds (under Pillar 1: Human Centric p.24), Lunar New Year activities for office tenants, festival social activities (i.e. Mid-Autumn Festival and International Women's Day), regular celebrations at park premises and tenant satisfaction surveys.

**COMMUNITIES**

Contributing positively to the sustainable development of the communities is integral to our corporate vision. As part of our ESG Framework, we established a goal in creating a coordinated, Group-wide Community Engagement Programme that will tie various initiatives from our local offices together into a coherent approach. Various ongoing community engagement initiatives are organised across local and overseas offices. An inaugural Group-led volunteer activity with SunCare (SG-based) charity is to be piloted in 2024.

**REGULATORS**

The Group is subject to the applicable laws and regulations of the various jurisdictions where we operate, and robust policies and procedures are put in place to facilitate the compliance with those regulations. We do not tolerate any breach in regulatory compliance and work closely with external legal professionals and internal compliance teams on legal and regulatory matters. Furthermore, the Group engages regulators to provide feedback and stay informed of the latest developments on regulatory issues and implements regular compliance training and updates to the employees. ESR also has corporate memberships in various industry bodies and associations, which facilitate engagement with the authorities.

**SUPPLIERS AND CONTRACTORS**

ESR seeks to engage and work with our suppliers and contractors (collectively referred to as "Suppliers") to adhere to high standards of ESG for their products and services. Specifically, we expect our Suppliers to uphold business integrity principles including business conduct, fair competition and confidentiality, amongst other factors. On social related areas, our Suppliers are also expected to respect basic human rights, prohibit modern slavery and discrimination and uphold health and safety standards. On the environmental front, our Suppliers should comply with relevant environmental laws and regulations and minimise the environmental impact from their activities. The Group has continual engagement with its Suppliers through Compliance Desktop® platform and the Supplier Code of Conduct has been implemented across our supply chain.

PILLAR 1: HUMAN CENTRIC

Stakeholder Engagement



CASE STUDY

Integrating the Human-Centric Touch — Japan



A Lounge in Higashi Ogishima Distribution Centre

In Japan, our assets are designed with occupants in mind as the facilities boast a suite of human centric features such as KLUBB — lounges, fitness centres and skydeck, female-friendly spaces and children's day-care centres. These day-care centres are typically known as "BARNKLUBB" which have large scale facilities exceeding 100,000 sqm. Offered free of charge and managed by licensed day-care providers, our BARNKLÜBBs provide high-quality bilingual childcare services, which are well received by families working at the tenant companies. Not only does this initiative support ESR's customers in attracting and keeping the talent they need — particularly working mothers, it also improves the well-being of on-site employees and workforce productivity, whilst creating greater inclusiveness, diversity and flexibility.



ESR Spring School at ESR Fujiidera Distribution Centre

Using the spaces in our assets as a venue, ESR hosted the 2023 Summer, Winter and Spring Schools within BARNKLÜBB at ESR Kuki Distribution Centre (DC), Redwood Fujiidera DC and Redwood Nanko DC1. The first summer school was held in 2019 at ESR Kuki DC. Various content such as English lessons by native instructors, art & craft workshops, drama and exercise classes were offered to boost the children's interaction with one another. To date, there are 9 such BARNKLÜBBs established in Japan.

PILLAR 1: HUMAN CENTRIC

Safety, Health & Well-Being

People are our greatest asset, as ESR is not able to achieve its success without their unwavering support. We continue to expand our efforts to prioritise employee well-being and development and enhance collaboration across the enlarged Group. To promote a safe environment for our employees, we ensure full compliance with the relevant employment and occupational health and safety laws and regulations in all jurisdictions where we operate in.

Occupational Health and Safety

In alignment with the ISO 45001 Occupational Health and Safety ("OHS") international standard, various business units including ESR China, ESR Data Centre and ARA Property Management (representing around 10% of the Group's total AUM as at end-2023) have obtained the ISO 45001 certification. This certification provides a framework to manage risks and improve on our OHS performance through policies, planning, implementation, auditing, and review. Key elements of this certification include hazard identification and risk assessment, legal and regulatory compliance, emergency planning, incident investigation and continual improvement. Building on good OHS standards, we intend to roll out this ISO 45001 certification to other business units within the Group going forward.



In implementing OHS at the business unit level, our property and project managers are also required to attend Occupational First Aid, Cardiopulmonary Resuscitation ("CPR"), Automated External Defibrillator ("AED") and the Company Emergency Response Team ("CERT") training courses to equip themselves with skills to be in-house first responders. Specifically for our property development teams, there are established worksite safety programmes to enhance incidents prevention and emergency preparedness. In addition, there are measures in place on the oversight of the general contractor and related service providers, to ensure responsibility of the entire site and compliance with local building and safety regulations. This includes monitoring the number and status of contractors at sites, conducting periodic meetings to discuss related risks and ensuring that emergency trainings are conducted. We also work closely with our supply chain to ensure that employees of our contractors are provided with adequate standards of safety and health protection as specified in our Supplier Code of Conduct.

Contractor Safety Management System

In accordance with relevant and local workplace health and safety regulations, a robust contractor safety management system is implemented to integrate on-site health and safety management processes. At LOGOS, a centralised real-time dashboard manages contractors from pre-qualification to onboarding and ensure compliance with the Group's environmental and H&S standards.



To ensure that all incidents occurring in the worksite is investigated promptly, the Rapid Global dashboard also ensures that all incidents or non-compliance with safety standards and accidents involving employees and/or subcontractors are also reported to management in real-time, with effective and practical remedial measures are taken to prevent recurrence. Lessons learnt from incidents and near misses are shared with all relevant team members to prevent recurrence.

Safety Leadership & Governance: A real example at one of our assets

At Moorebank Logistics Estate, we have built a fully customised safety governance and reporting platform to enhance safety reporting and management of our 200+ hectare site. This customised LOGOS platform helps to streamline the process of collecting safety data and incident reports from all general contractors on a rolling and monthly basis. The cloud-based web platform allows workers to instantly access and contribute to the data conveniently.

This project is built in collaboration with multiple joint venture development partners, to improve and integrate data analysis and reporting, specifically on safety. The objective is to drive effective decision making aligned to improving risk management, by identifying trends in development sites' risk profile across each development stage.

The project team undertook training and implementation, incorporating nine general contractor representatives on the use and participation of the safety platform. Going forward, the Group seeks to leverage the use of technology to advance health and safety topics, as well as gleaning insights from this project to apply to other assets.

PILLAR 1: HUMAN CENTRIC

Safety, Health & Well-Being

Intentional conversations on safety: Site 'STOP' for Safety

We recognise the importance of raising safety awareness and fostering conversations on related topics. In Australia, LOGOS organised a safety event at our largest development with 400+ workers in attendance. We collaborated with a large customer, where the development site was stopped for the morning to cater for several guest speakers, making a safety pledge and organising a barbecue. As this customer has a significant contractor presence on-site, a collaboration on this event brought amplified importance around workplace safety, benefiting not just the site, but closer working relations across both companies.

The guest speakers shared about the importance of safety at work, emphasising on personal relevance, speaking up and taking actions. At the development site, a message board was set up to encourage all workers to write a personal pledge under the heading "I work safely because..." to relate the day to something personal and unique for each individual.

We received positive feedback from several general contractors who expressed their appreciation that a developer took the time and interest to organise such an event to raise safety awareness and standards.

Health and Well-being

At the workplace, we are committed to providing a safe working environment and promoting a holistic well-being for our employees with a healthy work-life balance. We actively engage our employees across multiple levels to reinforce that health and safety are a shared responsibility.

Policies are put in place at the Group level on our Intranet such as the "Employee Health and Safety", the "No Violence Workplace" sections under the Group HR Policy and the "Discrimination and Harassment" sections from our Code of Conduct and Business Ethics to clearly outline appropriate behaviour at the workplace. In addition, we have incorporated local company policies and operating practices addressing health, safety, and well-being to cater to local contexts. All employees must follow company policies and guidelines from the Group Human Resource and Compliance departments. If an employee identifies a potential hazard, they are required to raise the issue to their manager or HR without delay.



We recognise that health and well-being, including mental health, are core enablers of organisational performance. To promote these areas across the Group, we organised regular online and in-person health and well-being initiatives such as "Good Ergonomics for Better Workplace Health" webinar, as well as various workplace fitness programmes. All eligible¹ employees, including contract and/or part-time employees, have access to a comprehensive welfare and benefits programme ranging from health and risk insurance coverage, pension plan obligations/social security contributions, wellness initiatives, as well as various types of leave schemes. These include parental leave, family care and childcare leave subject to local jurisdictions. Such practices provide our employees with more flexibility in managing caregiving demands. At our premises, we strive to incorporate recreational facilities, break-out areas, pantries stocked with healthy foods and improved access to nature via green trails.

¹ Subject to eligibility conditions applicable to the respective markets. If and where applicable, pro-rata may be adopted.

PILLAR 1: HUMAN CENTRIC

Safety, Health & Well-Being

Supporting mental health and open conversations: R U OK? DAY & HEALTHY HEADS IN TRUCKS AND SHEDS (“HHTS”)

The Group is committed to creating a safe and healthy workplace, empowering our people to check-in with those around them, and receiving support to their mental well-being. In Australia, the health and well-being of workers within the road transport, warehousing and logistics industries continue to be a priority. In 2023, ESR Australia extended its outreach by partnering with key organisations that support workers in the industrial and logistics industries as well as the local communities.

With the ongoing partnership with Healthy Heads in Trucks and Sheds (HHTS), we seek to promote the understanding of mental health and well-being to our stakeholders by fostering on-site discussions and utilising expert tools. This partnership allows us to support our customers and their teams by providing access to resources around mental health and well-being throughout the year.

In 2023, we continued our participation in “R U OK? Day in Trucks and Sheds”, a dedicated day event at our customer sites which promotes conversations around mental health awareness and nutrition. We also organised a roadshow with touring mental health outreach program. The program is supported by a team of health professionals at our industrial estates to deliver educational information, along with some fun games activities. In addition, our teams across the LOGOS Australia and New Zealand region came together for a morning tea discussion on topics relating to empowerment and helping local communities on mental health. Staff are also encouraged to have an open discussion on the topic of mental health, and everyone is provided with a coffee voucher to take out a colleague or friend to ask if they “R U OK?”. Such initiatives continue to support the Group’s focus on creating workplaces that put people first, prioritising employee needs and creating a positive work environment.



WELL Health-Safety Rating

ESR has received well-deserved recognitions for its efforts in raising awareness on critical health and safety issues to owners and operators. In South Korea, 28 assets have achieved the WELL Health-Safety Rating from the International WELL Building Institute (IWBI), representing approximately 2.3 million sqm of the portfolio. The WELL Health-Safety Rating entails a third-party review process, including evaluation of cleaning and sanitisation procedures, emergency preparedness programmes, air and water quality management, stakeholder engagement & communication, and innovation. This certification demonstrates our commitment to the health and well-being of our tenants. We believe in the sharing of best practices across our regions and continue to strive for achieving WELL Health-Safety Rating certifications or equivalents across our business. The Group also seek to comply with all the local health and safety regulations and safety training requirements relating to our assets.



Wongok Logistics Park

PILLAR 1: HUMAN CENTRIC

Safety, Health & Well-Being

Tenant Safety, Health & Well-being

ESR Group adopts a policy in upholding a high standard for indoor environments across its entire business operations and provides a safe environment with protection against physical, chemical, biological and safety hazards for tenants and customers. We actively manage pollutant risk, by conducting air quality inspections at our assets to assess and maintain optimal air quality and ensure that contaminant sources affecting the indoor air quality of our assets are eliminated, where applicable. These include adequate housekeeping and good humidity control to prevent biological contaminants including airborne bacteria, viruses, fungi and mould, proper HVAC systems to eliminate chemical contaminants such as tobacco smoke and accidental spills from chemicals, as well as installation of air filters and ionisers to remove particle contaminants such as dust and dirt.

Tenant Engagement Surveys are conducted across our asset portfolio to improve building management and performance. From the results, tenant engagement initiatives

such as enhancing environmental awareness, health, safety, and well-being are being implemented to improve overall tenant satisfaction. The strategy is to improve across all our development and standing assets on the various aspects of thermal, visual and acoustic comfort, while providing the opportunity for individual tenants to control local environment, have available and access to outdoor space and nearby community facilities, where applicable.

The Group ensures compliance with occupational health & safety ("OHS") regulations, controlled use of materials during maintenance and fit-out works (e.g., pesticides), emergency access and exit points within the buildings, fire safety equipment and emergency responses (e.g., fire drills and counter-terrorism exercises). To ensure the safety and security of tenants and public, each property is closely managed by an onsite property management team. The team oversees the daily operations with the support of service providers to implement a range of safety and security measures, disaster management, assessing security threats and aligning them to local specifications.



PILLAR 1: HUMAN CENTRIC

Managing & Developing Talent

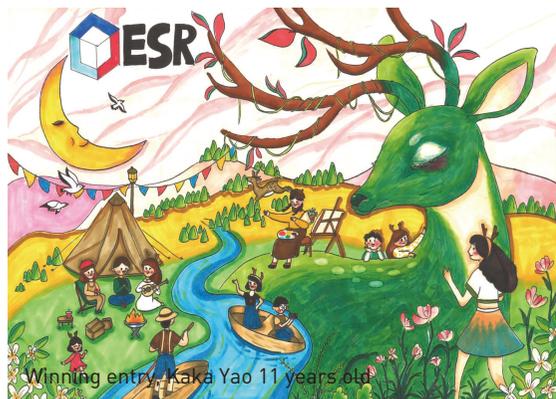
In 2023, the Group conducted its inaugural Group-wide Employee Engagement Survey, which covered key areas such as leadership, supervision, career development, job satisfaction, teamwork and collaboration, communication, health and mental well-being. The survey garnered an overall average score of 4.25 out of 5, with a response rate of 80%. This survey serves as a baseline for us to benchmark ourselves going forward as we continue to improve our overall employee satisfaction and engagement.

As part of the Employee Engagement Survey, a Survey Liaison Officer (SLO) has been appointed for each local office to manage effective follow-up communication and employee engagement action plans. These SLOs are responsible for rallying employee interests and championing employee engagement initiatives that will help to drive positive change in the workplace.

INCLUSION, RESPECT AND TEAMWORK

ESR values the diverse range of perspectives and backgrounds of its people. The Group continued to engage employees from various business units and offices over group-wide social events for team bonding and collaboration. These events enabled our employees to build stronger working relationships and improve communication, while fostering a sense of unity and breaking down any silos during the integration of our business.

In 2023, we held our first-ever ESR Group Global Art Competition, where we received 72 impressive entries from our budding artists aged 5 to 15 including our staff's children. The theme is for the children to share their vision of a sustainable future through their hand-drawn artworks. Celebrating the children's accomplishments across our global network, the top 12 winners each received an Apple iPad to empower them to create digital works of art. The rest of the participants received gift cards and book vouchers as tokens of appreciation. Our first-place winner was Kaka, and her artwork was brought to life through a touch of animation magic in our ESR Group 2023 Christmas e-card. The top 12 winners' artworks were also featured in our ESG Group calendar for 2024 symbolising the hope and dreams of our next generation.



Winning entry, Kaka Yao 11 years old



With the success and positive feedback from last year's inaugural Durian Fiesta, we held the second edition for all Singapore-based employees in 2023. Over 200 employees attended this event to enjoy 350 kilograms of the fragrant Mao Shan Wang durians, freshly de-husked on the spot, though it quickly became less about the fruit and more about making connections and sharing laughs. Employees bonded

over their common love for tropical fruits and used the opportunity to mingle with fellow colleagues from various business units.

The Lunar New Year marked the first large scale event for ESR Singapore, ARA, LOGOS and ESR-LOGOS REIT staff to get together. Jeffrey Shen, our Group Co-founder and Co-CEO, hosted the festive celebration, which included a traditional lion dance performance, game stalls, buffet lunch and lucky draws. Aside from positive feedback on the interactivity and festivity aspects, our colleagues expressed appreciation on the table seating, which intentionally placed them with different business units to foster networking within the larger ESR family.

Apart from the new year celebration, we also hosted various social events with a focus on physical wellness, namely a team-based wellness challenge, cycling spinout classes, aerobic classes and a running club.

In Indonesia, teams from ESR and LOGOS came together to share a new office, as part of the integration to leverage on business synergies and collaboration. In addition to a ribbon cutting ceremony, an Indonesian tradition of cutting *Tumpeng* was held to symbolise unity. Senior management held a townhall session to facilitate alignment with team members on the shared vision and future business plans.

PILLAR 1: HUMAN CENTRIC

Managing & Developing Talent

We also celebrated the opening of our new office in Thailand, as officiated by the Group Co-founders and Co-CEOs and it was attended by our business partners. During the event, our employees had the opportunity to network and build relationships, fostering a sense of camaraderie and team spirit. The new office embraced the ESR brand identity, with modern designs and amenities optimising productivity and collaboration among employees.

“For me, the most memorable part about the office move was seeing how it got everyone excited. It was great to see everyone coming together to help each other during the grand opening ceremony. There was a real sense of teamwork and camaraderie. And of course, seeing the new office for the first time was amazing!”

Varindra Laohalertdecha, Director,
HR & Admin, ESR Thailand

Communication

We have launched a refreshed “myESR”, a centralised intranet hub that fosters employee communication and engagement. Key updates to the intranet include ensuring easy access by employees across the Group, improving navigation and usability through dynamic links and displayed announcements, and providing a knowledge hub for resources such as business intelligence. The unified platform allows for sharing of information in a more seamless way across the Group and facilitates building a cohesive ESR culture.

Career Development

ESR is committed to upskilling and enhancing our employees’ competencies. We ensure that our employees receive adequate training and development opportunities relevant to their jobs in areas of technical knowledge, professional qualification, and soft skills. These include formal and informal training sessions, on-the-job training, coaching and feedback as well as learning from others.



A structured approach to goal setting and performance review is in place, with formal targets established and assessed for employees across the Group. In ensuring consistency in performance and behavioural standards across the Group, we have harmonised our performance assessment approach to support employees’ short and long-term career development. The targets are Specific, Measurable, Achievable, Relevant, and Time-Bound, which are linked to the Group’s business strategies, objectives, and values. During the performance review, employees receive feedback from managers on their performance and areas of improvement. Based on these goal setting and review processes, strategic training needs are identified to equip employees with the skills and knowledge required to meet their career goals. We encourage employees to discuss their professional and career development goals with their manager and propose the relevant training and developmental courses. We also emphasise on training to enhance performance as well as instil a learning mindset in our employees for continuous upskilling and personal development. Post-training feedback obtained from employees is used to refine training plans and enhance future training programmes. In addition, mentoring and coaching are provided to employees to support them in achieving performance goals and developing competencies. In 2023, 99% of employees received regular performance and career reviews.

Besides training, we provide opportunities for employees to participate in cross markets and cultural cooperation, different functional taskforces, and overseas assignments to stretch their capabilities. In 2023, ESR announced the promotions of Josh Daitch to Group Chief Investment Officer and Matthew Lawson to Group Chief Operating Officer from their previous roles as ESR Group Head of Capital & New Economy Fund Management and ESR Australia Chief Financial Officer respectively. The promotions reflect the immense depth of talent across the Group which continues to serve as a defining core competitive advantage.

In developing the next wave of talent for the future, we have rolled out the ESR Group Get Ahead Internship Programme (“GAIN”). The GAIN internship provides students with hands-on opportunities to gain meaningful work experience in the real estate industry while enhancing the ESR brand as an ‘Employer of Choice’. Supported by experienced mentors, interns are provided with a platform to review and discuss their professional development and career aspirations, as well as receive adequate tools and resources to manage their work tasks and learning experiences. In 2023, 19 interns completed the GAIN Programme with positive feedback received.

PILLAR 1: HUMAN CENTRIC

Managing & Developing Talent

Culture of Active Learning

Continuing with ESR's focus in cultivating an active learning culture, various programmes were rolled-out in 2023, which included six "Learning Bites" sessions covering general topics on business knowledge, well-being, inclusion, respect, and teamwork. These online/on-site training sessions included additional specific topics on "Managing Goals and Cultivating Performance Mindset", "The Future of Work is Gender Equal" and "Shaping Communities through Urban Planning in Singapore", the latter being part of our Internal Subject Matter Series. The series allow employees to learn more about the work carried out by various functions within the Group, allowing them to gain a deeper understanding of the business.

We regularly promote job related training opportunities, in relation to new regulations, external certification, and safety-related courses. We also cover employee training expenses for professional memberships and examination fees required for their jobs, as well as for participation in external conferences to keep updated with industry developments. In addition, we rolled out Group-wide mandatory training which includes Cybersecurity Awareness and Compliance topics such as Anti-Bribery, Anti-Corruption and Handling of Gifts, Travel & Entertainment, Data Privacy, Conflicts of Interests, Anti-Money Laundering, Counter-Terrorist Financing & Sanctions and Code of Ethics. These training programmes form part of the employee training targets to fulfil 16 to 26 training hours annually as part of their individual development plan.

We are committed to developing future leaders and managers by equipping them with the necessary leadership skills and capabilities. ESR has a customised training programme for high-performing employees identified as future leaders for succession planning. This includes specific assignment secondments, role expansion, job rotation, mentorship, media and crisis management training for senior management, and others, which are aligned with the Group's managerial and leadership development program. In 2023, over 100 people managers attended the Performance Management for People Managers programme, an in-house core leadership programme to equip people managers with team management skills including performance management, communication and feedback strategies. Tailored leadership and management training are also provided to selected senior leaders to deepen business knowledge and sharpen their interpersonal skills and leadership styles. In 2024, ESR's Group Head of Information Technology Jonathan Lim participated in a 2-day Technology Leaders Programme, aimed at enhancing the soft skills of technology leaders and address business and organisational issues amidst technological disruptions.

During the year, the Group introduced the inaugural New Employee Orientation (NEO), which seeks to enable new colleagues, including interns, to acquire key insights of the Group from senior executives through the matrix of ESR's work, including the Group's ESG efforts. At the inaugural event, our Group Chief Corporate Officer welcomed over 30 new employees across the Group. Four hybrid sessions were carried out in 2023, with a total 98 participants from Australia, China, India, Japan, Singapore, South Korea and Thailand.

Total Rewards Strategy

Our people are the key to sustaining our long-term success in our business. To ensure that our compensation programmes are well balanced and effective at attracting, motivating and retaining the right talent, the Group regularly engages external independent professional remuneration consultants to benchmark the company's compensation packages against the relevant talent markets. Our total compensation comprises an appropriate mix of fixed pay (base salary) and variable pay in the form of cash incentives (i.e., short-term incentives) and long-term, equity-based incentives.

Our pay-for-performance philosophy drives accountability and rewards superior performance, which aligns staff and shareholder interests to deliver business results. For senior level employees who can have the greatest impact on the bottom line, a significant portion of compensation is variable, and a meaningful portion of their total compensation is delivered annually in equity awards subject to multi-year vesting to strengthen talent retention as well as the alignment with shareholder interests. To ensure that our talent attraction and retention strategy is competitive and aligned with market practice, sign-on or retention packages may be offered on a case-by-case basis. Appropriate terms including performance conditions, time-vesting and the fulfilment of a certain minimum length of service with the Company may be applied to such sign-on or retention packages.

Individual staff performance is reviewed regularly as part of our annual performance review where there is an open discussion on the staff's performance, developmental needs and career plans. Beyond mandatory requirements in local employment law, our local offices offer a range of benefits from paid vacation, medical and family leave, insurance and retirement saving schemes.

More detail disclosures can be referred to in the Remuneration Section of the FY2023 Annual Report.

PILLAR 1: HUMAN CENTRIC

Diversity, Equity & Inclusion

At ESR, we are committed to supporting diversity and aim to be an inclusive employer by extending our recruitment process to reach candidates of all backgrounds, identities, and skillsets. Regardless of gender or background, our employees are encouraged to learn, grow, and develop on both personal and professional levels — enabling them to progress and realise their fullest potential. We believe in instilling trust and mutual respect among colleagues, partners, and stakeholders, which are cornerstones of growth and success.

We believe that every employee deserves to work in a supportive and professional environment. Employees at all levels ensure that our Diversity and Inclusion goals are implemented in their areas of responsibilities. Each supervisor has the obligation to promptly address any questions or complaints about diversity or equal treatment and, if necessary, refer them to the Human Resources department for additional assistance.

We have set up a Diversity, Equity and Inclusion Committee piloted in Europe. The committee ensures that diversity, equity, and inclusion are promoted and integrated within the ARA Europe business at all levels to (i) create an inclusive, diverse, and dynamic team (ii) prevent discrimination and (iii) provide a supportive and inclusive working environment for everyone. The committee meets on a quarterly basis.

During 2023, the committee updated its recruitment policy to ensure that the talent pools are as broad as possible and to implement a positive and consistent approach to diversity during the recruitment process. It also introduced the new ARA Europe School Outreach Programme 2024 to address low social mobility within the UK. The programme provides a range of initiatives that seek to increase access to opportunity by broadening students' perspectives on the career opportunities available to them. Going forward, we plan to set up more such committees to drive diversity, equity, and inclusion across the Group.

Women In Our Workforce

While it is true that historically the real estate industry has been predominantly male dominated, in recent years there has been a noticeable shift towards greater gender diversity. Today we see plenty of efforts are being made to encourage and support women in pursuing careers in real estate. At ESR, we have gender ratio of 45% as women are well represented in our workforce. In certain regions, we may experience social and cultural barriers hindering the availability of females in the candidate pool, but we strive to address such barriers through our recruitment policies and practices. For example, we managed to achieve a 58% female recruitment rate in Japan for 2023.

To uphold the Group's commitment to Diversity, Equity, and Inclusion, ESR announced the appointment of a new female Non-executive Director to the Board effective 1 January 2024. The new female director has extensive experience in global real estate investments and development and is also a recipient of the Private Equity Real Estate ("PERE") Woman of Influence 2021. To-date, there are four female Directors out of a total of 13 Directors, which forms 31% female representation on the Board.



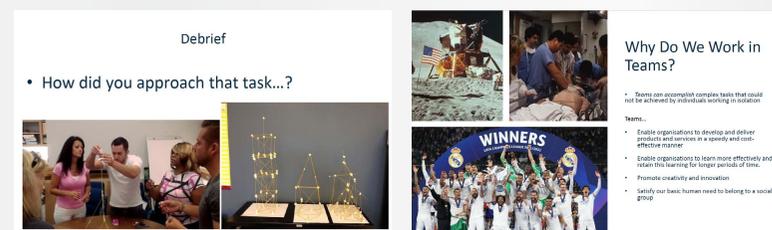
CASE STUDY

DEI Training in the UK

In building a more inclusive culture, we invited an external behavioural science consultant (and Assistant Professor) to hold several workshop sessions specifically on Diversity, Equity and Inclusion. The workshops delved into how recognising and appreciating the differences between team members offers an opportunity to make us more effective both as individuals and as professionals. We believe that nobody should be affected by any individual and systemic biases, and driving cognitive diversity requires commitment from both individuals and the organisation.

Some practical takeaways from the workshops include:

- Promoting an environment, with psychological safety and innovation, that encourages and rewards individuals for their contributions and ideas by making them feel safe when taking risks.
- Considering subtle nudges in how you solicit feedback: rather than asking 'Does this make sense?' instead ask 'What's wrong with this plan?' i.e. frame the expression of differing viewpoints as the default position.
- Staying aware of biases e.g. similarity bias and model curiosity.



PILLAR 1: HUMAN CENTRIC

Diversity, Equity & Inclusion

Happy International Women's Day



ESR continues to embrace International Women’s Day (“IWD”) to celebrate women in our workforce within the Group. A series of events were successfully held across our local offices in different markets to make celebration a truly diverse and meaningful cause. We engaged our staff, both men and women, to share their appreciation and experiences in supporting their female colleagues, friends, and family members. In addition to the various country specific initiatives, there were Group-wide activities organised in 2023 focusing on Diversity, Equity, and Inclusion.

The Group coordinated a webinar on the 2023 theme of IWD, #BreakTheBias as part of as part of the Learning Bites series, inviting Ms. Corinna Lim to deliver a speech on “The Future of Work is Gender Equal”. Ms. Lim is the Executive Director of the Association of Women for Action and Research (“AWARE”), which is the Singapore’s leading gender equality group. During the webinar, there were shared insights relating to why the workplace has become a driver of gender equality and what we can do to support equality in the workplace and society.



In addition, ESR supported the inaugural charity golf day organised by the Singapore Council Of Women’s Organisations (“SCWO”) to help women under its care. SCWO works towards supporting gender equality by creating an environment of value, respect and equality in line with our own commitment towards DEI. Several of our

senior management members participated in the event to raise awareness on achieving ‘Equal Space, Equal Voice and Equal Worth’ for women. Contributing S\$10,000 for silver sponsorship, ESR was one of the top sponsors of this good cause where more than S\$140,000 was collectively raised at the event.



Aileen Teo, Joanne Loh, Josh Dai, Emma Larsson & Moses Song

PILLAR 1: HUMAN CENTRIC

Community Investment

As a responsible corporate citizen, ESR strives to contribute positively to the communities where we operate.

In line with the Group's ESG 2030 Roadmap target to establish an ESR Foundation programme, we have set up a Group Social Impact Committee in 2023. The main role of this committee is to drive group-wide community investment initiatives with global consistency and local relevance. The committee oversees the implementation of a centralised strategy with a decentralised approach in driving various community investment initiatives across the Group. This ensures that the support and impact from business units' ongoing local regular programmes can be strengthened and amplified. In addition, the committee aims to collaborate with international outreach partners to develop long-term group-wide programmes that can be scaled up and adapted to local needs.

In line with our commitment to increase our social impact within the communities, we have rolled-out an Employee Volunteering Leave policy. Employees are granted up to two days of paid leave each year to participate in volunteer activities sponsored by ESR. In addition, we have implemented the Group's Social Impact ("SI") Application as an online tool to track community investment programmes and metrics.

As part of ESR's centralised strategy, three focus areas have been identified to streamline the various community investment initiatives across the Group. The focus areas comprise the following,

- Strengthening Social Resilience, Health, and Well-being — work closely with partners and social organisations to support and uplift underprivileged and vulnerable communities e.g., families and/or elderly, as well as improve access to health and well-being initiatives.
- Promoting Education & Upskilling — believe in the social multiplier effect of education and support all programmes/initiatives that advance the cause of education and develop human capital.
- Protecting the Environment — work closely with partners to lead initiatives that support biodiversity conservation, climate action and environmental awareness.

STRENGTHENING SOCIAL RESILIENCE, HEALTH, AND WELL-BEING Empowering youth through "More than Coffee"

In collaboration with our partners OCBC Bank Hong Kong and Evangelical Lutheran Church Social Service Hong Kong, Prosperity REIT has hosted the "More Than Coffee" sustainability programme to empower local Hong Kong youth in realising their barista career aspirations. As part of the programme, various activities such as a coffee and latté art workshop, a bazaar as well as the Hong Kong Youth Latté Art Competition were held. The youths expressed positive feedback on the event, including how the programme provided a platform to network with professionals in the industry and benefited them by increasing their confidence. Our employees participated at the event and interacted with the youths to share experience.

Producing prosthetic hands for people in need

ARA Europe participated in the Hand Project, which provides mechanical prosthetic hands to amputees in developing countries. The prosthetic devices are designed to support users who have lost a limb due to an injury, accident, or illness, and for people who have a limb difference due to a congenital condition. The gratis provision of the prosthetic hand to recipients helps them to work, support and raise their family and to participate in daily activities. Our employees, working together in small teams, produced 14 prosthetic hands, which were sent overseas and fitted to the recipients. The project is a meaningful initiative in supporting the communities and serves as an event in enhancing communication and teamwork among employees.



PILLAR 1: HUMAN CENTRIC

Community Investment

Nourishing disadvantaged school children through food

ESR Australia has signed up as a national partner of Eat Up Australia, which is a homegrown not-for-profit organisation working to help feed disadvantaged school children. With more than one in five Australian school children experiencing food insecurity,

ESR shared the same mission as Eat Up Australia to help deliver social change and improve the well-being of the local communities. In 2023, on top of the financial support, our employees made over 7,000 sandwiches across six volunteering sessions to support the various schools.



Cleaning up gardens to provide nurturing spaces for vulnerable children

For the third consecutive year, ARA Venn participated in the garden clean-up project organised by Coram, which is a specialist group of children's charities committed to improving the lives of UK's vulnerable children and young adults. Established in 1739, Coram is the oldest children's charity and remains at the forefront of children's social care. Coram's gardens are used by several charities to conduct therapy sessions, provide nursery services, and host adoption and fostering picnics. Our employees participated in the clean-up of Coram's Collingham Gardens and surrounding grounds at the site's headquarters at Brunswick Square. The work involved pruning, weeding, clearing debris, removal of rubbish and the application of topsoil, and is a meaningful cause to provide a better environment for the children.

Distributing festive care package with our tenants

During the year, the LOGOS teams from different offices gave back to the local communities through various initiatives. LOGOS' Melbourne team collaborated with Northpoint Centre, which is a not-for-profit establishment to pack and distribute food to disadvantaged families and individuals. In celebration of Eid al-Fitr in April, the LOGOS' Indonesia team joined a group of tenant customers to distribute 750 hampers containing food and other necessities to local communities and sub-district officers. In Singapore, the LOGOS team joined Lions Befrienders, which is a voluntary welfare organisation that provides care for seniors and distributed 100 care packages to the elderly. These initiatives are coordinated with our tenants in helping the underprivileged among the communities.

Increasing access to homes — Affordable Homes Guarantee Scheme

ARA Venn (ARAV) was appointed by the UK Government to manage a GBP 3 billion Affordable Homes Guarantee Scheme (AHGS). The purpose of the scheme is to finance social rent, affordable rent, and shared ownership housing to support the delivery of 17,000 new affordable homes in England. ARAV helps to carry out the origination, underwriting and management of the loans and bonds programme. By 2023, the AHGS made approximately GBP400 million of 30-year loans to eligible borrowers, with an extensive pipeline of future loans. The bonds issued to fund the loans, which are also guaranteed by the UK Government, were competitively priced. This enabled cheaper finance to be directly passed onto the borrowers, thus supporting the supply of new affordable homes to local communities. ARAV won the "Most innovative Finance Model" at the 2023 Housing Digital Innovation Awards for its efforts in helping organisations secure much needed and subsidised funding for affordable housing during difficult economic times.

PROMOTING EDUCATION AND UPSKILLING

ESR continues to fund scholarships and provides students from disadvantaged backgrounds with access to education. The ESR Group Scholarship Programme encourages undergraduates who need financial support to pursue higher education in Singapore. To date, there are a total of 49 scholarships awarded, with 13 active scholars from the Singapore Management University. To build our talent pipeline and strengthen our relationship with local universities, we offer internship positions across various departments within the Group to these students. The internship provides the students with an opportunity to understand our business and develop essential skills for their professional growth. Engagement sessions were also held for the scholars to network with our senior colleagues from various departments. In Australia, an ESR internship programme with the Western Sydney University (WSU) is also being offered to the students.

During 2023, various business units within the Group supported wide-ranging educational initiatives to help local communities. Suntec REIT organised a donation drive at Suntec City in support of the Lee Kuan Yew Centennial Fund to develop young leaders in Singapore. In partnership with Kembangan-Chai Chee ("KCC") Youth Network, ESR-LOGOS REIT provided the venue for the KCC Tuition Centre in three air-conditioned units at ESR BizPark @ Chai Chee, as part of the ongoing efforts to support disadvantaged youth. The REIT also sponsored the SportCares Community Futsal Programme, which is a structured programme to keep youths at-risk off the streets and bring about holistic behavioural changes through sports.

PILLAR 1: HUMAN CENTRIC

Community Investment

ESR China is one of the founding donors of the Qin Charity Foundation (“QCF”), which is a dedicated fund established in collaboration with the Chinese Red Cross Foundation. The goal is to construct “Future Classrooms” for children in rural China and provide them with access to modern educational opportunities. QCF’s Our Future Classroom project was first launched in 2016 and rolled out to 118 rural primary schools across 16 provinces nationwide, benefitting more than 89,000 teachers and students. Apart from organising charitable activities to raise funds for rural schools and underprivileged students each year, ESR also donated educational hardware and teaching materials to the newly completed Future Classroom in Mohe, China’s northernmost city. Beyond financial support, ESR China employees also volunteered in providing lessons to the students to encourage active learning as part of the programme. The QCF received the Charity Role Model award in the 20th China Charity Project List in 2023.



In addition, ARA Venn donated IT equipment to support local women through education in Abuja, Nigeria. The donation was used to support a capacity building project organised by a local educational institution, Kingdom Business Solution (“KBS”) Academy, to equip local women with IT literacy and improve their employment opportunities.

PROTECTING THE ENVIRONMENT

Joining hands with local elementary school students to conserve biodiversity

ESR is working actively to protect the biodiversity in the Kanazawa Forest at Yokohama Sachiura Distribution Centre 1. One of the initiatives is to help raise a native species of killifish, “Yokohama killifish,” in the biotope. Collaborating with fifth-grade students from the Namiki Daiichi Elementary School in Yokohama and the Yokohama Killifish Association, ESR Japan has housed local native Yokohama killifish species at the pond which was constructed within the premise to protect local species and conserve biodiversity. An extracurricular lesson was also held to educate students on the design of the forest and its ecosystems.



Keeping our Communities Clean

As a founding member of the Forest Environmental Action Council, ESR Japan has participated in Clean Campaigns since 2022. Rallying efforts from tenants and vendors, our employees regularly participate in clean-up activities in the vicinity of the Amagasaki Distribution Centre, with the goal of creating a clean, safe, and well-run community.

PILLAR 1: HUMAN CENTRIC

Community Investment

Cultivating greener lifestyles with the community

The Farm@Fortune initiative has been launched on the rooftop of Fortune City One to promote organic farming, food waste reduction and community engagement. In partnership with Rooftop Republic, the urban farm creates a vibrant place for the community to gather and enjoy nature, fresh produce and spend time with their friends and family.



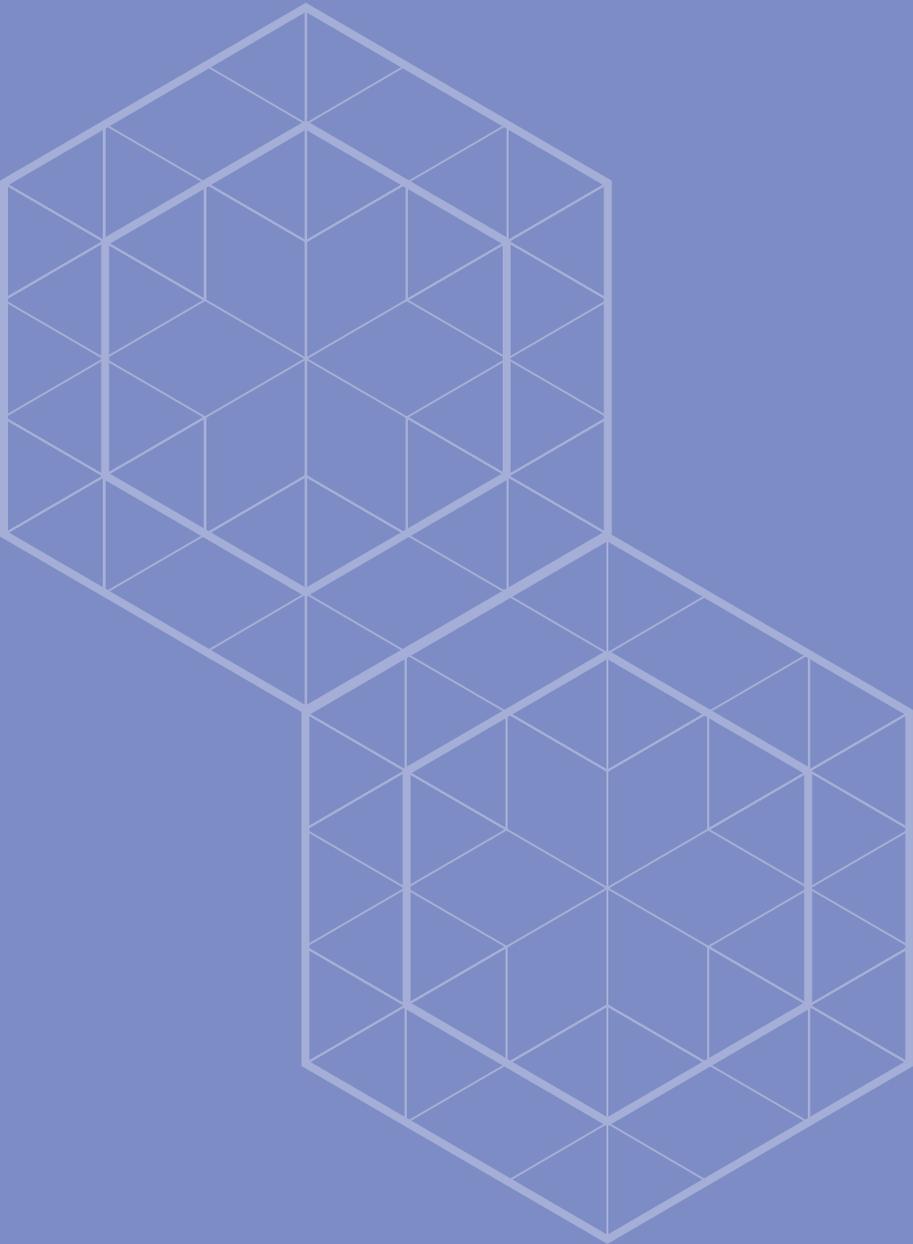
To facilitate an organic farming ecosystem within the community, surplus vegetables no longer suitable for consumption were donated by tenants from the Fortune City One Wet Market and routinely collected and converted into compost used as fertilisers. During harvest season, fresh produce was shared with our food and beverage tenants at Fortune City One to bring an exquisite farm-to-table dining experience to our shoppers.

Knowledge on urban organic farming and planting techniques were regularly shared by experienced farmers from Rooftop Republic through community engagement events, including workshops involving our employees. The urban farm also serves as an opportunity to give back to the community. In 2023, over 209 kg of produce were grown and donated to Foodlink, a local NGO, and elderly homes, to provide organic and fresh food to people in need.

ARA Europe took part in a volunteering day for Thames21, which is an organisation that works with communities to improve rivers and canals for people and wildlife. Our employees joined as volunteers who worked on the vegetation and woodland management to ensure rivers have sufficient light to thrive.



PILLAR 2: PROPERTY PORTFOLIO



PILLAR 2: PROPERTY PORTFOLIO

Property Portfolio

The second Pillar of our ESG Framework: Property Portfolio focuses on the environmental impacts within ESR's control or significant influence on areas relating to the design, construction, maintenance and operations of our assets.

The built environment is responsible for almost 40% of global energy-related carbon emissions. As APAC's leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers, we have the duty and responsibility to manage the impacts of our business on the environment. Our approach to environmental stewardship entails efforts to combat climate change, improve resource efficiency and reduce our environmental impact. Through the five focus areas under the Property Portfolio pillar, we strive to build, invest, and manage a global portfolio of real assets that are climate-resilient and best-in-class, both in design and operations. Environmental considerations are integrated into the life cycle of our assets to minimise our overall environmental footprint in the design, construction and operations of our assets.

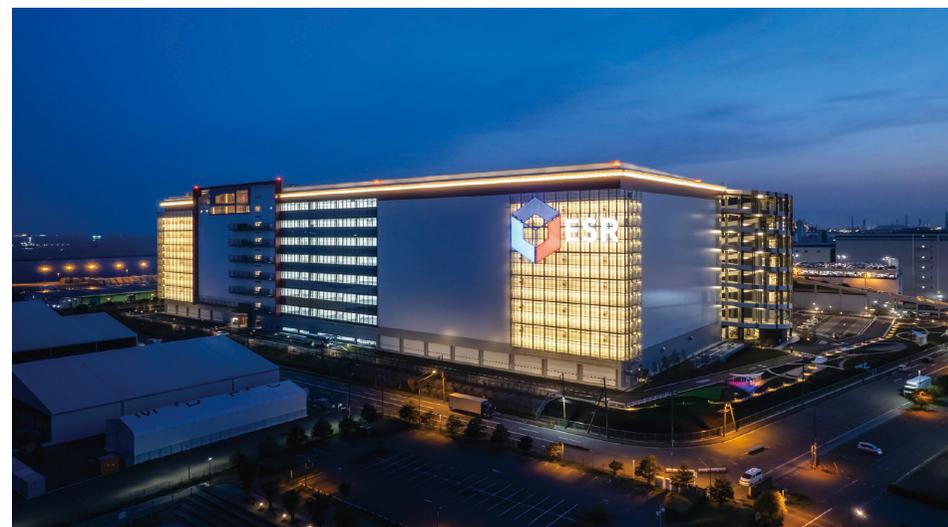
During site selection, the Group considers the environmental aspects of the site through an Environmental Impact Assessment. The aim is to assess and identify potential risks, opportunities and impacts to the environment and local communities. Environmental aspects include but are not limited to biodiversity disturbance and deforestation, climate-related risks and natural hazards, potential sources of pollution, site accessibility, and remediation actions on brownfield sites. As a developer of New Economy assets in various geographies, the Group is conscious of the impact the business operations have on the environment. Thus, due considerations and efforts are made at the investment stage as part of site selection criteria to focus on brownfield redevelopments and less reliant on greenfield developments.

The Group seeks to minimise negative impacts to the community during development phases including construction, refurbishment or closure. As a strategy, ESR and our contractors consider various measures, in addition to adhering to local regulations, which include: avoiding the use of hazardous materials, complying with environmental requirements at worksites (e.g., waste, noise, wind-blown dust, traffic, etc.), fulfilling the requirements for health and safety, and minimising disruptions to road traffic. Other direct measures include: use of vibration and noise-reducing devices, worksite fences, air quality monitoring to minimise air and visual pollution including dust, and construction logistics planning for traffic flow around the construction sites.

At the design stage, we emphasise the use of sustainable materials, innovative technologies and low-carbon construction methods to ensure that resilient and sustainable assets are developed. Where applicable, we utilise natural ventilation to manage energy consumption and maximise the use of renewable energy sources such as solar to power our properties. In addition, our property portfolio is developed in accordance with the relevant governing codes and construction standards of each country. Through ESR's Future Solutions Group (FSG), we leverage technology to drive innovation and productivity, as well as undertake sustainable asset enhancement initiatives to optimise environmental performance.

To meet the expectations of various stakeholders and adhere to the regulations in the markets we operate in, five focus areas are incepted to develop our diverse property portfolio as follows:

- Sustainable & Efficient Operations
- Sustainable Building Certifications
- Climate Change Resilience
- Flexible & Adaptable Properties
- Strategic Locations



PILLAR 2: PROPERTY PORTFOLIO

Property Portfolio

We have established environmental targets and objectives for each of these focus areas, aligning them with our commitments to improve asset operations and work towards a sustainable future. The table provided below presents the goals that we aim to achieve by 2030.

Focus Areas	Goals	Progress
Sustainable & Efficient Operations	<p>Maximise the generation of renewable energy from our properties' roof space, being the largest in APAC, and pursue potential business initiatives which focus on the funding and managing of green energy. Pursue a structured and well-planned decarbonisation plan for the entire portfolio in the longer term, with milestone targets.</p> <p>2030 Roadmap Target: Install 1,000 MW of rooftop solar power capacity</p> <p>2030 Roadmap Target: Reduce energy consumption intensity in line with the Group's Net Zero Carbon commitment and decarbonisation roadmap</p>	<p>112 MW of rooftop solar power capacity installed across our assets globally.</p> <p>We are on track to develop our overall Net Zero Strategy and Decarbonisation Roadmap as part of the transition to net zero, with the advisory support from an external consultant. Synergistic partnerships were launched across major markets over the past year to complement the Group's overall decarbonisation efforts.</p>
Sustainable Building Certifications	<p>Increase sustainable building certifications and ratings across all markets and accelerate in green financing to support continued business growth and align our portfolio towards facilitating transition to a low-carbon economy.</p> <p>2030 Roadmap Target: 50% of the Group's portfolio certified/rated</p>	<p>42.8% of the Group's portfolio of completed, directly-managed assets were awarded sustainable building certifications and/or ratings, representing approximately 13.4 million sqm in GFA.</p>
Climate Change Resilience	<p>Manage and mitigate climate-related risks and assess the impact of the future cost of climate change to the business, in alignment with the core elements of the Taskforce on Climate-related Financial Disclosures (TCFD) — now under the purview of the International Sustainability Standards Board (ISSB).</p>	<p>The Group continues to progress in our journey to align our climate-related disclosures in accordance with the recommendations under the TCFD Framework, which are now incorporated under the IFRS S2 Standard and under the purview of the ISSB. Several of our business units, including listed REITs and private funds, have incorporated these recommendations into their reporting framework, which seeks to assess and disclose both the non-financial and financial impacts of climate-related risks and opportunities on the business.</p>

PILLAR 2: PROPERTY PORTFOLIO

Property Portfolio

Focus Areas	Goals	Progress
Flexible & Adaptable Properties	Design, construct, and maintain the Group's assets to reduce material degradation.	The Group focuses on quality, comfort, accessibility, and durability as key attributes in the design and development of assets. Through our Future Solutions Group (FSG), we continually engage our stakeholders to understand their diverse needs and strive to develop flexible, adaptable, and state-of-the-art New Economy assets. This is evident in the sustainable design and features (e.g., battery energy storage systems, rainwater harvesting, etc.) as well as cutting-edge technologies (e.g., automated stacking & sorting) incorporated during the development of our assets.
Strategic Locations	Build assets in strategic locations, with a sustainability focus on-site selection, efficient design, green construction, and energy-efficient operations.	The Group prioritises accessibility as a key aspect in site selection. Assets with locations that are well connected to established transportation networks (e.g., ESR Fenhu Modern Industry and Service Park in China), as well as within close proximity to a wide range of third-party logistics (3PLs), importers and exporters manufacturers (e.g., ESR Higashi Ogishima DC2 in Japan), provide us with a competitive advantage which is an attractive proposition for our stakeholders.

PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations

The Group is committed to environmental stewardship by developing and maintaining sustainable and efficient buildings. This is achieved through reducing energy consumption and emissions in construction and operations, generating renewable energy in our buildings, and adopting renewable energy solutions as part of our decarbonisation efforts. To enhance our environmental performance, sustainability is embedded throughout the life cycle of our buildings. We incorporate sustainable design features, use environmentally friendly materials, implement low-carbon construction processes and optimise energy efficiency of our operations.

In alignment with the ISO 14001 Environmental Management System ("EMS") international standard, various business units including ESR China, ESR Japan, ESR Korea, ESR Data Centre and ARA Property Management (representing around 22% of the Group's total AUM as at end-2023) have obtained the ISO 14001 certification. This certification provides a framework to manage and improve the environmental performance of our operations through robust policies, sound standard operating procedures, clear consultation and communication channels, feasible operational-level targets, well-informed action plans, careful implementation, detailed auditing and continual review. Some examples of improvement initiatives to enhance the environmental management and performance of all our operations are listed in the table below, for implementation where applicable.

TENANT ENGAGEMENT STRATEGY

Collaborating with tenants to share and track environmental data is key to identifying energy efficiency opportunities and facilitating data transparency and reporting. Tenants collaboration and engagement is a crucial part of the Group's strategy which includes raising awareness of their environmental performance, providing platforms for two-way communication and feedback on environmental issues, identifying feasible action plans to address tenants' environmental performance, jointly organising environmental events and activities, as well as sharing best practices and guidelines on environmental performance management through different forums (e.g., internal working groups, memberships in industry bodies, etc.). To extend our partnerships with tenants on green practices, we are committed to incorporate green clauses and provisions in new and renewal leases progressively, especially in our major markets of operations. In Japan, 98% of our current leases include the green clause/provision as part of our overall tenant engagement strategy to drive specific initiatives and enhance environmental performance of the asset operations. Such green clauses and provisions include green fitout guidelines and recommendations on energy, water and waste management. Other countries such as Australia and Singapore also implemented green leases, where feasible, to drive better collaboration and environmental building performance. These green leases form part of our overall tenant engagement strategy to work with tenants to achieve long-term sustainable goals and efficient operations at all our assets.



PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations

The Group has a strategy to enhance the overall environmental performance of all our buildings across our entire portfolio, working continuously to improve (i) energy efficiency to reduce electricity and fuel consumption, (ii) emissions reduction to reduce our carbon footprint; (iii) water efficiency to reduce water consumption, including for our tenants; (iv) waste management to conserve natural resources, (v) adoption of sustainable materials for circularity; (vi) durability of building design and features. Measures include:

 Energy & Greenhouse Gas Emissions Management	 Environmental Resource (Water & Waste) Management	 Sustainable Materials	 Built to Last
<ul style="list-style-type: none"> Reducing energy load of the buildings through green walls, improved insulation of exterior walls, and thermal insulation of glass façade via solar shielding Enhancing building equipment such as HVAC systems, as part of continual asset enhancement initiatives Switching to energy efficient appliances and equipment as part of continual asset enhancement initiatives Utilising renewable energy sources available on-site, such as solar/photovoltaic, biofuels, geothermal, hydro, or wind Opting for renewable grids with low carbon emissions, if accessible Adopting smart building technologies such as advanced building management systems, softwares and sensors where feasible Enabling thermal temperature customisation in at least 50% of individual occupant spaces Implementing lighting control functions in at least 90% of individual occupant spaces Replacing conventional lighting with energy-saving alternatives, such as LEDs Incorporating natural sunlight to illuminate building spaces, achieving at least 75% lighting in regularly occupied floor areas) Utilising self-contained hot water systems that achieve an efficiency of 85% or higher 	<ul style="list-style-type: none"> Managing cooling tower water efficiently to optimise recirculation cycles and minimise water usage Implementing intelligent subsurface irrigation systems with soil moisture sensors that provide controlled drip irrigation for native plant species Obtaining green ratings for our amenities such as the Water Sense label (US EPA) and LEEDv4 (fixture and fitting code requirements) Using recycled water like treated wastewater and stormwater for non-potable purposes Providing appropriate on-site waste collection and segregation facilities or infrastructure Ensuring proper and responsible waste disposal (e.g., proper management and disposal of recyclables, general waste, e-waste, hazardous waste, etc.) Promoting waste diversion from landfill by prioritising waste management methods such as reducing, reusing, recycling, waste-to-energy, composting, etc. Reducing amount of waste generation to improve resource conservation 	<ul style="list-style-type: none"> Partnering with local suppliers to reduce carbon footprint and promote local businesses Procuring materials with green certifications such as Carpet and Rug Institute Green Label, FloorScore and legally harvested timber Using recycled content in our construction sites and office spaces Reducing the use of ambient concentrations of chemical contaminants 	<ul style="list-style-type: none"> Constructing robust external walls that apply to up to two metres from the ground Installing hard-wearing floors to allow for easy maintenance and washing Applying impact protection features on doors and corridors to reduce wear and tear Creating kerbs for protection of external walls in delivery and vehicle drop-off areas

PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations

NET ZERO STRATEGY AND DECARBONISATION ROADMAP

The Group is on track to develop our overall Net Zero Strategy and Decarbonisation Roadmap as part of the transition to net zero, with the advisory support from an external consultant. The scope of this work includes accounting and establishing a carbon baseline, conducting representative sampling of standing assets and development projects, reviewing market-specific carbon regulatory requirements and decarbonisation opportunities/constraints, identifying and assessing tailored and feasible opportunities through carbon modelling, setting carbon reduction targets and pathways, and developing an actionable net zero strategy and decarbonisation roadmap. This work considers different asset typologies in different markets, with the aim to mitigate operational carbon (Scope 1 & 2), embodied carbon (Scope 3), and whole life carbon (Scope 3) across our value chain according to our carbon mitigation hierarchy.

RENEWABLE ENERGY

As part of the Group's commitment to decarbonise our property portfolio and transition to a low-carbon economy, we adopt a carbon mitigation hierarchy approach. This approach prioritises carbon avoidance through low-carbon design and construction, and achieves energy efficiency via the enhancement and optimisation of asset operations. These efforts are also complemented with the launch of synergistic partnerships across major markets over the past year to complement the Group's overall decarbonisation efforts.

Our installed rooftop solar power capacity has increased across our major markets and we continue to explore other renewable energy sources. Across the Group, we have installed 112 MW of rooftop solar power capacity as of December 2023. By 1H 2024, the total capacity will be approximately 150 MW, including solar panels to be installed during the early six months.

	Installed rooftop solar power capacity as at FY2023
	In MW
ESR	
Australia	6.2
China	21.6
India	1.8
Japan	32.0
South Korea	0.7
Singapore	15.6

	Installed rooftop solar power capacity as at FY2023
	In MW
ARA	4.7
LOGOS	29.7
Total	112.3

Australia

In 2023, ESR Australia partnered with a leading Australian clean energy system developer, Solar Bay, to invest up to AUD\$500 million in renewable energy infrastructure over the next decade. The collaboration aims to deploy 50 MW solar panels, 300 MW battery storage and electric vehicle (EV) charging infrastructure around various assets in Australia. ESR Australia's customers get to enjoy up to a 50% reduction in energy costs while achieving an annual decrease of up to 56,000 tonnes in carbon emissions. This partnership enables ESR and its investment partners to benefit from the energy transition opportunity associated with our large portfolio of warehouses and supports customers who are pursuing net zero targets and EV fleets.



As we expand our efforts to achieve decarbonisation and transition towards a low-carbon economy, ESR Australia actively enhances capabilities through various initiatives. These include the deployment of electricity monitors on industrial properties to provide detailed interval data on whole-of-building electricity use and associated Scope 3 emissions, as well as the implementation of water monitors to ensure accurate and timely water data and support leak detection.

In addition to these measures, ESR Australia made significant progress in its renewable energy transition. Currently, 98% of the electricity under our operational control, including business park base-buildings, industrial estate common area lighting and our own tenancies, was converted to a 100% Green Power product. This remarkable achievement nearly eliminated the operations' scope 2 emissions.

PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations

China

ESR China has actively pursued renewable energy initiatives to reduce its environmental footprint. As part of the efforts made in 2023, rooftop solar panels were installed at the Shenyang Yibei Logistics Park which contributed 1 MW of renewable energy to the grid. Looking ahead, ESR China has ambitious plans to launch substantially more rooftop solar projects over the next few years. In addition to the solar projects, the construction of ESR Shangyang Hualong E-commerce Industrial Park was completed, featuring a 2 MW solar power generation system connected to the grid. These initiatives demonstrated ESR China's commitment to harnessing renewable energy sources and contributing to a sustainable future for the industry.



CASE STUDY

ESR China Renewables Subsidiary Completed First Domestic Rooftop Solar Project

ESR China sets an ambitious goal of launching over 70 rooftop solar projects in collaboration with strategic partners. Through its subsidiary, E-Power Technology Co. Ltd., ESR China aims to establish a self-sustaining renewable energy ecosystem that benefits the entire value chain within the industry. In FY2023, ESR China has successfully implemented rooftop solar projects with a total capacity of 21.6 MW across various locations in China, including Fujian, Tianjin, Shenyang, Hangzhou and Guangzhou. By the end of 2024, the company expects its solar installation capacity to increase to 100 MW, generating over 100,000 MWh of solar energy annually. These efforts exemplify ESR China's commitment to sustainable practices and its dedication to making a positive impact on the environment.



PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations

Thailand

ESR has expanded into the Thailand market with two new logistics and industrial projects, which are Rojana Industrial Estate Laemchabang and Asia Industrial Estate Suvarnabhumi. These projects represent a THB 8 billion (US\$235 million) investment and will be completed by 2026. In line with Thailand's projected 3.2% GDP growth, ESR plans to invest an additional US\$1 billion in the country over the next five years. ESR's industrial real estate portfolio in Thailand focuses on sustainability and incorporates various features such as human centric design, renewable energy generation, electrification of logistics fleets, water resource efficiency management and reduction of carbon footprint throughout the development. These features are integrated from the outset of the design phase and will be implemented without compromising on the functionality and efficiency for tenants.



Artist's impression of ESR's industrial park in Asia Industrial Estate Suvarnabhumi

South Korea

ESR Korea has taken a significant step towards sustainable energy by partnering with the Korea Development Bank ("KDB") and Korea Logistics Renewable Energy ("KLRE") for their maiden project. The initiative involves developing and operating a network of rooftop solar panels on seven logistics assets owned by ESR Kendall Square REIT (ESR KS REIT), Korea's first and largest pure-play logistics REIT. These assets, including Yongin Logistics Park 1, Icheon Logistics Park 5, Anseong Logistics Park 1-4 and Gimhae Logistics Park 2, will have solar panels with a total capacity of approximately 13 MW. Once operational by mid-2024, these panels are expected to generate around 15,000 MWh of solar energy annually, which is equivalent to powering over 4,000 average South Korean households. ESR Korea is also exploring opportunities to expand the solar panel network to other New Economy assets, collaborating with ESR KS REIT and utilising previously unused spaces such as rooftops to optimise space utilisation.



Harnessing solar energy through rooftop solar panels on ESR's New Economy assets in South Korea

Japan

In 2023, ESR Japan has commenced the construction of ESR Itami Distribution Centre, which is the 37th logistics facility in Japan. With a focus on environmental sustainability, the facility aims to achieve CASBEE A Rank certification by adhering to stringent green building standards. It will feature LED lighting, efficient heat pump air conditioners, water-saving sanitary appliances, rooftop solar panels (capacity of approximately 700 kW) and rooftop greenery for ecological benefits and aesthetic improvements. Additionally, the centre will incorporate various disaster contingency measures. This human-centric design helps to create a safe, resilient environment for tenants, workers and the community.



Artist impression of ESR Itami Distribution Centre

India

This year, ESR has made a second investment in Nagpur to expand the warehousing space in India. The development project within the emerging hub covers the construction of ten buildings with 130,000 sqm. In line with the Group's ESG Roadmap, the ESR Nagpur Logics Park 2 will incorporate various sustainable building features, including energy and water-efficient designs, which reduce tenants' environmental impact and operational costs. The project aims to obtain certification by the Indian green Building Council ("IGBC") and the park's general facilities will be seamlessly managed through ESR's mobile application to enhance tenants' experiences.



ESR Nagpur Logistics Park 2

PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations

Electric Vehicles (EVs)

The adoption of electric vehicles (“EVs”) has accelerated due to stringent emission regulations, government policies and advancements in battery technologies. The Group is pursuing EV charging infrastructure opportunities by providing EV charging stations across all assets to satisfy customer demands and tenant needs progressively. Increasing the accessibility of these charging stations encourages the transition from conventional vehicles to EVs, thereby reducing emissions and mitigating the effects of climate change. In 2023, 809 EV charging stations (including 8 for electric forklifts) have been installed across our assets globally, an increase of 28% from last year.

Country/Region	# of EV charging stations
Australia	55
Greater China	500
South Korea	84
Singapore	37
Europe	42
UK	78
Others	13
Total	809

Apart from EVs, ESR has partnered with Chinachem Group to explore future demand for electric commercial vehicles in the form of charging services at the state-of-the-art cold storage and logistics facility in Kwai Chung, Hong Kong.



Chang Rui Hua, Managing Director, Business Management and Investment, ESR Hong Kong, said: “ESR’s Kwai Chung facility will set a new benchmark in the industry not only with its scale and cutting-edge features such as automation but also a range of green features for tenants, so they may provide more sustainable supply chains solutions.”



CASE STUDY

ESR, Mitsubishi Fuso and DTFSA Announce Collaboration to Jointly Develop Environmentally Friendly E-Mobility Solutions

In Japan, a second ESR building (Nagoya Minami Distribution Centre 2) with high-speed charging stations for EV trucks were completed in October 2023. In early 2024, ESR Japan signed an agreement with Mitsubishi Fuso Truck & Bus Co., Ltd., a major Japanese truck manufacturer, and its parent company, Daimler Truck Financial Services Asia Co., Ltd., (“DTFSA”) to promote the adoption of e-mobility and the greening of logistics facilities. The first initiatives of the collaboration will be the installation of quick EV chargers for eCanters (MFTBC’s light-duty electric trucks) at key ESR’s distribution centres located in the Greater Tokyo Bay area from Chiba to Kanagawa Prefectures starting in 2024. ESR Japan will play a leading role in decarbonising logistics through a wide range of joint activities with the two companies. This strategic partnership aligns with ESR’s commitment to environmental responsibility and enhances the overall value proposition for its customers.



PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations



CASE STUDY

ESR DATA CENTRE FUND SUPPORTING DIGITAL GROWTH

The rapid growth of artificial intelligence and modern technologies such as streaming, gaming, self-driving cars, along with conventional cloud and storage, continue to drive data centre demand. To that end, ESR has raised over US\$1 billion capital from investors including some of the world's largest sovereign wealth and pension funds to develop greenfield/ brownfield data centre projects representing over 700 MW of capacity.

Strategic guidance on the development of a Data Centre is crucial to utilising the capital commitment from investors. As a result, ESR has formulated three pillars, namely Sustainable Construction, Operational Efficiency and Renewable Energy to provide guidelines on the development and operations of Green Data Centres. In walking the talk, ESR has become an official signatory of the iMasons Climate Accord, which is a global initiative aimed to accelerate the adoption of sustainable practices in the Information and Communications Technology ("ICT") industry.

The targets and progress to date under ESR Data Centre are summarised in the table below:

Pillars	Focus Area	Targets/Strategy	Status
Sustainable Construction	Site selection	Conduct physical climate risk assessments for all sites to check climate resiliency and design for mitigations	<ul style="list-style-type: none"> Utilised Climonomics Platform by S&P Global to assess the physical climate risks associated with all new sites as part of the site due diligence process. In the event of identifying any material climate risks, we will conduct in-depth investigations, followed by the integration of appropriate mitigation measures into our buildings. Comprehensive physical climate risks were analysed, which include pluvial flooding, temperature extremes, coastal flooding, drought, wildfire, tropical cyclones and water and fluvial flooding. Successfully integrated all existing and new sites into the platform. There are no significant climate risks associated with any of our locations.
	Embodied carbon	<ul style="list-style-type: none"> Retrofit existing buildings Consider low-carbon construction materials and fuel Quantify embodied carbon 	<ul style="list-style-type: none"> Retrofitted an existing 76-year-old building into a new data centre in Kwai Chung, Hong Kong to reduce a significant amount of embodied carbon by reusing the existing structure. The project will also adopt electrification during the construction phase, which will enable the construction site to be diesel-generator-free and lower the carbon emissions. With these initiatives, we secured the first Sustainability-Link-Loan (SLL) for ESR in Hong Kong with an amount of HK\$1.6 billion to fund this project. Currently working with an external consultant to quantify Scope 1, 2 and 3 greenhouse gas (GHG) emissions for ESR's Data Centre business and all our construction projects starting from FY2023.

PILLAR 2: PROPERTY PORTFOLIO

Sustainable & Efficient Operations

Pillars	Focus Area	Targets/Strategy	Status
	Green building certification	Achieve USGBC's LEED Gold certification or local equivalent for all developments	<ul style="list-style-type: none"> — Ongoing developments are on track to achieve LEED Gold certification. Completed the LEED gap analysis for all projects and captured all design and construction features required since the early development phase. — In addition to LEED Gold, Bupyeong Data Centre is also targeting local G-SEED certification.
Operational Efficiency	Energy efficiency	<ul style="list-style-type: none"> — Make use of the locally conducive climate to incorporate low-carbon solutions — Set annualised PUE target of 1.35 or better 	<ul style="list-style-type: none"> — Bupyeong Data Centre (DC) will enjoy free cooling energy with the use of an air-side economiser. — Designed and selected best-in-class, energy-efficient system equipment to achieve the PUE target. — Actively exploring opportunities for waste heat reuse.
	Water efficiency	Adopt water-efficient technologies and monitor WUE during operation	<ul style="list-style-type: none"> — Use of an air-cooled chiller plant system for areas with water stress such as for Keihana DC. — Use of a closed-circuit cooling tower for Bupyeong DC that reduces water losses through evaporation.
	Smart building management	Incorporate building management systems and smart solutions	<ul style="list-style-type: none"> — Sufficient water and power metres installed to optimise and control environmental performance.
Renewable energy	On-site renewable energy	Maximise on-site renewable energy	<ul style="list-style-type: none"> — More than 100 kWp of building-integrated photovoltaics ("BIPV") will be installed on the facade of Bupyeong DC. — Maximise rooftop solar for other developments that are under design and construction.
	Renewable energy procurement	75% renewable energy by 2030, 100% renewable energy by 2040	<ul style="list-style-type: none"> — Collaborated with a renewable energy market expert to analyse the markets and successfully created a renewable energy roadmap for our business. — Currently actively exploring renewable energy power purchase agreement (PPA) opportunities from both our rooftops and other high-quality renewable energy projects.
Human Centric	Safety, Health & Well-being	Zero fatalities	<ul style="list-style-type: none"> — The Data Centre team completed more than 250,000 manhours across all projects without recordable incidents.
	Safety, Health & Well-being	To achieve ISO 9001, ISO 14001 and ISO 45001 certification	<ul style="list-style-type: none"> — Achieved the ISO 45001 Occupational Health and Safety Management System certification. The achievement of the certificate will help to continuously ensure the management of the OH&S risks and improve the OH&S performance by developing and implementing effective policies and objectives. Together with the ISO 45001 certification, the Data Centre team has also received certification for ISO 14001 Environment Management System and ISO 9001 Quality management System.

PILLAR 2: PROPERTY PORTFOLIO

Sustainable Building Certifications

ESR continues to integrate environmental considerations into the design and construction of new developments, as well as the operation of existing assets through planned upgrades and retrofits. Our buildings undergo credible and globally recognised sustainable building certification and rating schemes, which guide us in developing and operating buildings that are more efficient, less pollutive, and healthier for our occupants. These certifications provide tangible benefits including higher asset valuations, lower operational costs, additional health & well-being benefits, increased adoption of sustainable building designs and material; and the wider use of energy-efficient plant and equipment. These efforts are part of our goal to manage a global portfolio of best-in-class and sustainable assets.

The Group continues to gain recognition both internationally and locally for our environmental stewardship towards sustainable buildings, with the following number of assets in our portfolio that achieved sustainable building certifications and ratings:

Leadership in Energy and Environmental Design (LEED)	Comprehensive Assessment System for Built Environment Efficiency (CASBEE)	National Australian Built Environment Rating System (NABERS)	International WELL Building Institute (WELL)	Building & Construction Authority Green Mark (BCA)	Indian Green Building Council (IGBC)	Association for Business Innovation in harmony with Nature and Community (ABINC)	Building Energy Labelling System (BELS)	EPA's ENERGY STAR	BEAM Society Limited BEAM Plus (BEAM)
									
6 Assets completed in 2023	3 Assets completed in 2023	0 Asset completed in 2023	0 Asset completed in 2023	1 Asset completed in 2023	0 Asset completed in 2023	0 Asset completed in 2023	2 Assets completed in 2023	0 Asset completed in 2023	0 Asset completed in 2023
36 Other Standing Assets	27 Other Standing Assets	15 Other Standing Assets	31 Other Standing Assets	16 Other Standing Assets	5 Other Standing Assets	2 Other Standing Assets	5 Other Standing Assets	20 Other Standing Assets	23 Other Standing Assets

As at end of 2023, 42.8% of the Group's portfolio of assets was awarded sustainable building certifications and ratings, representing approximately 13 million sqm in GFA. We achieved a total of 250 building certifications and ratings across our portfolio. 12 of our newly completed assets with around 1 million sqm GFA have completed certification in 2023. 169 of our completed standing assets (excluding those completed in 2023) are certified under one or more standards in our standing investments portfolio, representing over 12 million sqm GFA.

PILLAR 2: PROPERTY PORTFOLIO

Sustainable Building Certifications

Various business units across the Group have set out goals to expand certification across their respective portfolios. For instance, ESR Australia sets a benchmark for all future developments to achieve a minimum of 4 star Green Star Buildings rating. As Australia's leading rating tool for new buildings and major refurbishments, the Green Star Buildings rating sets out building criteria that addresses climate action, resource efficiency, and health and well-being. In 2023, ESR Australia successfully managed two office assets, namely 200 Victoria Parade in Melbourne and 21 Harris St in Sydney, both of which achieved the highest level of recognition with 6-star Green Star Design & As Built certifications.

With a GFA of about 349,000 sqm and land area of 77,725 sqm, ESR Higashi Ogishima Distribution Centre is designed with advanced sustainability solutions. The asset has achieved optimal integration with the urban fabric which resulted in lower environmental impact and is built with high building functionality and throughput. The facility attained the highest certification for the sustainable CASBEE S rank and BELS 5 stars with its meticulous design that incorporates a wide array of sustainability features and elements, such as a green wall, seismic base isolation structure and solar self-consumption installation.

Bourne Business Park is a 17,725 sqm commercial office developed and managed by ARA Europe. This asset achieved a NABERS 5 star green certification and an EPC Rating. It is also awaiting confirmation to receive a BREEAM Excellent certification over the next few months.



PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Climate change poses a critical and existential risk to all businesses and communities around the world. As a responsible corporate citizen, ESR is conscious of the environmental and social impact of our businesses and operations on both the planet and people, and thus, we seek to identify and mitigate the material climate-related issues pertinent to the business.

Addressing the issue of climate change requires collective action beyond the capacity of individual organisations. ESR will continue to foster innovation through partnerships with its investors, customers and industry professionals to elevate sustainability standards and induce positive impact to society and the environment.

The Group supports the Paris Agreement since 2020 which aims to limit global warming to within 1.5 degrees Celsius of pre-industrial levels. In our bid to transition to a low-carbon future, the Group adopts the principles recommended by the TCFD Framework, which now comes under the purview of the ISSB. The principles seek to integrate climate-related considerations into strategic, investment, and operational decision-making, and to quantify the financial implications of the associated climate-related risks. In addition, the Group is committed to reducing the physical vulnerability of its real assets, as well as identifying opportunities to enhance the resilience of the business against the effects of transitional impact caused by climate change.

Under IFRS S2, the Group aims to adapt to and mitigate climate change through climate-related risk assessments. This process involves assessing, identifying, and monitoring climate-related risks and opportunities using climate scenario analysis that is based on the Intergovernmental Panel on Climate Change ("IPCC")'s global development pathways. Associated potential and actual impacts of these identified climate-related risks and opportunities will then be evaluated and quantified by the Group, so as to derive mitigating strategies to manage climate change and strengthen the business, assets and operations. Climate-related risks are divided categorised into two major categories, namely physical risks and transition risks:

Types of Climate Risk	Transition Risks
	Risks related to the transition to a low-carbon economy, which may entail extensive policy, legal, technological and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risks to the Group.
	Physical Risks
	Risks related to the physical impacts of climate change, which may be event driven (acute) or long-term shifts (chronic) in climate patterns. Such physical risks may have financial implications including direct damage to assets and indirect impacts from supply chain disruptions. The Group's financial performance may also be affected by changes in the availability and quality of natural resources (e.g., water), food security, as well as extreme weather events affecting the Group's assets, operations, supply chain, transport requirements and employee safety and well-being.



PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

We seek to align our climate-related risk disclosures based on recommendations outlined under the four key pillars of the IFRS S2 Standard:

Pillar — Recommended Disclosure	Approach
Governance	<p>The Board of Directors provides the overall stewardship and strategic direction on sustainability management, which includes climate change adaptation and resilience. Supported by the ESG Committee and the Group Executive Management Committee, the Board ensures that material ESG issues, such as climate-related risk mitigation, are integrated within our business and oversees the delivery of ESG targets and performance. Through this strategic oversight, the Board and senior management assess ESR's financial and non-financial performance resulting from climate-related impacts and make necessary transparent disclosures to create long-term sustained value for all our stakeholders.</p>
Strategy	<p>To alleviate climate-related impact on the business, we endeavour to manage climate-related risks and opportunities through strategic climate adaptation and mitigation plans. This includes optimising resource efficiency in our operations, obtaining sustainable building certifications and ratings in our portfolio of real assets, transitioning to renewable energy sources, as well as incorporating low-carbon designs and solutions in our development projects. This forms part of our climate mitigation efforts to enhance the resilience of the business, assets and operations.</p>
Risk Management	<p>Evaluating climate-related risks and opportunities and the potential financial implications ensure the strength of our operations, while allowing us to identify strategic opportunities to deliver sustainable and climate-resilient products and solutions to our customers. Climate-related risks are incorporated into ESR's overall Enterprise Risk Management (ERM) Framework. Under this framework, the Group assesses and measures the impact and likelihood of climate-related risks as part of overall due diligence process in our business and investment decisions. Climate-related risk assessments, based on climate scenarios modelled after the IPCC pathways, are progressively carried out across our assets and projects to identify climate-related risks and opportunities and assess their impacts on the business.</p>
Metrics & Targets	<p>The Group has established climate-related metrics and targets, along with corresponding monitoring measures, in response to the associated risks and opportunities. By implementing these metrics and targets, we can assess the progress of our initiatives and enhance our current objectives to guide and shape our climate change strategy as part of our ESG 2030 Roadmap. Examples of the Group's metrics and targets include group-wide commitments to decarbonisation in accordance with global standards, as well as continual enhancements to data coverage, accuracy, quality and reliability to support comprehensive and transparent reporting and disclosures aligned with IFRS S2.</p>

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Listed REITs — As part of regulatory requirements, the listed entities under the Group have conducted climate risk assessments to understand the material climate-related risks and opportunities and their associated impacts on the business and asset portfolios. These entities carried out comprehensive climate risk assessments using climate scenario analysis to identify physical and transition risks pertinent to their operations. The identified physical risks and impacts were assessed using their respective risk management frameworks (risk appetite, parameters, rating and matrix) to derive the inherent risk profile and eventual risk register after considering their climate change adaptation and mitigating strategies and actions. Appropriate enhancements were also made to existing governance policies and processes, such as the ERM framework, to ensure adequate oversight and instil accountability, responsibility and ownership of climate-related risks and opportunities material to the business. Capability training in

the form of an external course for directors was also arranged to raise awareness and improve their level of competency in managing climate-related issues.

As an illustration, our listed REITs published the climate-related disclosures in their respective sustainability report. The disclosure included material climate-related risks that were identified through the climate risk assessment as well as the accompanying mitigating actions to address these risks and their associated impacts. Some of the climate-related risks that were identified include:

Climate-related risks	Specific climate-related risks identified, as examples under Suntec REIT	Specific mitigating actions/measures, as examples under Suntec REIT
Transition	<ul style="list-style-type: none"> Policy & Legal — More stringent energy efficiency requirements for buildings Market — Greater market demand for green buildings Technology — Costs to transition to lower-emissions technologies 	<ul style="list-style-type: none"> Continue to maintain and improve existing green building certification ratings Complete the implementation of on-going energy saving initiatives for our properties and continue to look out for new energy saving initiatives to implement Refresh existing sustainability roadmap and ESG performance targets to ensure they meet/align with market expectations and commitment Maintain regular review of existing building data to provide analysis of the performance of the building and establish operational gaps to improve efficiency Continuously engage with vendors to upgrade existing Building Management System (“BMS”) to integrate other Mechanical, Electrical and Plumbing (“MEP”) systems to one common platform like Smart FM or Digital Twin Consider piloting innovative energy management technologies that can support energy and carbon reduction in the existing portfolio Explore partnerships with technology providers to facilitate innovation and implementation of low-carbon solutions
Physical	<ul style="list-style-type: none"> Increase intensity and frequency of extreme weather events (e.g., storms and floods) Increase in average temperature Rise in sea level 	<ul style="list-style-type: none"> Maintain regular site review on capacity of existing stormwater drainage systems and consistently maintain the condition of such systems Continue annual inspection of façade/structure integrity to check for weak spots and potential leaks Continue to set aside funds for planned rectifications in capital expenditure (“CAPEX”) Continue with existing MEP Systems Optimisation Programme to achieve energy efficiencies across portfolio Develop Standard Operating Procedures (“SOP”) for extreme temperature days including tenant engagement and actions Maintain existing SOP for air infiltration into properties during period of poor outdoor air quality (smoke and dust) Consider flood barrier installation for affected properties if required

In addition, Suntec REIT has also set a decarbonisation target to attain net zero carbon status for all assets by 2050. As of 2023, both 177 Pacific Highway in Sydney, Australia and 55 Currie Street in Adelaide, Australia have achieved carbon neutral status while several other assets within the portfolio are utilising renewable energy from the electricity grid.

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

ESR-LOGOS REIT has conducted an environmental risk management assessment on their portfolio to identify and assess the potential impacts of transition and physical risks, under various climate scenarios. The risks were categorised by the countries of operations i.e., Singapore, Australia, and Japan, and include physical risks (flooding, extreme weather and significant changes in average temperatures) and transition risks (increased carbon pricing, enhanced regulatory requirements i.e. energy efficiency requirements and green building certifications and changes in stakeholder expectations). Beyond climate proofing the assets, we also recognise the importance of building sustainability knowledge throughout our workforce. Therefore, we have been sending our staff to sustainability training for the past few years, to upskill them on sustainability matters.

Core Elements of IFRS S2 Recommendations

ESR-LOGOS REIT's Approach and Progress

Governance

The Board is responsible for establishing the overall enterprise risk management approach and governance, which encompasses climate-related risks and opportunities. In addition, the Board approves and monitors the statements outlining the Manager's risk appetite and tolerance, setting out the nature and extent of risks permissible to fulfill the Manager's business objectives.

The Board is supported by the ARCC (Audit, Risk Management and Compliance Committee) in the assessment of the adequacy and effectiveness of the internal controls and risk management systems, including internal control processes. Ongoing oversight of climate-related risks and opportunities comes under the purview of the Sustainability Committee. The Sustainability Committee is chaired by our CEO Mr Adrian Chui and comprises key members from different business functions. The Sustainability Committee periodically reviews the progress and effectiveness of sustainability objectives and strategies.

Strategy

ESR-LOGOS REIT has conducted an environmental risk scenario analysis to identify and assess the potential impacts of transition and physical risks, under a Net Zero (RCP 2.6, limit warming to within 1.5°C from pre-industrial levels by 2100) and Business-as-usual (RCP 8.5, about 4°C warming from pre-industrial levels by 2100) scenario across the short term (by 2025), medium term (by 2030) and long term (by 2050).

Through scenario analysis, the following risks across our geographies and activities have been identified:

- Physical: Flooding, extreme weather and significant changes in average temperatures
- Transition: Increased carbon pricing, enhanced regulatory requirements (i.e. energy efficiency requirements and green building certifications) and changes in stakeholder expectations.

Beyond climate proofing our assets, we also recognise the importance of building sustainability knowledge throughout our workforce. Therefore, we have been sending our staff to sustainability training for the past few years, to upskill them on sustainability matters.

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Core Elements of IFRS S2 Recommendations

ESR-LOGOS REIT's Approach and Progress

Risk Management

We have integrated environmental risk management into our existing Enterprise Risk Management Framework to identify, assess, monitor and manage climate-related risks and opportunities across our portfolio.

With the climate risks identified above, we are in the process of reviewing existing and potential mitigation and adaptation actions to enhance climate resilience throughout our operations and we look forward to disclosing these in our future sustainability reports. We will also continue working with relevant stakeholders to further refine our governance and management of climate-related risks.

For physical risks, our mitigating plans include augmenting existing flood control features and measures, such as flood barriers, sensors, water level pumps and flood emergency response plans for our existing properties, as well as regular scanning for exposure of our existing properties to physical risks.

We will also identify asset enhancement initiatives ("AEIs") to improve environmental performance where feasible and incorporate environmental risk due diligence as part of our investment consideration.

In addition, periodic scanning will be conducted to identify our exposure to any new environmental risks or changes to prevailing environmental risks in the evolving ESG landscape including climate risks.

Transition Risks

Country

Elaboration of Risk

Singapore

Part of the Singapore's Green Plan 2030, Green Building Masterplan ("SGBMP") aims to deliver three key targets of "80-80-80 in 2030". Under this plan, 80% of buildings by GFA will have green certification. Effective 1 December 2021, there will be increased mandatory environmental sustainability standards for new buildings and existing buildings that undergo a major retrofit. This also includes raising minimum energy performance requirements and introducing mandatory sustainable construction practices.

Singapore carbon tax rate is also set to increase from its current \$5/tCO₂e from 2019 to 2023 on facilities that emit 25,000 tCO₂e or more emissions annually. Carbon tax will be raised to \$25/tCO₂e in 2024 and 2025, and \$45/tCO₂e in 2026 and 2027, with a view of reaching \$50-\$80/tCO₂e by 2030.

Stakeholders are increasingly expecting companies to be proactive in managing climate change. Changing perceptions may lead more and more tenants to include sustainable building criteria in shortlisting lease options.

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Core Elements of IFRS S2 Recommendations	ESR-LOGOS REIT's Approach and Progress
Australia	<p>In 2019, Australia introduced a national plan “Trajectory for Low Energy Buildings” that aims to achieve zero energy and carbon-ready commercial (including offices and industrial premises) and residential buildings. This is also a key initiative to address Australia’s 40% energy productivity improvement target by 2030 under the National Energy Productivity Plan, as well as to reach net zero by 2050.</p>
Japan	<p>In 2021, Japan strengthened the Building Energy Efficiency Act of 2016, where energy saving standards will also become mandatory for mid-size buildings (those with a floor area exceeding 300 square metres). The Ministry of Environment, Trade and Industry (“METI”) is also in the process of revising targets for energy conservation, including for the buildings sector. In a preliminary document, it noted that energy conservation efforts in the residential and commercial sectors could be raised by about 10%.</p>
Physical Risk	<p>We have only considered the business-as-usual 4°C warming scenario as the physical risks are most significant under this scenario. Across our portfolio, the most significant physical risks are observed to be risk of flooding, extreme weather events such as water stress, and rising temperatures. Summary details of physical risks at country level:</p>
Country	Elaboration of Risk
Singapore	<p>Rising temperature: Increasing global temperatures may lead to extreme heat events and overheating in buildings, requiring higher cooling loads. These in turn lead to increased energy consumption and higher carbon emissions. ESR-LOGOS REIT will therefore face increased costs in retrofitting and/or operational costs of running air conditioning systems.</p> <p>Flooding: Climate change has led to greater and more intense rainfall in Singapore. In 2021, the United Nation’s Intergovernmental Panel on Climate Change (“IPCC”) report stated that Southeast Asia will see many more days with the temperature soaring above 35°C as well as the occurrences of wetter monsoons. Mean sea level around Singapore is projected to rise by up to 1m by 2100, and with 30% of our land less than 5m above mean sea level, there is significant risk of flooding in coastal areas and impact to essential services including transport networks.</p> <p>Water stress: Singapore is at high risk of water stress, being heavily dependent on rainfall due to the lack of alternate natural water resources, and exacerbated by limited area for water storage facilities.</p>

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Core Elements of IFRS S2 Recommendations	ESR-LOGOS REIT's Approach and Progress	
	Australia	<p>Flooding: Floods are already common occurrence in parts of Australia, due to heavy rainfall, high tides and drainage problems, especially in low-lying areas. Climate change is expected to lead to more intense rainfall, exacerbating flood risk, while rising sea levels also increase the risks of coastal flooding.</p> <p>Water stress: According to the Australian Government, Bureau of Meteorology's State of the Climate 2020 report, rainfall has generally decreased due to climate change, with fewer wet years.</p>
	Japan	<p>Flooding: Japan receives double the global average rainfall annually, and research by the Bank of Japan highlight flood damage to be set to increase by a factor of 9 by the year 2100.</p> <p>Earthquakes: Not a climate risk but considered together with physical climate risks given similar nature of impact to our portfolio. Japan's geographical location leaves it vulnerable to earthquakes. Growing scientific evidence show that climate change may contribute to geological phenomena, hence there is a risk that earthquake frequency would increase in future.</p>

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Core Elements of IFRS S2 Recommendations	ESR-LOGOS REIT's Approach and Progress
Metrics & Targets	<p>ESR-LOGOS REIT uses the following metrics to assess climate-related risks and opportunities: (i) GHG emissions; (ii) Energy consumption; (iii) Solar power generation; (iv) Water intensity; and (v) Green Mark certification. We will continue to explore other relevant metrics to measure climate-related risks and opportunities.</p> <p>(i) ESR-LOGOS REIT currently has Scope 1 & 2 GHG emissions disclosures in our annual sustainability reports. We are building capabilities to account for our Scope 3 emissions and will disclose it once ready, in line with SGX-ST and ACRA requirements for listed companies.</p> <p>(ii), (iii) & (v) ESR-LOGOS REIT aims to:</p> <ul style="list-style-type: none"> — Achieve Green Mark certifications for 80.0% of Singapore buildings (by floor area) by FY2030; — Achieve 7.0% reduction in total energy consumption for Singapore MTBs from FY2023 to FY2030; — Achieve 50.0% increase in solar power generation by FY2025 (from base year FY2019). <p>(iv) ESR-LOGOS REIT aims to:</p> <ul style="list-style-type: none"> — Obtain WEB certifications for all Singapore MTBs by FY2025; — Achieve WEB certification for 10.0% of the new MTBs every year; — Reduce water intensity for MTBs by 2.0% annually or by 14.0% from FY2023 to FY2030. <p>Climate Change Adaptation:</p> <p>ESR-LOGOS REIT aims to disclose adaptation and mitigation plans aligned to TCFD by FY2025.</p>

In Hong Kong, Fortune REIT also recognised the importance of addressing climate change and took steps to assess the impacts on the company's financial performance and position. To achieve this, Fortune REIT identified 17 material climate risks and opportunities including potential revenue loss, increased operating costs, higher insurance expenses and reduced investor interest. In response, Fortune REIT was firmly committed to building resilience by obtaining green building certifications for all 16 assets in Hong Kong, setting emissions reduction targets approved by the Science-Based target Initiative, and actively working to measure and reduce Scope 3 emissions while collaborating with tenants to minimise their carbon footprint. Further details are disclosed in the table on subsequent pages.

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Climate-related risks and opportunities		Impact	Key Mitigating Measures
Acute Physical Risk	Tropical cyclone	<ul style="list-style-type: none"> Increasing maintenance/repair costs Increasing chance of power outages in the event of flooding in electrical facilities 	<ul style="list-style-type: none"> Despite the Property Manager's efforts to adapt to climate change by implementing its extreme weather policy, typhoons have caused minimal disruption to operations and damage to some Fortune Malls in the past, including broken windows, glass doors and water leakage. As further protection against extreme weather events, the Manager has undertaken insurance policies for all its malls covering damage arising from climate-related extreme weather, including tropical cyclones (typhoons) and floods.
Chronic Physical Risk	Increase in average temperatures	<ul style="list-style-type: none"> Increasing costs to regulate indoor temperatures in response to tenant and visitor demand Increasing demand in ensuring workers health and safety under prolonged exposure of high temperature 	<ul style="list-style-type: none"> As part of Fortune REIT's ongoing decarbonisation and climate change efforts, a smart Building Management and Building Optimisation System has been installed at major Fortune Malls. The cloud-based automated building solution allows the centralised collection and monitoring of building data, serving to optimise energy efficiency and regulate air quality.
Market Transition	Increased adoption of renewable energy	<ul style="list-style-type: none"> Unexpected shifts in energy costs due to increased adoption of renewable energy R&D expenditures in renewable energy technologies 	<ul style="list-style-type: none"> Solar panels have been installed at Fortune City One, Laguna Plaza and Fortune Metropolis. More solar panels will be installed in the coming years and the Manager will continue to explore the feasibility of installing more solar panels at its malls. The Manager seeks to protect the environment and respond to climate change risks by reducing its carbon emissions through enhancing the energy efficiency of its facilities, monitoring its emissions intensity, reducing its consumption of natural resources, and raising environmental awareness amongst its employees.

PILLAR 2: PROPERTY PORTFOLIO

Climate Change Resilience

Climate-related risks and opportunities	Impact	Key Mitigating Measures
Increased market demand for green and climate resilient properties	<ul style="list-style-type: none"> Increasing costs to conduct due diligence on assets from a green/climate resilience perspective Increasing costs due to the replacement of greener and more energy efficient equipment 	<ul style="list-style-type: none"> 100% green building certification has been obtained across the entire Fortune REIT portfolio in Hong Kong.
Market demand for green finance	<ul style="list-style-type: none"> Increasing opportunities for lower-carbon enhancement, such as improving energy efficiency from green financing 	<ul style="list-style-type: none"> Reinforcing the Manager's ongoing commitment to sustainable development and the advancement of its ESG goals, Fortune REIT has secured four sustainability-linked loans, representing 45% of the total loans of Fortune REIT. Moreover, Fortune REIT has entered into its first sustainability-linked interest rate swap with DBS Bank, which upon the satisfaction of pre-determined targets concerning community engagement, enabled Fortune REIT to receive a sponsorship from DBS Bank, giving rise to Farm@Fortune.

ESR Australia — ESR Australia is developing a net zero target and strategy in alignment with upcoming climate-risk financial disclosure requirements. This includes Scope 3 emissions and is supported by its new solar offerings to customers and initiatives to reduce upfront embodied carbon in developments.

LOGOS — To achieve the decarbonisation commitment, all new acquisitions with physical climate risk assessment are included in the due diligence process, which can identify the physical risks posed to our assets and operations. Also, the buildings targeting Green Star certification will undertake a climate change risk assessment.

PILLAR 2: PROPERTY PORTFOLIO

Flexible & Adaptable Properties

Quality, comfort, accessibility, and durability are attributes highly valued by our customers. At ESR, we design, construct and maintain our properties utilising advanced technologies and quality resources to prevent material degradation and ensure that they are safe and built to last. The Group strives to develop flexible, adaptable, and state-of-the-art New Economy assets by catering to the diverse needs of various stakeholders, incorporating sustainable design and features, and implementing cutting-edge technologies.

We have identified the evolving socio-demographic trends within our key markets, leading to potential labour force shortages. Therefore, our strategy is to build assets which can cater to workers with varying demographics. In addition to automation needs, ESR aims to offer buildings with capabilities to accommodate day-care providers and increase the number of female friendly spaces, as well as improve customer employees' well-being via lounges and fitness facilities. In addition, we aim to improve the disability-friendliness of our portfolio by examining and rolling out modification, where applicable, for easy access to building including accessible entrance areas and ramps, stairs and elevators, appropriately dimensioned circulation areas, corridors and doors, and accessible sanitary spaces.

For illustration, the elements in the table below highlight some of the features that are being incorporated within the Group's logistics centres.

Flexible	Adaptable	State-of-the-art
Customisability <ul style="list-style-type: none"> Office space Tailored design for specific use (e.g., refrigeration for cold warehouses) Easily accessible staircases 	Climate resilience <ul style="list-style-type: none"> Rooftop solar panels Battery energy storage systems 	Creative technologies <ul style="list-style-type: none"> Automated stacking cranes and rail mounted gantry cranes Automated sorting and cold chain storage and transportation
Active transit <ul style="list-style-type: none"> End-of-Trip amenities (e.g., bicycle storage, shower and locker facilities) 	Biodiversity <ul style="list-style-type: none"> Balanced and intact ecosystem Natural/native environments 	Optimal space <ul style="list-style-type: none"> Large floor plates High ceilings Fully ramped

The Group also believes in investing in innovative initiatives as a key catalyst for fostering innovation and productivity, with the aim of transforming real assets into smart buildings. This is evident by the case study on the POKKA project, amongst the Group's other properties with innovative features.

CASE STUDY

TRANSFORMING POKKA'S FACILITY INTO A CARBON-NEGATIVE HUB

In Singapore, the redevelopment of POKKA's existing single-storey warehouse at 4 Benoi Crescent is a significant innovative project. ESR, in partnership with PGIM Real Estate's Asia core strategy, invests approximately US\$100 million to acquire the leasehold rights of the site and develop the facility, spanning around 64,490 sqm, to be completed in early 2024. POKKA is committed to a 10-year lease for at least 70% of the building space, with the option for further extensions. The facility aims to be carbon-negative by generating approximately 2MW of rooftop solar power and implementing a smart building management system (BMS) by Tuya. The BMS, managed by the Property Management team, allows for active scenario management, energy and water consumption monitoring and building optimisation software, resulting in expected energy savings of close to 1 million kWh over a 10-year product lifecycle. This project showcases ESR's commitment to sustainability and achieving carbon neutrality in both scope 1 and scope 2 embodied carbon emissions within a few years of operations.



PILLAR 2: PROPERTY PORTFOLIO

Strategic Locations

The Group is committed to developing assets in strategic locations, with a sustainability focus on-site selection, efficient design, green construction, and energy-efficient operations. As APAC's leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers, we have built a significant presence in major consumer markets with established transportation networks. Securing assets in key strategic locations provides our customers with faster speed to market, opportunity to reduce transport costs and related carbon emissions, as well as strengthen their supply chain resilience in the long run. We strive to position our assets close to urban infill locations in markets where barriers to entry are high, supply is limited, and demand is robust. We also adopt a sustainable approach by upgrading existing facilities, redeveloping properties to enhance connectivity with public infrastructure and lowering transport-related emissions. As customer proximity is key, strategic site selection with a preference for infill areas close to infrastructure, customers and transportation is essential to our business success.

In 2023, ESR has completed the construction of ESR Fenhu Modern Industry and Service Park in the heart of the Yangtze River Delta. This facility, strategically located in the Wujiang Fenhu Economic Development Zone, supports global industrial and supply chains. With a total area of 221,568 sqm, the park caters to manufacturing, e-commerce and retail sectors. It features sustainable measures such as rainwater harvesting, grey water recycling, LED lighting with plans for a rooftop solar power system. ESR Fenhu Park is a comprehensive hub for e-commerce retailers, promoting advanced manufacturing and industrial supply chains. The facility provides ample space, high ceilings and advanced security systems to meet tenant needs.



ESR Fenhu Modern Industry and Service Park

As highlighted in the earlier section on Sustainable & Efficient Operations, the Group has partnered with Chinachem Group to construct the Hong Kong's largest cold storage and logistics facility in Kwai Chung, which is scheduled for completion by 2027. The facility will feature state-of-the-art amenities and sustainable design, including green building standards and electric vehicle charging points. As connectivity improves within the Greater Bay Area, the Hong Kong market will be exposed to approximately 85 million people. Due to the strategic location and convenient accessibility to Hong Kong's central business district, international airport and mainland China border, the facility is poised to meet the escalating demand for expansive logistics space while making a substantial contribution to the region's economic growth.

PILLAR 2: PROPERTY PORTFOLIO

Strategic Locations

“We are proud to bring ESR’s leading expertise in investment, development and asset management for modern logistics facilities as well as the highest standards of sustainable development to Hong Kong. Together with our partner Chinachem Group, we are confident this new development will fulfil the growing demand for large-scale, cutting-edge logistics space while enabling Hong Kong to reinforce its position as a leading logistics hub to the world. In addition to the property’s state-of-the-art facilities, its strategic location also helps to unleash the full potential value of the Kwai Chung vicinity and sustain the long-term development of the area by promoting job opportunities and economic growth.” said Jeffrey Shen and Stuart Gibson, ESR Group Co-founders and Co-CEOs.

In other parts of the Group, ESR Japan is set to develop the ESR Higashi Ogishima Distribution Centre Phase 2 in a prime land located in the Greater Tokyo metropolitan area. The land parcel, spanning approximately 6 hectares, offers a premium location just 10 km from Haneda Airport and in close proximity to the port, central Tokyo, Yokohama and Kawasaki city. Its convenient access to the Bayshore Route makes it an ideal hub for delivery routes across urban areas from Tokyo to greater Yokohama and inland Kanagawa. The planned Higashi Ogishima Distribution Centre 2 (HO DC 2) is expected to start construction in 2025 and will have a total area of around 306,000 sqm across 8 storeys, making it only slightly smaller than the inaugural HO DC 1. This development will provide excellent transportation and connectivity for e-commerce, third-party logistics, cold storage and other leading businesses in the region.

BIODIVERSITY CONSIDERATIONS

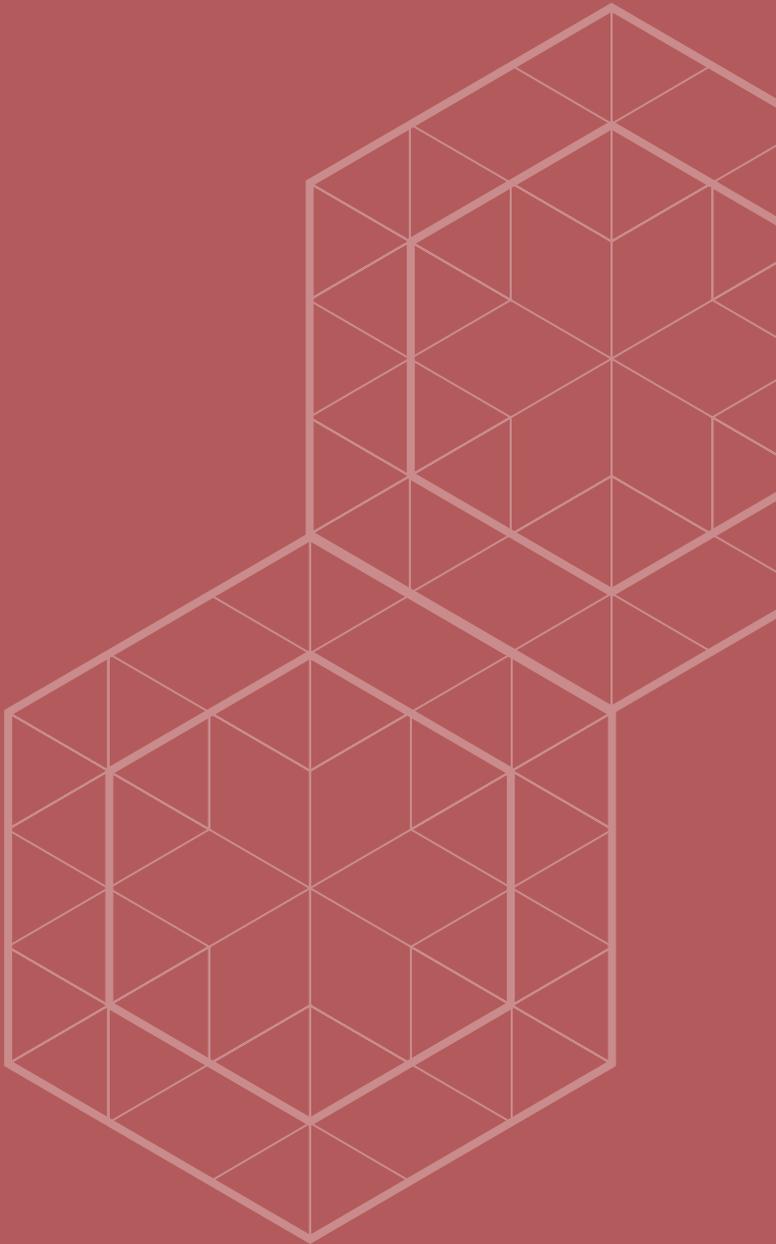
Biodiversity is our natural circular economy engine and critical in sustaining the health of our eco-system. As ESR prioritises developments close to major consumer markets with established transportation networks, the building construction and operation in urbanised areas typically have a lesser impact on biodiversity. Nevertheless, the Group recognises that the design, construction, operation and maintenance of our assets can impact biodiversity through our selection and use of land and materials and creation of natural environments in this sector. During site selection, the Group considers the environmental aspects of the site through an Environmental Impact Assessment (EIA) to assess the significant effects of the development project on the environment. In the design, construction and operations of our properties, we are committed to preserving biodiversity and maintaining high standards of environmental protection in native environments to ensure a balanced and intact ecosystem. For this purpose, we consult with third-party biodiversity experts such as universities or nature groups across our operations, where feasible.

The Group also has an Environmental Protection Policy that sets out our commitment to preserve the biodiversity and habitat surrounding our assets and projects. We adopt a biodiversity mitigation hierarchy framework to manage the risks and potential impacts related to bioersity and habitat. This framework includes a structured approach to protect and conserve biodiversity and maintain the ecosystem through the following steps: Avoidance, Minimisation, Restoration, and Offsets.

As an example of our pursuit to conserve biodiversity, ESR Australia partnered with the University of Melbourne to plant its first bed of “Woody Meadows” at 80 Taryn Drive in Epping. This is the first pilot site for this project, as there are three additional stabilised sites to be planted in 2024. Woody Meadows are naturalistic plantings of Australian shrubs that improve the appearance and function of low maintenance landscapes. Aside from improved aesthetics, the native plants require minimal irrigation, decreasing asset maintenance costs and lessening our environmental impact. The partnership will assess the viability of the Woody Meadows on Industrial Sites to test and demonstrate their success. Initial findings for 82 Taryn Drive will be available in approximately six months, as we plan to continually expand the environmental and commercial benefits of this type of landscaping assessment across our entire portfolio, where applicable, progressively.



**PILLAR 3:
CORPORATE PERFORMANCE**



PILLAR 3: CORPORATE PERFORMANCE

Corporate Performance

The third Pillar of our ESG Framework: Corporate Performance focuses on the corporate performance of our business, in the areas of corporate governance, risk management, responsible investment, disclosure and reporting, and supply chain management.

Underpinned by our core value of excellence, ESR is committed to embracing the cornerstones of corporate governance on accountability, transparency, fairness, and integrity. As we continue to enhance synergies across the Group, we strive to create greater value for our stakeholders through our robust governance structure, risk management framework and proactive disclosure practices.

Focus Areas	Goals	Progress
Corporate Governance	<p>Maintain the highest standards of corporate governance throughout the Group, with strong core values and business ethics.</p> <p>2030 Roadmap Target: Maintain a strong Corporate Governance culture</p>	<p>The Group compliance framework and programme includes 6 core compliance policies that have been revised and approved by the Board in 2023. Following the roll-out of the revised compliance policies, the Group Compliance department has developed training videos and slides which cover key updates and requirements of the policies for compliance by all employees. Key topics include anti-bribery & corruption, business ethics, conflicts of interest, anti-money laundering, employee trading and whistleblowing.</p> <p>All employees have also participated in an annual attestation to indicate that they have read and complied with the related policies.</p>
Risk Management	<p>Conduct a holistic risk management process to focus on strategic, financial, operational, technology and compliance risks, which cover sustainability and climate change factors, amongst others, to enable more informed business decisions.</p>	<p>Completed the refreshed key risk indicators, risk appetite and statements for all Tier 1 Risks for FY2023, including revising the Enterprise Risk Management ("ERM") Framework Manual, and conducting of ERM training and bottom-up/top-down risk workshops.</p>
Responsible Investment	<p>Commit to the UN PRI as a signatory and adopt its investment and asset management policies to enhance transparency and demonstrate our commitment to including ESG factors in investment decision making and ownership.</p> <p>2030 Roadmap Target: Adhere to UN PRI principles in our investment and asset management policies and practices</p>	<p>ESR became a signatory to the United Nations-supported Principles for Responsible Investment ("UN PRI"), reinforcing our commitment to integrating ESG considerations in our investment and asset management processes across the Group. In 2023, the Group embarked on preliminary work in preparation for inaugural mandatory reporting in 2024. This included a self-assessment, business and stakeholders' engagement, policy, and document enhancements, etc.</p> <p>The Group announced it has closed a total of seven Sustainability-Linked Loans ("SLLs") worth approximately US\$4 billion as at end-2023. To-date, there are in total 10 SLLs raised with a cumulative total amount of US\$4.4 billion approximately.</p>

PILLAR 3: CORPORATE PERFORMANCE

Corporate Performance

Focus Areas	Goals	Progress
Disclosure & Reporting	Actively participate in sustainability ratings and benchmarks to measure our ESG performance and disclosure against industry peers.	45 listed REITs and private funds participated in the 2023 GRESB Real Estate Assessment, achieving an average 3.5 Star rating with 22 entities attaining 5 stars. 4 entities were also recognised as Regional Sector Leaders.
	2030 Roadmap Target: Achieve a 3-Star GRESB rating average	Retained 'A' rating in the MSCI ESG Ratings for a third consecutive year, as well as 'Low Risk' rating in the Sustainalytics ESG Risk Ratings.
Supply Chain Management	Incorporate ESG considerations as part of supply chain management on areas relating to sustainable procurement, operational resilience, and sustainability performance of suppliers.	Rolled out the Group's Supplier Code of Conduct, setting out the standards relating to regulatory compliance, business conduct, labour practices, environmental protection, sustainable procurement, health and safety training and awareness amongst other areas.

PILLAR 3: CORPORATE PERFORMANCE

Corporate Performance

CORPORATE EXCELLENCE HIGHLIGHTS

Awarded Entity	Awards
ESR	<p>PERE 2023 APAC Fund Manager Guide</p> <ul style="list-style-type: none"> 2nd among the world's 50 private real estate managers in APAC
ESR Japan	<p>MIPIM Asia Awards 2023</p> <ul style="list-style-type: none"> "Best Urban Regeneration Project" (Silver): ESR Higashi Ogishima Distribution Centre <p>IEIJ Good Lighting Award 2023 by The Illuminating Engineering Institute of Japan</p> <ul style="list-style-type: none"> KLÜBB Lounges of ESR Yokohama Sachiura Distribution Centre 1 ESR Yatomi Kisosaki Distribution Centre <p>3rd ABINC Excellence Awards (Sustainable Sites) by the Association for Business Innovation in harmony with Nature and Community:</p> <ul style="list-style-type: none"> ESR Amagasaki Distribution Centre and ESR Nanko Distribution Centre 2
ESR India	<p>Real Estate Conclave & Awards 2023 WEST Best Industrial/Warehousing Project by the Economic Times</p> <ul style="list-style-type: none"> ESR Chakan 2 Industrial and Logistics Park
ESR Hong Kong	<p>Hong Kong Green and Sustainable Finance Awards 2023 by Hong Kong Quality Assurance Agency</p> <ul style="list-style-type: none"> Outstanding Award for Green and Sustainable Loan Issuer (Real Asset Management) — Visionary Sustainability-linked Loan Performance Metrics
ARA Venn	<p>2023 Housing Digital Innovation Awards by Housing Digital</p> <p>"Most Innovative Finance Model"</p>
LOGOS	<p>PCA Innovation & Excellence Awards 2023</p> <ul style="list-style-type: none"> Best Business or Industrial Park: Heathwood Logistics Estate <p>Real Estate Asia Awards 2023</p> <ul style="list-style-type: none"> Industrial Development of the Year: Metrolink Logistics Hub

PILLAR 3: CORPORATE PERFORMANCE

Corporate Performance

Awarded Entity	Awards
ESR-LOGOS REIT	<p>APAC Insider Business Awards 2023</p> <ul style="list-style-type: none"> • Best Real Estate Investment Practice — Singapore <p>The Asset ESG Corporate Awards 2023</p> <ul style="list-style-type: none"> • Gold Award <p>IR Magazine Awards 2023</p> <ul style="list-style-type: none"> • Top 5 finalist for Best Annual Report (mid-cap)
Fortune REIT	<p>Bloomberg Businessweek (Chinese Edition) and Deloitte</p> <ul style="list-style-type: none"> • ESG Leading Enterprise Awards 2023 <p>The Hong Kong Council of Social Service</p> <ul style="list-style-type: none"> • Caring Company (10 Years+)
Suntec Singapore Convention & Exhibition Centre	<p>National Arts Council Singapore</p> <ul style="list-style-type: none"> • Patron of the Arts Award 2023 <p>World Travel Awards</p> <p>World's Leading Hi-Tech Meetings & Convention Centre 2023</p>

PILLAR 3: CORPORATE PERFORMANCE

Corporate Governance

Corporate Governance

The Group follows the Corporate Governance Code referencing Appendix C1 of the Hong Kong Stock Exchange Listing Rules, which contains principles of good corporate governance and its relevant provisions. Our commitment to corporate governance is underpinned by robust governance by management, under the oversight of the Board of Directors, our highest governing authority.

Board Diversity

We recognise and embrace the importance of having a diverse Board to enhancing the quality of our performance. All our Board members possess a wealth of knowledge, skills, experience and perspectives as required by our business to make sound decisions. In the assessment and appointment of directors to the Board, the Nomination Committee considers various aspects in relation to Board diversity, including but not limited to gender, age, cultural background, educational background, ethnicity, professional experience, skills, knowledge and length of service. We also have in place a Board Diversity Policy to set out the framework, approach with measurable objectives to achieve diversity on the Board. In maintaining the highest standards of corporate governance, the Board and Nomination Committee are identifying suitable candidates and will seek to appoint an Independent Non-Executive Director as the Chairman of the Board before 1Q 2025.

The Board Composition as at the date of this ESG Report is as follows:

Name	Designation	Gender	Age	Tenure (Years)	Independent	Financial Proficiency	Industry Expertise**
Mr Jinchu SHEN	Executive Director/ Group Co-founder & Co-CEO	M	51	5*	—	✓	✓
Mr Stuart GIBSON	Executive Director/ Group Co-founder & Co-CEO	M	60	5*	—	✓	✓
Mr Jeffrey David PERLMAN	Non-executive Director/ Chairman of the Board	M	40	5*	—	✓	✓
Mr Charles Alexander PORTES	Non-executive Director/ Group Co-founder	M	54	5*	—	✓	✓
Ms. Joanne Sarah MCNAMARA	Non-executive Director	F	41	<2	—	✓	✓
Mr Hwee Chiang LIM	Non-executive Director	M	67	2	—	✓	✓
Dr Kwok Hung Justin CHIU	Non-executive Director	M	73	2	—	✓	✓
Mr Rajeev Veeravalli KANNAN	Non-executive Director	M	52	2	—	✓	✓
Mr Brett Harold KRAUSE	Independent Non-executive Director	M	55	<5	✓	✓	✓
Mr Simon James MCDONALD	Independent Non-executive Director	M	61	<5	✓	✓	✓
Ms Jingsheng LIU	Independent Non-executive Director	F	72	<5	✓	✓	✓
Ms Serene Siew Noi NAH	Independent Non-executive Director	F	44	2	✓	✓	✓
Ms Wei-Lin KWEE	Independent Non-executive Director	F	48	<2	✓	✓	✓

* Tenure for directors was determined using the official date of re-designation on 22 February 2019.

** Director has served as an executive at a company similar to that of ESR.

For more details on Board composition, please refer to pages 43–49 in our FY2023 Annual Report.

PILLAR 3: CORPORATE PERFORMANCE

Corporate Governance

ESG GOVERNANCE

Ensuring an integrated and robust ESG governance structure is the foundation to the Group’s commitment towards fostering an effective corporate governance culture across the Group. The ESG governance structure sets the tone at the top and underscores the importance of strong corporate governance.

The Board of Directors provides the overall stewardship and strategic direction on sustainability management. The Board reviews progress made against ESG related targets from the ESG 2030 Roadmap disclosed in this report and receives regular ESG updates during board meetings. Working closely with the Group Executive Management Committee and led by the ESG Committee, material ESG issues are regularly reviewed and considered in the strategy formulation by the Board and senior management at the quarterly Board meetings and other ad-hoc meetings as and when required. The material ESG issues include but not limited to: energy and GHG emissions management, water management/water risk scarcity assessment, hazardous/non-hazardous waste management, human capital development, health and safety, business ethics, anti-

bribery and corruption, and responsible investment. The ESG Committee also reports to the Board on matters such as ESG highlights for the reporting period, project updates and market trends and development.

The ESG Committee drives the Group’s sustainability efforts, which comprises the Group Head, Governance & Sustainability, Group ESG Officer, ESG team members and senior representatives across all business units with dedicated ESG responsibilities. The ESG Committee members have the relevant sustainability expertise and experience on areas such as ESG reporting standards and frameworks, as well as technical knowledge on asset management, renewable energy, health and safety, diversity and inclusion. The ESG Committee reports to the Group Executive Management Committee consisting of the Group Co-founders & Co-CEOs, the Group Chief Operating Officer, and other Group Executive C-suites. The ESG Committee is responsible for implementing sustainability strategies and initiatives, monitoring and reporting the performance of related targets, and coordinating ESG efforts across the Group.



For more information on corporate governance disclosures concerning the composition, please refer to our 2023 Annual Report.

PILLAR 3: CORPORATE PERFORMANCE

Corporate Governance

GROUP ESG POLICIES

ESR believes that robust and effective corporate policies and practices are vital in driving ESR's long-term sustainable growth. In line with our ESG vision, mission, and framework, the Group policies are approved by the Board. These policies set the tone for a unified approach to corporate governance and incorporate ESG into every aspect of our operations and business.

The Group has established a comprehensive and robust suite of corporate ESG policies that are aligned with global ESG frameworks, standards and industry best practices including but not limited to the UN SDGs, UN PRI, GRESB, GRI, IFRS S1 & S2, MSCI and Sustainalytics ESG Risk Ratings. Guided by the Group policies, the business units adapt and update their operating standards and processes in light of local requirements, rules, and regulations.

We work closely with our stakeholders to influence them to operate responsibly, in alignment with our ESG Framework, commitments and policies such as the Code of Conduct and Business Ethics, Supplier Code of Conduct and Sustainable Procurement. These policies are made available to all staff, suppliers and partners. We also provide targeted training on all new or revised policies via online courses (recorded videos and modules), which are updated and supplemented on an annual basis. This includes the human rights policy which featured as part of the suite of revised ESG policies being implemented and rolled out as training to all employees in 2023.

The table below summarises our ESG policies that solidify our accountability to our stakeholders and set the ESG objectives and factors that are integral to our business.

Policy	Objective
ESG Policy	Articulates our commitment to managing our business in a sustainable manner through integrating ESG considerations across our business, in alignment with the Group's ESG Framework, ESG Roadmap and all related policies outlined in the appendices to form the Group's ESG commitment and approach.
Human Centric (Social)	
Diversity, Equity & Inclusion	Sets out the approach and guidelines to promote a diverse workforce and an inclusive working environment across the Group.
Human Rights	Reflects our commitment and sets out our principles to protect human rights within the ESR's sphere of influence by adopting responsible workplace and employment practices, and conducting business operations in a manner that preserves the dignity and respect of all people with whom the Group engages.
Quality of Assets and Services	Sets out the commitment of ESR to provide exceptional quality of assets and services through tenant engagement, proactive investment, asset and property management and providing a safe and healthy environment for its stakeholders.
Community Development	Sets out ESR's commitment to act as a responsible corporate citizen and contribute to the economic and social development of communities where we operate in.
Group Human Resources	Outlines ESR's people management philosophy and practices to support the Group's purpose and business operations. It outlines guidelines for our employment practices, employee work conduct, employee development, rewards, employee engagement and HR governance.

PILLAR 3: CORPORATE PERFORMANCE

Corporate Governance

Human Centric (Social)	
Employee Handbook	Articulates processes, procedures, standards and responsibilities as an employee of the Group.
Health and Safety	Sets out the ESR's commitments pertaining to the health, safety and well-being of both internal and external stakeholders.
Property Portfolio (Environmental)	
Climate Change, Adaptation, Mitigation and Resilience	Reflects the Group's commitment in adopting a holistic approach towards reducing physical vulnerability and enhancing the resiliency of our assets and operations. We evaluate climate-related risks, identify opportunities and enhance the resiliency of our business to the impacts of climate change.
Net Zero Carbon	Outlines the commitment of ESR to NZC by managing our operations in alignment with net zero emissions pathways.
Energy and Emissions Management	Articulates ESR' commitment to manage energy consumption and GHG emissions based on best management practices within our business operations.
Environmental Resource Management	Sets out the commitment of the Group to manage water consumption and waste generation by adopting best management practices in our business operations.
Environmental Protection	Sets out the commitment of the Group to adopt a preventive and proactive approach towards environmental protection in relation to our activities and operations.
Environmental Management System	Outlines our commitment to adopt a systematic approach to improving our environmental performance within our business operations.
Indoor Environmental Quality	Sets out the commitment of the Group to adopt a high standard for indoor environment in our business operations and provide a safe working environment to protect against occupational hazards.
Sustainable Procurement	Reflects ESR's sustainable and green procurement standards for the Group and our suppliers.

PILLAR 3: CORPORATE PERFORMANCE

Corporate Governance

Corporate Performance (Governance)	
Board Diversity	Sets out the approach to achieve diversity on the Board.
Delegation of Authority	Outlines the Group's Headquarter Approval Matrix, in relation to approvals including project financing, fund raising, third-party professional engagements and payments amongst others.
Corporate Governance Code	Sets out the framework to ensure that the highest standards of corporate governance are practiced throughout our business operations, in accordance with Appendix C1 of the HKEX Listing Rules.
Anti-Bribery, Anti-Corruption and Handling of Gifts, Travel & Entertainment	The policy covers all employees and third parties, including suppliers, where it delineates and explains the responsibilities of all employees in implementing the policy, outlines the regulatory requirements in anti-bribery and anti-corruption in the acceptance or offering of business courtesies and hospitality, and handling of gifts, travel and entertainment in the course of their duties; and provide guidance on the standards of behaviour to which employees and third parties must adhere to, and situations when bribery and corruption can be avoided.
Anti-Money Laundering, Counter-Terrorist Financing & Sanctions	Sets out the regulatory requirements in anti-money laundering ("AML"), counter-terrorist financing ("CTF") and sanctions compliance which is expected of all employees and related counterparties when performing their duties. The Group adopts a risk-based approach to combat money laundering, terrorist financing and sanctions violations, including taking appropriate steps to identify, assess, understand and address counterparties' risk as part of the rigorous evaluation process for the Group's investment opportunity.
Code of Conduct and Business Ethics	Outlines the fundamental ethical principles of good business practices and procedures and legal compliance, emphasising discipline, professionalism, loyalty, integrity and cohesiveness for the success of the Group. Mandatory annual ethics training and code of conduct attestation are required from all employees.
Conflicts of Interest	Sets out the principles to manage conflicts of interests in compliance with the applicable laws of each jurisdiction and the Hong Kong Listing Rules in order to make business decisions in the Group's best interests.
Employee Dealing and The Handling of Inside Information	Outlines the procedures required to strengthen the protection mechanism of inside information or material non-public information obtained by the Group or employees during the blackout period and in the ordinary course of business and the approval and monitoring of the dealing of the ESR listed securities.
Whistleblowing	Outlines the whistleblowing process, channels, and encourages employees and external third parties who may in confidence raise concerns about possible improprieties and to prevent and deter breach of legal requirements and violations of our corporate policies. All reporting of such matters will be treated fairly and be protected from retaliation.
Shareholder Communications	Articulates provisions with the objective of ensuring that the shareholders of ESR are provided with ready, equal and timely access to balanced and understandable information about the Group in order to exercise their rights in an informed manner and to engage actively with the Group.

PILLAR 3: CORPORATE PERFORMANCE

Corporate Governance

Corporate Performance (Governance)	
Enterprise Risk Management Framework	Provides a holistic and systematic approach for the identification, assessment, monitoring and reporting of risks, including those connected to the topics covered by our ESG Framework.
Conflicts of Interest In Relation to Fund Management & Capital	Sets out the principles to manage conflicts of interests in the management of funds to maintain the highest standards of conduct consistent with fiduciary duties to investors.
Supplier Code of Conduct	Sets out the standards for suppliers relating to regulatory compliance, business conduct, labour practices, environmental protection, sustainable procurement and health and safety.
Responsible Investment	Sets out the framework for the Group on responsible investing within our business and outlines our commitment to responsible investing and the integration of ESG factors into our investment and asset management processes across different asset classes, markets and investment teams.
ESG Data Collection and Review	Outlines review guidelines for data to be reported in our annual ESG report, in compliance with the relevant provisions from HKEX Main Board Listing Rule 13.91 and ESG Reporting Guide, and in accordance with the GRI standards.
Information Security	Provides guidance for the establishment and operation of the information security framework and the construction of the Group's information security management system (ISMS) to ensure the availability, integrity and confidentiality of information which has significant influence on our operations and provide information security assurance for the our growing business.
Group Crisis Management	Sets out the framework on crisis management as part of the our commitment to ensure business continuity.
Social Media	Outlines the boundaries and use of social media platforms or channels for the Group's communications.

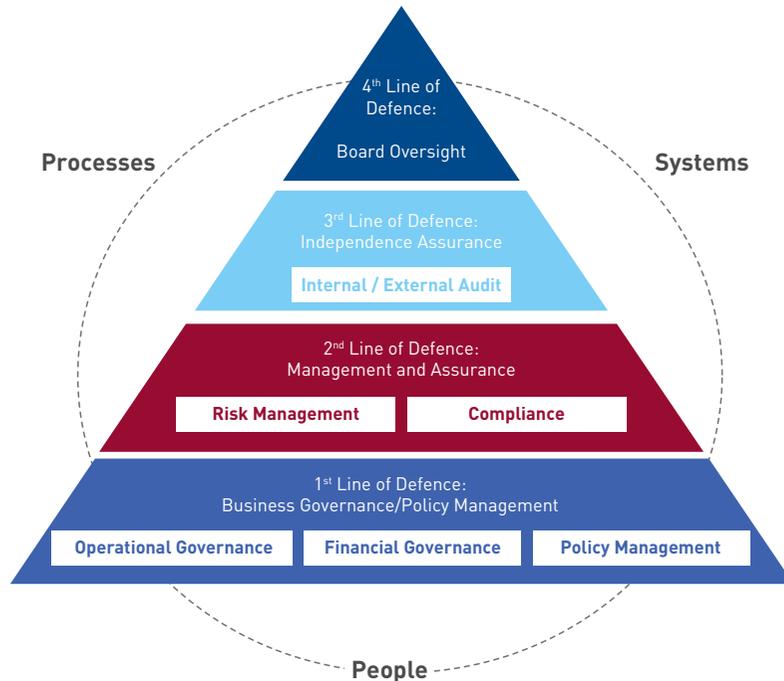
Note: Selected policies are made publicly available on ESR's corporate website at www.esr.com

PILLAR 3: CORPORATE PERFORMANCE

Risk Management

ENTERPRISE RISK MANAGEMENT

The Group’s Enterprise Risk Management (“ERM”) Framework provides a holistic and systematic approach for the identifying, assessing, monitoring and reporting of risks, including topics covered by our ESG Framework. The ERM Framework is designed to be dynamic with the intent of fostering the right risk culture and responds promptly and effectively in the constant evolving business environment. The ERM Framework is adapted from ISO 31000 International Risk Management Standards, COSO Internal Control-Integrated Framework and the Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations – now under the purview of the International Sustainability Standards Board (“ISSB”). In addition, the Group has developed internal key risk indicators that serve as an early-warning system to highlight risks that have escalated beyond the agreed tolerance levels and its risk exposure, including climate-related indicators. Management has established required follow-up actions to be taken when risk thresholds are breached. The key risks and key risk indicators are reviewed by management and Audit Committee before they are drawn to the attention of the Board.



In establishing an organisation-wide risk governance structure, ESR adopts the ‘four lines of defence’ model. This governance model aims to drive risk accountability and ownership at all levels of the organisation, at the same time maintaining the right level of commitment and segregation across stakeholders. The responsibility for risk management is distributed across the organisation, from the front lines to the four lines of defence. Risk owners at the country and business unit level, as well as group senior management, actively participate in these processes. The Group Risk Management department collaborates closely with the risk owners to identify key risks, assess their likelihood and impact on the Group’s business and establish effective controls to mitigate these risks. This collaborative approach ensures comprehensive risk management throughout the organisation.

To proactively identify and analyse sustainability-related risks and opportunities, we evaluate material ESG risks and integrate the findings into our operations and risk management framework. During the annual review of ERM Framework, Group Risk Management department had included the environmental likelihood and impact parameters in the risk consequence matrix for risk assessment and prioritization and enhanced the risk management process to include the identification, assessment and management of climate-related risks. Throughout the year, the ESG Committee tracks and examines market trends and indicators with the help of external experts and consultants to ensure that the sustainability-related risks are relevant to our business and to be considered during the review process. When integrating ESG-related risks within the ERM Framework, we have identified sustainability and climate change risk as one of the key risks within our Group risk profile. We have assessed the potential drivers, likelihood of the risk occurring and consequences, as well as mitigating controls that are put in place to keep up with the stakeholders’ expectations with regards to sustainability and climate change. In addition, we consider the impact of emerging risks over a long-term horizon. As the world transitions to a low-carbon economy, climate change poses both physical and transition risks which will have medium and long-term effects on our business.

Material changes in risk profiles, activities and controls are regularly communicated to senior management, the Audit Committee and the Board of Directors. These updates are shared during half-yearly board meetings to facilitate comprehensive reviews and discussions.

More details on the impacts and mitigation measures to address these emerging risks are included in the Risk Management section in Page 57 to 63 of our FY2023 Annual Report, as well as the Climate Change Resilience section under Pillar 2: Property Portfolio of this report.

PILLAR 3: CORPORATE PERFORMANCE

Risk Management

IT AND CYBERSECURITY

The Group recognises the increasing threats posed by cyberattacks, which are becoming more prevalent and sophisticated. ESR consistently evaluates the adequacy of the computer systems and implements enhancements to various platforms, given the growing reliance on technology to enhance operational efficiency and ensure effective internal governance. ESR has a cyber resilience infrastructure and network, which safeguards against technology-related risks originating from both internal and external sources. Additionally, ESR has comprehensive information technology policies and procedures in place, governing information availability, confidentiality, and security, to prevent any unauthorised disclosure of sensitive information. The Group understands the importance of the increasing and intricate cyber threats on a global scale. As we expedite our digitalisation efforts to enhance business operations, we acknowledge that technology-related risks from both internal and external origins are fundamental components of our primary business risks.

At the governance and management structure level, the Group IT department reports to the Group Head of IT, who implements the information security plans and initiatives, enforces central IT controls and coordinates the identification, assessment and monitoring of information security risks to enhance the Group's resilience. In bolstering our cybersecurity measures, vulnerability assessments are performed to test the integrity of the systems. In view of potential external threats that may impact ESR's network and data, a Security Operations Centre ("SOC") has been established and supervised by a third-party service provider in collaboration with the Group IT department. The SOC continually monitors and enhances our security posture, proactively prevents, detects, analyses and responds to potential cybersecurity incidents. By regularly reviewing the information technology disaster recovery plan and assessing the robustness of our IT systems, we ensure the protection of critical information systems and safe recovery of essential business operations.

At the defence and management approach level, ESR effectively manages cybersecurity risks through the implementation of an Information Security Management System ("ISMS"), which includes procedures dedicated to technology and data security controls. The ISMS Committee, headed by the Group's IT director, consists of senior IT leaders from various business units within the Group. This committee is responsible for establishing the information security governance framework, monitoring the system's functionality and ensuring the implementation of suitable safeguards to enhance the resilience of our IT operations against cyberattacks.

In 2023, we updated our cyber defence strategy to align with the growing adoption of cloud computing. To ensure continuous protection against malware and network threats, both within and outside our corporate networks, the Group IT department has implemented a new cloud-based security services for our staff computing devices. Our cyber defences undergo regular testing through vulnerability assessments and penetration testing by third-party security specialists. Additionally, we conduct regular backups and disaster recovery testing to ensure the uninterrupted continuity of our operations. These measures collectively strengthen our ability to prevent, detect and respond to potential threats, safeguarding our data, assets, and reputation.

ESR has established a comprehensive set of IT policies and procedures. These encompass the governance of information accessibility, confidentiality and security to prevent any unauthorised disclosure of sensitive information. Mandatory annual training sessions on IT security awareness, including simulated phishing tests, are conducted to keep employees informed and vigilant regarding potential security breaches and phishing scams. To augment our defence mechanisms against the financial repercussions of cyber incidents, the Group has secured cyber liability insurance, which also covers information security risks.

Over the past three years, ESR is proud to report that there have been no group-wide and third-party information security breaches, a testament to the effectiveness of the Group's cybersecurity measures and proactive risk management approach. ESR Group engages service providers to carry out a range of business functions. To ensure effective third-party security management, ESR Group has developed a robust framework and processes to assess and monitor the information security controls implemented by third parties and continuing compliance with the Group's stringent security standards.



PILLAR 3: CORPORATE PERFORMANCE

Risk Management

COMPLIANCE

At ESR, we are committed to strict compliance with laws and regulations in all the jurisdictions where we operate. In accordance with our Code of Conduct and Business Ethics and Group Human Resources Policy, our employees have freedom of political association. However, it is essential that these activities do not create the impression that employees are speaking or acting on behalf of the Company, unless explicitly authorised to do so. ESR strictly prohibits any form of political involvement on behalf of the Company for political purposes, including any illegal political donations or lobbying expenditures to political organisations or individuals. We emphasise that no contributions or spending were made to any political party or politician for any campaign or related purposes during FY2023.

By leveraging on our technology and robust regulatory compliance framework, we have implemented a comprehensive compliance programme. This programme ensures that we adhere to the highest standards of compliance and ethical conduct.

- **ComplySci® and Thomson Reuters e-learning:** We utilise two key tools to support our compliance efforts. ComplySci® is a web-based compliance solution that helps us manage compliance risks and track employees' acknowledgements of ESR's Code of Conduct and Business Ethics as well as other relevant policies such as Conflicts of Interest Policy, Anti-Bribery, Anti-Corruption and Handling of Gifts, Travel & Entertainment Policy, Anti-Money Laundering, Counter-Terrorist Financing & Sanctions Policy, Employee Dealing and The Handling of Inside Information and Whistleblowing Policy. Through ComplySci®, employees attest that they have read, understood and will adhere to these principles. Additionally, we utilise Thomson Reuters e-learning platform, to assign compliance-related training courses, covering various topics including anti-bribery and anti-corruption, business gifts and entertainment, insider dealing and anti-competitive conduct and health, safety and environment. Each training includes a self-assessment component where employees can evaluate their understanding of the training material. All employees must complete the mandatory training modules assigned annually and certification to the Code of Conduct and Business Ethics.

To ensure the effectiveness of our ethical standards and compliance-related policies, Group Internal Audit will conduct an annual review of the compliance with the above policies, including ethical standards. This process helps us assess the internal controls associated with these standards and policies. We are pleased to report that no breaches of our Code of Conduct and Business Ethics were reported during FY2023. As a Group, we are committed to minimising conflicts of interest by implementing clear prohibitions and proper segregation of duties in situations where a responsible party may have a personal interest during a business transaction and must be excluded from the business discussion or receiving any related information.

- **Whistleblowing:** Guided by our Code of Conduct and Business Ethics, Whistleblowing, Group Human Resources and Human Rights policies, we establish grievance mechanisms to address concerns and reports regarding compliance and workplace conduct. These mechanisms are available to both internal and external stakeholders, including employees, who wish to raise issues related to infringements or violations in confidence.

For external third parties, including supply chain workers, who have commercial relationships with ESR and our employees, the designated email address whistleblowing@esr.com is available for reporting whistleblowing complaints. All complaints received through this channel are treated with the utmost confidentiality. External whistleblowers can also visit our corporate website (<https://www.esr.com/whistleblowing-policy/>) to download and fill out the 'Whistleblowing Report Form' to report their findings. Where permissible by law, reporting is anonymous; providing contact information on a voluntary basis is encouraged and helpful for investigating reports, in case there are follow-up questions. The Group's Head of Compliance and the General Counsel review and analyse all submissions, preparing regular investigative reports for internal communications and fact-checking purposes. The Audit Committee would be notified of all whistleblowing cases and will determine the course of actions to take. The Group is committed to an open, fair and transparent environment to allow employees and external third parties in making genuine reports of any misconduct or violations. Retaliation is prohibited against anyone who assists in an investigation into such matters, even if the report is subsequently not or cannot be substantiated. It is worth noting that no complaints regarding workplace discrimination or ethics violations were reported during FY2023.

PILLAR 3: CORPORATE PERFORMANCE

Risk Management

- **Regulatory Compliance and Anti-corruption:** To ensure compliance, we constantly monitor the evolving laws and regulations in the countries where we operate. As a Group, ESR is committed to strictly adhering to its comprehensive Anti-Bribery and Anti-Corruption policies. These policies serve as a guiding framework for ESR and our employees, providing a clear understanding of and compliance with relevant laws and regulations. Additionally, these policies offer legal protection in the jurisdictions where we conduct business.

Our Anti-Bribery and Anti-Corruption policies are applicable to our operations in key jurisdictions, including Australia, China, Hong Kong, India, Indonesia, Japan, South Korea, Singapore, Thailand, Vietnam, the United Kingdom and the United States. These policies extend to all employees within the Group as well as external counterparties, including but not limited to, contractors, suppliers, intermediaries, agents, business partners, representatives, and consultants.

To enhance commercial integrity in our business transactions, it is essential to adhere to the following "4R Rules":

- a) **Comply with Regulations:** Strictly adhere to all applicable laws, regulations and internal policies.
- b) **Be Reasonable:** Exercise sound judgement and reasonableness in all business dealings.
- c) **Be Responsible:** Take individual responsibility for upholding ethical standards and ensuring compliance.
- d) **Keep Books and Records Accurately:** Maintain accurate and reliable records of all business transactions.

By following these principles, we foster a culture of integrity and promote ethical conduct throughout the Group's operations.

- **Tax Compliance:** ESR ensures compliance with the tax regulations applicable in every jurisdiction where we operate our business. We proactively stay informed about the latest tax rules through regular updates from our team of tax consultants. Furthermore, we conduct ongoing evaluations and assessments to ensure our adherence to these regulations.



PILLAR 3: CORPORATE PERFORMANCE

Risk Management

COUNTERPARTY RISK MANAGEMENT

Counterparty risks may arise in situations that pose a threat or endanger the Group due to our business relationship with other parties. In order to mitigate these risks, we implemented a Counterparty Due Diligence Workflow using the counterparty due diligence platform 'Compliance Desktop[®]', which is owned by London Stock Exchange Group ("LSEG"). This platform incorporates both internal and external questionnaires, taking a risk-based approach to determine the level of background checks required. It utilises WorldCheck screenings and different levels of approvals. The automated features of our enhanced Counterparty Due Diligence Workflow promote compliance throughout the Group by allowing us to conduct regular risk assessments aimed at determining the counterparties' bribery and corruption risk, modern slavery risk, money-laundering, terrorist-financing and sanctions risks amongst others, strengthening our business relationships with counterparties. Furthermore, the platform enhances risk management by providing transparency in compliance status checks for vendors, contractors, capital partners, tenants and suppliers. In addition to all of these efforts, where appropriate, the counterparties must incorporate specific contract provisions within their service agreement or engagement letter, covering compliance with laws and regulations and the key provisions reflecting the objectives of our policies. We have made improvements to Compliance Desktop[®], including reconfiguring the existing workflow, updating the questionnaires and revising the scoring scheme to better assess counterparty risk based on relevant factors such as the Corruption Perceptions Index scores, international sanctions regimes, FATF guidance and the revised Anti-Money Laundering, Counter-Terrorist Financing & Sanctions policy.

To streamline supplier due diligence and selection, we utilise Compliance Desktop[®] to assess the bribery, corruption, money-laundering, terrorist-financing and sanctions risk of counterparties before appointing them, including vendors and contractors. As part of the due diligence process, the relevant business unit personnel completes an internal questionnaire. Based on the final risk rating (low, medium or high) and screening results, local or group compliance will determine whether the counterparty can be onboarded or if additional enhanced due diligence (such as assigning an external questionnaire) is required. The platform also enables ongoing monitoring of existing counterparties, allowing us to improve sustainability practices and performance within our supply chain.

The improved Counterparty Due Diligence Workflow we have implemented also enhances risk management by providing full transparency regarding the compliance status of vendors, contractors, suppliers, capital partners and tenants.

Phase 1 – 3: Remediation, Automation & Execution (2019 – December 2021)

- 100% resolution rate on 3,716 third- parties screened in year 2019
- Implementation of automated Counterparty Due Diligence workflow
- Training of responsible persons, business unit managers and Legal and Compliance teams
- Successful roll-out of ESR Compliance Desktop[®] across 8 markets with 6,233 third-parties screened in 2022 to-date
- New function added to purchase Enhanced Due Diligence report for higher risk counterparties

Phase 4: Integration (January – December 2022)

- Due Diligence Questionnaire includes sustainability factors¹ in counterparty pre-approval process
- Enhanced sanctions checks on counterparties in compliance with the relevant regulations
- Completed due diligence checks serve as supporting documents for finance to process payments

Phase 5: Enhancement (January – December 2023)

- Enhanced due diligence questionnaire with added sanctions compliance section and updated Ultimate Beneficial Owner ("UBO") threshold
- Update scoring scheme to be in line with Corruption Perceptions Index scores, relevant international sanctions regime and FATF guidance
- Remediation actions taken to enhance oversight of local Legal and Compliance teams approving questionnaire and ongoing monitoring of higher risk counterparties

¹ Sustainability factors include green procurement selection, supply chain evaluation and practices, and modern slavery matters

PILLAR 3: CORPORATE PERFORMANCE

Risk Management

AUTOMATED COUNTERPARTY DUE DILIGENCE WORKFLOW



CASE STUDY

REVISIONS MADE TO COMPLIANCE POLICIES

In 2023, Group Compliance presented and obtained the Board’s approval for the revised 6 core compliance policies. With the successful acquisition of ARA, the focus was to harmonise the practices with ARA. Other key updates also include (i) providing specific guidelines on sanctions compliance in the AML/CTF & sanctions policy, (ii) clear guidance on the process of accepting and offering benefits in the anti-bribery, anti-corruption and handling of gifts, travel & entertainment policy, (iii) updated the list of ESR listed securities (“ESR Shares”) that is part of the Group and providing guidance on dealing with ESR Shares, (iv) emphasise that political donations is strictly prohibited in the Code of Conduct and Business Ethics, (v) clear guidelines in managing conflicts of interest (“COI”) and measures on preventing COI and (vi) guidelines on reporting possible violations through the whistleblowing channels and the availability of the whistleblowing policy in other local languages including Japanese and Korean. External legal expert was also engaged to ensure that the policies are in line with the latest regulatory updates and market practices.

Group compliance also developed a set of training videos and slides which covers the key updates and requirements of each policy. These training materials were rolled out to all employees as part of the group-wide mandatory compliance training. In addition, these compliance policies were summarised and presented to the Board for approval, and formed part of their training on key areas of the policies, such as anti-corruption and anti money-laundering matters.

KEY PERFORMANCE INDICATORS

7,151²

Counterparties by geographic location

3 Risk Buckets containing
67 Specific Risk Areas assessed

- Official lists covering sanctions, watchlists, regulatory and enforcement lists
- Political exposure covering PEPs, RCAs, SOEs and SIEs[‡]
- Structured adverse media which covers an extensive list of risk areas including fraud, insider trading, cybercrime, bribery and corruption
- Environmental and social risks

Australia 3,189	China 1,937	China, Hong Kong 303	India 374
Japan 837	South Korea 294	Singapore 187	Vietnam, Indonesia & Thailand 30

² This represents the total number of screened counterparties in 2023 to-date, which includes 1,944 suppliers.

[‡] Politically Exposed Persons, Relative or Close Associates, State Owned Entities and State Invested Entities

PILLAR 3: CORPORATE PERFORMANCE

Responsible Investment

As a signatory to the United Nations-supported Principles for Responsible Investment ("UN PRI"), ESR Group publicly demonstrates its commitment to adopting and promoting sustainable and responsible investment practices.

The UN PRI includes the annual disclosures and evaluation of our implemented policies and procedures on responsible investing. The UN PRI principles guide our approach to consider ESG issues in our investment and asset management processes across the Group. As a result, this strengthens the Group's investment approach to create value for investors and contribute to broader environmental and societal objectives, so as to preserve and promote the long-term interests of our stakeholders.

Signatory of:



In 2023, the Group embarked on a preliminary self-assessment to understand and enhance its disclosure practices in preparation for its inaugural reporting in 2024. As part of this preparatory work, small focus group discussions will be carried out across all business units to evaluate existing responsible investment processes and practices, identify and address potential gaps. Relevant documents such as the Group's Responsible Investment Policy and ESG Checklist will be updated accordingly. Trainings will be conducted to guide all employees with the six principles of responsible investment, with the aim to build internal capabilities to embed responsible investment practices in the Group's business.



- Investment analysis and decision-making processes
- Asset ownership policies and practices



- Disclosure on ESG issues and progress
- Collaboration to enhance implementation of UN PRI



- Synergy realised via sustainable financing achievements
- Commitment and contribution to sustainable development

PILLAR 3: CORPORATE PERFORMANCE

Responsible Investment

CASE STUDY

ACCELERATING OUR SUSTAINABLE FINANCING EFFORTS

The Group continues to integrate sustainability considerations into its financing mechanisms. As at end-2023, the Group announced it has secured approximately US\$4 billion across a total of seven Sustainability-Linked Loans ("SLLs"), demonstrating its leadership in green finance and business practices.



The seventh loan, amounting to HK\$1.6 billion over a 5-year tenure, incorporates a tiered incentive mechanism which entitles ESR to interest rate reductions when its sustainability goals are achieved. The Group will refinance current borrowings and use the proceeds for investments, working capital and other general corporate reasons.

In addition to the SLLs, the Group closed Hong Kong's first-ever HK\$8.8 billion Green Loan for the development of a logistics centre. The HK\$8.8 billion Green Loan is one of the biggest in Hong Kong in 2023 and it will be used to finance the construction of Kwai Chung Cold Storage Logistics Centre, Hong Kong's largest cold storage facility ever to be built in the last 20 years.

As of the date of publication of this report, the Group has raised in total 10 SLLs with a cumulative total amount of US\$4.4 billion approximately.



PILLAR 3: CORPORATE PERFORMANCE

Disclosure & Reporting

ESR is committed to upholding best practices in disclosure and reporting, improve its ESG performance and proactively engage with stakeholders. The Group participates regularly in globally recognised benchmarks and ratings such as GRESB, MSCI ESG Ratings and Sustainalytics ESG Risk Ratings which provides valuable feedback on our development compared to industry peers in addition to enabling us to identify areas for improvement.

Since 2014, the Group has participated in GRESB, the leading global benchmark for assessing ESG performance of real estate and infrastructure projects. A total of 45 listed REITs and private funds participated in the 2023 GRESB Real Estate Assessment, representing approximately 40% of the Group's portfolio. Many institutional and financial investors use the GRESB ratings and data to track their investments and make strategic and sustainability decisions on their portfolios.



GRESB
REAL ESTATE
sector leader 2023



GRESB
★★★★★ 2023

KEY HIGHLIGHTS OF THE GROUP'S GRESB LEADERSHIP IN 2023

- Under the Development benchmark, four participating entities attained Regional Sector Leader recognitions:
 - Redwood Japan Logistics Fund II LP, RJLF 3 Co-Investment Platform (Japan) and ESR Kendall Square Development JV II (Korea) achieved their Regional Sector Leader recognitions in the "Asia, Industrial" category for the second consecutive year.
 - e-Shang Star Cayman Limited (China) received the Regional Non-Listed Sector Leader recognition in the "Asia, Industrial" category for the first year.
- 22 ESR entities across Australia, Greater China, India, Indonesia, Japan, Korea and Singapore received the 5 Star rating — the highest recognition accorded for being industry leaders — a significant increase from 11 in 2022.
- In line with our ESG 2030 Roadmap target to achieve a 3-Star GRESB rating average, we managed to obtain a 3.5 Star rating average for the 45 participating entities in 2023.

Tang Boon Kang, ESR Group Head, Governance & Sustainability and Emma Larsson, ESR Group ESG Officer, said: "ESR has continued to integrate ESG into all aspects of our business in adherence to our comprehensive ESG strategy. The recognition by GRESB is important as many investors use it to assess and benchmark our ESG performance against our industry peers and it enables us to engage with our investors. We are humbled by our achievements in this year's assessment - the culmination of hard work and dedication across our teams."

PILLAR 3: CORPORATE PERFORMANCE

Disclosure & Reporting

Reflecting on our robust ESG practices that are well-aligned with investor interests, we retained a “Low Risk” rating in the 2023 Morningstar’s Sustainalytics ESG Risk Ratings. Sustainalytics’ ESG Risk Ratings measure a company’s exposure and management of industry-specific material ESG risks and how well a company is managing those risks. The ESG risks are categorised across five risk levels: negligible, low, medium, high and severe.

In 2023, the Group also retained its rating of “A” in the annual MSCI ESG Ratings, reflecting our continual efforts to improve our ESG performance. The MSCI ESG Ratings assesses and rates global companies on an industry-relative triple-A to triple-C scale, according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

As we advance in our ESG 2030 Roadmap, we will continually align and measure our ESG performance and disclosure against global best practices and industry peers.

Sustainalytics 2023 Score
15.5 (Low Risk)

MSCI 2023 ESG Rating
A



PILLAR 3: CORPORATE PERFORMANCE**Supply Chain Management**

ESR incorporates ESG considerations as part of its supply chain management on areas relating to sustainable procurement, operational resilience, and sustainability performance of suppliers.

We work closely with a wide range of suppliers, including contractors, vendors, consultants, service providers, architects and designers in the development and management of our asset portfolios. Suppliers are assessed based on a set of criteria including track record, financial strength, and their commitment towards high standards of quality, environmental management, and safety.

We work with our contractors to integrate the relevant ESG considerations into our value chain. Impact assessments are conducted prior to construction covering the effects on the environment and compliance with applicable laws and regulations. Suppliers are also required to adhere to our Supplier Code of Conduct, setting out the standards relating to regulatory compliance, business conduct, labour practices, environmental protection, sustainable procurement, health and safety training and awareness amongst other areas. For example, some requirements that the Group expects all suppliers to comply are:

1. Meet or exceed the requirements of all applicable environmental laws and regulations in terms of energy consumption, GHG emissions, water use and waste management.
2. Implement an effective environmental management system to manage and monitor energy, emissions, water and waste, and reduce environmental impacts in their operations.
3. Promote sustainable material sourcing and raw material extraction methods to reduce environmental and social potential impacts and seek to meet voluntary standards or programmes that address responsible sourcing criteria. Suppliers are expected to develop a sustainable procurement policy or an action plan to ensure that sustainable management practices are adopted.
4. Respect the five fundamental human rights in their operations as set out in the International Labour Organisation ("ILO")'s Declaration on Fundamental Principles and Rights at Work.
5. Uphold health and safety standards and promote a safe and healthy working environment in accordance with all applicable laws and regulations.
6. Adopt a zero-tolerance stance towards all forms of corruption including bribery, extortion, personal or improper advantage.
7. Adhere to Group's Whistleblowing Policy to allow any Supplier, staff or persons to raise concerns in good faith.

Suppliers who fail to comply with the Code may result in contractual penalties, termination of contract and/or reporting to the local authorities. All current and prospective Suppliers are required to adhere to the Code.

Furthermore, the Group has an Environmental Protection Policy that sets out our commitment to preserve the biodiversity and habitat surrounding our assets and projects. We adopt a biodiversity mitigation hierarchy framework to manage the risks and potential impacts related to biodiversity and habitat. This framework includes a structured approach to protect and conserve biodiversity and maintain the ecosystem through the following steps: Avoidance, Minimisation, Restoration, and Offsets. Through this framework and guidelines in this policy, we work closely with all our suppliers and their sub-suppliers to ensure that the natural environment (biodiversity and habitat) is protected and conserved.

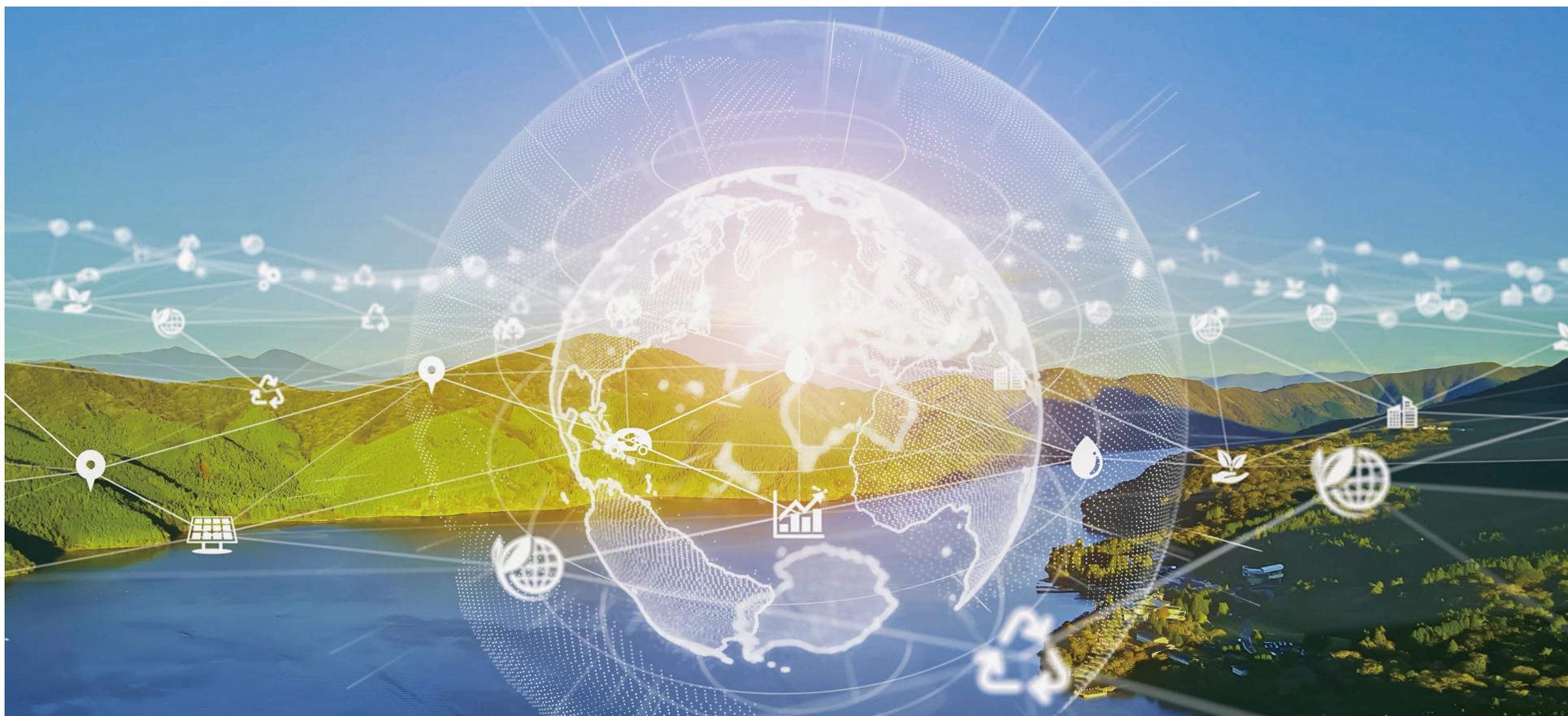
The Group also actively engages our supply chain through various industry consultations, forums and events to gain relevant insights and share best practices.

PILLAR 3: CORPORATE PERFORMANCE

Supply Chain Management

Our operations team conduct both periodic and ad-hoc suppliers' risk assessment and performance evaluation and perform audits on-site to check suppliers' performance against agreed contractual obligations/requirements as well as compliance with Group policies and applicable local laws and regulations. These obligations/requirements include aspects such as human rights violations, health & safety lapses, environmental management, and sustainable procurement amongst others.

After every completed engagement, ESR evaluates the performance of suppliers to provide them with feedback for improvement with a corrective action plan. Suppliers that do not meet or breach the requirements are penalised or terminated based on the contractual terms. By following our stringent procurement processes and Supplier Code of Conduct, we aim to encourage our suppliers to adopt sustainable practices. Refer to additional information on Counterparty Risk Management on page 77 & 78 which sets out mechanism on due diligence on selection of suppliers.



About This Report

This ESG report discloses environmental data pertaining to assets in which the Group has operational control, including assets under ESR, ARA and LOGOS. We define operational control as the landlord's base building consumption for assets under our direct control, including assets acquired or disposed during the year up to the period of effective ownership. This does not cover the consumption by tenants which is under Scope 3 and excludes assets which are entirely managed by the tenants (e.g. single tenants or master leases). This concept of operational control is in line with GHG Protocol. The scope of employment data in this report includes employees who are in a direct employment relationship with the Group or whose employment terms and conditions are under our direct management control. Our report complies with relevant provisions from HKEX Main Board Listing Rule 13.91 and ESG Reporting Guide as well as the GRI Standards from the Global Reporting Institute. Details are available in the [content indices](#).

ESR commissioned Hong Kong Quality Assurance Agency (HKQAA) to conduct an independent verification for Environmental, Social Data and Solar Power Capacity datasets as indicated in the [ESG data summary](#) (including measurement of performance against the ESG 2030 Roadmap targets) and [Independent Assurance](#) statement set forth in this section.

We welcome your feedback about the content of this report and our ESG performance more generally. Please contact us at esg@esr.com.

ABOUT THIS REPORT

ESG Data Summary

	2022	2023	2023 by Business Unit ¹											
			ESR Australia	ESR China	ESR Hong Kong	ESR India	ESR Indonesia	ESR Japan	ESR Korea	ESR SG	ESR LOGOS REIT	ESR Thailand	ARA	LOGOS
Number of Employees^{2,3}														
Total	1,400	1,354	128	143	71	83	11	75	94	50	77	16	262	344
By Gender														
Male	772	739	75	91	33	64	8	52	62	24	25	6	95	204
Full time	768	736	74	91	33	64	8	52	62	24	25	6	95	202
Part time	4	3	1	0	0	0	0	0	0	0	0	0	0	2
Permanent	748	709	75	91	32	64	5	52	62	24	25	6	86	187
Temporary	24	30	0	0	1	0	3	0	0	0	0	0	9	17
Non-guaranteed hours	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Female	628	615	53	52	38	19	3	23	32	26	52	10	167	140
Full time	622	605	46	52	38	19	3	21	32	26	52	10	166	140
Part time	6	10	7	0	0	0	0	2	0	0	0	0	1	0
Permanent	604	586	49	52	38	19	3	21	32	26	52	10	160	124
Temporary	24	26	1	0	0	0	0	2	0	0	0	0	7	16
Non-guaranteed hours	0	3	3	0	0	0	0	0	0	0	0	0	0	0
By Age														
Under 30 years	157	147	24	9	3	4	1	7	10	10	2	1	31	45
30's	616	602	51	75	28	42	3	12	56	23	42	4	93	173
40's	420	420	34	49	24	24	2	32	23	13	24	7	94	94
50 years and over	207	185	19	10	16	13	5	24	5	4	9	4	44	32
By Employee Category														
Senior Management ³	563	550	40	102	25	65	3	15	45	26	23	1	92	113
Middle Management	524	510	56	35	38	18	3	41	45	14	27	12	81	140
General & Operations	313	294	32	6	8	0	5	19	4	10	27	3	89	91

Employee Category	2023	Male	Female	< 30 years	30's	40's	> 50 years
Senior Management	550 (41%)	377 (51%)	173 (28%)	2 (1%)	182 (30%)	247 (59%)	119 (64%)
Middle Management	510 (38%)	279 (38%)	231 (38%)	50 (34%)	301 (50%)	112 (27%)	47 (25%)
General & Operations	294 (22%)	83 (11%)	211 (34%)	95 (65%)	119 (20%)	61 (15%)	19 (10%)
Total	1,354	739	615	147	602	420	185

1 The disclosure on employees is based on the breakdown by business units instead of by region as the Group's employees are grouped according to the business units' locations.

2 The total number of employees refers to employees with direct employment relationship with the Group as at 31 December 2023. Direct employment relationship refers to individuals that are directly employed by ESR where both parties (employer and employee) agree to the terms of employment, including job duties, compensation, and working conditions. ESR has direct control over the employee's work tasks, supervision, and performance. The relationship is governed by employment laws, regulations, and contractual agreements. The total headcount for the Group is 2,298 as at 31 December 2023, which includes headcount from property management services.

3 Senior Management includes 31 headcount which comprises the Group Co-founders & Co-CEOs, ESR Group Leadership Team (6 Males and 2 Females), and ESR Business Leadership Team (18 Males and 3 Females).

ABOUT THIS REPORT

ESG Data Summary

	2022	2023	2023 by Business Unit ¹											
			ESR Australia	ESR China	ESR Hong Kong	ESR India	ESR Indonesia	ESR Japan	ESR Korea	ESR SG	ESR LOGOS REIT	ESR Thailand	ARA	LOGOS
Number of Leavers (% Turnover rate)⁴														
Total	380 (27%)	277 (20%)	15	11	7	13	0	14	12	3	18	2	62	120
By Gender														
Male	187 (24%)	135 (18%)	9	9	3	8	0	5	8	2	8	1	22	60
Female	193 (31%)	142 (23%)	6	2	4	5	0	9	4	1	10	1	40	60
By Age														
Under 30 years	56 (36%)	38 (26%)	5	0	1	2	0	1	4	1	2	0	14	8
30's	181 (29%)	116 (19%)	6	5	4	8	0	2	5	2	5	0	25	54
40's	104 (25%)	75 (18%)	3	6	1	3	0	3	2	0	8	1	15	33
50 years and over	39 (19%)	48 (26%)	1	0	1	0	0	8	1	0	3	1	8	25
Number of New Hires (% Hire rate)⁴														
Total	408 (29%)	200 (15%)	21	10	15	8	0	15	12	14	17	5	43	40
By Gender														
Male	223 (29%)	91 (12%)	11	6	4	6	0	8	8	6	5	2	14	21
Female	185 (29%)	109 (18%)	10	4	11	2	0	7	4	8	12	3	29	19
By Age														
Under 30 years	75 (48%)	44 (30%)	6	2	3	1	0	5	2	6	1	1	14	3
30's	199 (32%)	102 (17%)	10	3	9	6	0	5	10	5	9	2	20	23
40's	96 (23%)	46 (11%)	4	5	1	1	0	4	0	3	7	1	8	12
50 years and over	38 (18%)	8 (4%)	1	0	2	0	0	1	0	0	0	1	1	2
Occupational Health & Safety														
No. of fatalities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate of fatalities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
No. of high-consequence injuries	0 (0%)	0 (0%)	0	0	0	0	0	0	0	0	0	0	0	0
No. of recordable work-related injuries or ill health	1 (0.1%)	1 (0.1%)	0	0	0	0	0	0	0	0	0	0	0	1
Lost days due to injury	82	0	0	0	0	0	0	0	0	0	0	0	0	0
Lost time injuries frequency rate ⁵ (LTIFR)	0.4	0.4	0	0	0	0	0	0	0	0	0	0	0	1.45
No. of hours worked ⁶ ('000)	2,800	2,708	256	286	142	166	22	150	188	100	154	32	524	688

⁴ The denominator for rate calculations is the total number of employees in that specific category, which has been updated from last year's total number denominator for greater comparability. 2022 percentages in this year's report have also been aligned to this calculation.

⁵ The Group started reporting LTIFR data from 2022.

⁶ The number of hours worked is estimated based on 8-hour work days and 250 work days during the reporting period.

ABOUT THIS REPORT

ESG Data Summary

DEVELOPMENT AND TRAINING⁷

	2022	2023
Total number of employees trained	946	1,354
Total percentage of employees trained	96%	100%
Percentage of employees trained by each category		
By Gender		
Male	93%	100%
Female	99%	100%
By employee category		
Senior Management	89%	100%
Middle Management	99%	100%
General & Operations	100%	100%
Average training hours		
By employee	24	23
By Gender		
Male	23	20
Female	25	26
By employee category		
Senior Management	22	23
Middle Management	26	22
General & Operations	26	22
Total employees receiving regular performance and career development reviews (%)	99%	99%
By Gender		
Male (%)	98%	99%
Female (%)	99%	99%
By Employee Category		
Senior Management (%)	97%	99%
Middle Management (%)	99%	99%
General & Operations (%)	100%	99%

⁷ Data included LOGOS (excluded in FY22 due to incomplete data). For year-on-year comparison, average training hours for ESR and ARA business units were 30 hours per employee.

ABOUT THIS REPORT

ESG Data Summary

PARENTAL LEAVE

	2022	2023
Total no. of employees entitled to parental leave	All female and male employees, in accordance with local regulations	
Total no. of employees that took parental leave⁸	127	184
Male	48	81
Female	79	103
Total no. of employees that did return after parental leave	*	39
Male	*	20
Female	*	19
Total no. of employees that returned from parental leave still employed 12 months later	*	38
Male	*	17
Female	*	21
Return to work rate (%)		
Male	*	100%
Female	*	90%
Retention rate (%)		
Male	*	100%
Female	*	81%

⁸ Includes employees with children who took childcare leave. A total of 53 employees (22 males and 31 females) took only parental leave in FY23.

* No data for FY22 as data was incomplete and methodology was refined in FY23.

ABOUT THIS REPORT

ESG Data Summary

Note on ESG Data Scope

Operational control refers to the base building consumption for operating assets under our direct control, including assets acquired or disposed during the year up to the period of effective ownership. This definition excludes assets which are entirely managed by the tenants (e.g., single tenants or master leases) and the reported data does not cover tenants' consumption.

PROPERTY PORTFOLIO

	Units	2022 ^{Note 11, 12}	2023 ^{Note 11, 12}	2023, by Business Unit							
				ESR Australia	ESR China	ESR India	ESR Japan	ESR Korea	ESR Singapore	ARA	LOGOS
Directly managed properties as at 31 December ^{Note 1}	# assets	581	770	119	103	7 ^{Note 9}	29	38	73	288	113
	GFA '000 sqm	27,272	31,381	2,535	8,694	1,038	3,089	3,112	2,195	5,022	5,696
Certified / rated sustainable buildings ^{Note 6}	# assets	164	181	7	17	4	29	29	8	70	17
	GFA '000 sqm	10,596	13,420	75	1,806	778	3,089	2,527	316	3,069	1,760
Certified / rated "high" sustainable buildings ^{Note 6}	# assets	70	100	6	7	—	29	3	3	44	8
	GFA '000 sqm	6,315	8,303	68	923	—	3,089	654	220	2,597	752
Energy											
Directly managed properties reporting this data ^{Note 2}	# assets	320	433	31	82	4	19	20	35	212	30
	GFA '000 sqm	18,220	20,711	885	6,427	778	2,032	1,486	1,546	4,476	3,081
Total	MWh	560,932	537,836	2,552	27,321	676	7,622	8,847	50,543	430,179	10,096
District heating	MWh	24,793	22,080	—	—	—	—	—	—	22,080	—
Grid purchased electricity	MWh	467,645	442,794	2,520	23,626 ^{Note 8}	676	7,622	8,847 ^{Note 10}	50,543	338,903	10,057
Fuels		68,494	72,962	32	3,695	—	—	—	—	69,196	39
Diesel	MWh	635	393	—	—	—	—	—	—	354	39
Heating Oil		789	116	—	—	—	—	—	—	116	—
Natural Gas		67,070	72,453	32	3,695	—	—	—	—	68,726	—
Rooftop solar power capacity ^{Note 7}	# assets	103	123	22	12	7	14	4	9	19	36
	MW	84.95	112.30	6.20	21.60	1.80	32.00	0.70	15.60	4.70	29.70
Grid purchased electricity intensity ^{Note 4}	MWh/ GFA '000 sqm	25.67	21.38	2.85	3.68	0.87	3.75	5.95	32.69	75.72	3.26
Greenhouse Gas Emissions											
Directly managed properties reporting this data ^{Note 2}	# assets	320	433	31	82	4	19	20	35	212	30
	GFA '000 sqm	18,220	20,711	885	6,427	778	2,032	1,486	1,546	4,476	3,081
Total ^{Note 5}	'000 TCO2e	278.07	248.29	1.75	20.58	0.48	3.32	4.23	21.63	189.85	6.45
Scope 1 emissions	'000 TCO2e	13.85	14.73	0.01	0.74	—	—	—	—	13.97	0.01
Scope 2 emissions	'000 TCO2e	264.22	233.56	1.74	19.84	0.48	3.32	4.23	21.63	175.88	6.44
Total emissions intensity ^{Note 4}	'000 TCO2e/ GFA '000 sqm	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.04	0.00

ABOUT THIS REPORT

ESG Data Summary

	Units	2022 ^{Note 11, 12}	2023 ^{Note 11, 12}	2023, by Business Unit							ARA	LOGOS
				ESR Australia	ESR China	ESR India	ESR Japan	ESR Korea	ESR Singapore			
Water												
Directly managed properties reporting this data ^{Note 2}	# assets	286	337	6	79	5	18	21	33	148	27	
	GFA '000 sqm	16,421	18,873	42	6,231	879	2,009	1,505	1,491	4,159	2,557	
Total		3,776	3,758	17	237 ^{Note 8}	151	62	150	366	2,648	127	
Groundwater	ML	141	159	—	—	5	—	17	—	111	26	
Surface water		468	446	—	—	—	—	—	—	446	—	
Third-party water		3,167	3,153	17	237	146	62	133	366	2,091	101	
Water use intensity ^{Note 4}	ML/GFA '000 sqm	0.23	0.20	0.40	0.04	0.17	0.03	0.10	0.25	0.64	0.05	
Non-hazardous Waste												
Directly managed properties reporting this data ^{Note 3}	# assets	226	340	3	85	4	4	10	26	183	25	
	GFA '000 sqm	12,143	15,513	20	6,676	778	360	675	983	3,818	2,203	
Total		71.10	90.55	0.13	31.56	0.00	0.00	0.06	2.12	51.55	5.13 ^{Note 13}	
Composted		0.01	0.00	—	—	—	—	0.00	—	—	—	
Grinding		0.22	—	—	—	—	—	—	—	—	—	
Incineration (with energy recovery)	'000 Tonnes	17.38	8.39	—	—	—	—	—	—	8.39	—	
Incineration (without energy recovery)		0.39	34.28	—	31.05	0.00	0.00	—	2.02	0.19	1.02	
Landfill		45.76	41.51	0.08	0.51	—	0.00	0.06	—	36.76	4.10	
Recycled		8.35	6.37	0.05	—	0.00	—	—	0.10	6.21	0.01	
Non-hazardous Waste intensity ^{Note 4}	'000 Tonnes/GFA '000 sqm	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	
Hazardous Waste												
Directly managed properties reporting this data ^{Note 3}	# assets	15	9	—	—	—	—	—	—	9	—	
	GFA '000 sqm	425	344	—	—	—	—	—	—	344	—	
Total		0.06	0.00	—	—	—	—	—	—	0.00	—	
Recycled	'000 Tonnes	0.06	0.00	—	—	—	—	—	—	0.00	—	
Incineration (without energy recovery)		—	—	—	—	—	—	—	—	—	—	
Hazardous Waste intensity ^{Note 4}	'000 Tonnes/GFA '000 sqm	0.00	0.00	—	—	—	—	—	—	0.00	—	

Notes

1. Directly managed properties refer to completed assets in operations which are held under the consolidated statement of financial position of ESR Group, as well as held by the funds and REITs managed by the Group (i.e., managers controlled by the Group), including single tenanted assets and master leases as at 31 December 2023. This excludes assets disposed during the reporting period.
2. Directly managed properties reporting this data refer to completed assets in operations which the Group has operational control, including assets acquired or disposed during the year up to the period of effective ownership. This reported data does not include tenants' consumption. However, for hospitality asset class, the whole building is included in the reporting scope as the Group is responsible for energy, water and waste management.

ABOUT THIS REPORT

ESG Data Summary

3. Directly managed properties reporting this data refer to completed assets in operations which the Group has operational control, including assets acquired or disposed during the year up to the period of effective ownership. For logistics asset class, only the common areas are covered because tenants would manage their own waste disposal. For commercial asset class, the whole building is included in the reporting scope as the Group is responsible for waste management and disposal (including tenants' waste). Hazardous waste is mainly due to the fused fluorescent light bulbs which have been properly disposed of by the property managers.
4. The intensity calculations for grid purchased electricity, greenhouse gas emissions, water and waste are based on base building consumption for operating assets under our direct control (except for commercial buildings that report waste data on whole building basis) divided by the total GFA of directly managed properties, which include the areas occupied by tenants. Calculated intensity for grid purchased electricity, greenhouse gas emissions, water and waste have all decreased in 2023 due to operational efficiencies, disposal of certain assets, as well as the inclusion of newly completed assets and/or new acquisitions during the reporting year (i.e., fewer months of consumption data and lower occupancy).
5. The emission factors used in the calculations are sourced from the national governments of Australia, India, South Korea, Singapore, Malaysia, Indonesia, UK, US, and New Zealand. For properties held in remaining countries, we used emission factors from the Institute of Global Environmental Strategies (China), Electric Power Council for a Low Carbon Society (Japan), individual local utility companies (Hong Kong) and Carbon Footprint (EU). All selected emission factors are based on the guidance set out by the GHG Protocol. In the reporting year, some of the updated emission factors were lower than that of 2022, reflecting the decarbonisation of the national grids.
6. Certified / rated sustainable buildings and certified / rated "high" sustainable buildings include completed assets that are directly managed by the Group, including single tenanted assets and master leases as at 31 December 2023. This excludes assets disposed during the reporting period. The percentage of certified / rated buildings as at 31 December 2023 is 42.8% (by GFA) and 23.5% (by number of buildings).
7. Refers to the total rooftop solar power capacity installed and fully operational as at 31 December 2023.
8. In China, the landlord has operational control over common areas within certain assets (e.g., logistics parks) even if they are fully leased out to the tenants, i.e., single tenanted or master leases. Thus, the common areas data for both electricity and water are included for these assets.
9. In India, the development assets (i.e., logistics parks) with completed plots or blocks that are operational are included in the data summary. Thus, the landlord consumption data of these completed plots or blocks within these assets are included for reporting. The reported GFA for the sustainable building certifications and ratings, as well as GFA for the directly managed properties reporting the data, cover the entire logistics parks, including plots or blocks which are not yet completed.
10. In South Korea, the landlord has operational control over common areas although the utility bills for electricity and water use are borne by the tenants. For certain properties such as Osan, the grid purchased electricity of the common areas is an estimation by applying a percentage factor on the total GFA of the asset due to the unavailability of the split in GFA between common areas and tenancy spaces. This percentage factor may change year-on-year depending on various factors, such as occupancy.
11. There is no re-statement of the 2022 figures and no change to the methodologies in the data collection and disclosure in 2023, as compared to 2022.
12. For year-on-year comparison with 2022, directly managed properties which the Group has operational control and have two years of like-for-like data were identified. Based on our analysis, there was approximately a 5% decrease in grid purchased electricity consumption and a 1% decrease in water use (i.e., both due to operational efficiencies), with no material fluctuations noted across the markets.
13. There was approximately a 28% increase in waste generation due to LOGOS commencing waste data tracking and collection starting from this reporting period, and some BUs (e.g., ESR China) experiencing uptick in business operations post-COVID in 2023.

ABOUT THIS REPORT

ESG Data Summary

NUMBER OF SUSTAINABLE BUILDING CERTIFICATIONS OR RATINGS UNDER VARIOUS SUSTAINABLE BUILDING SCHEMES ^{NOTE 6}

	ESR Australia	ESR China	ESR India	ESR Japan	ESR Korea	ESR Singapore	ARA	LOGOS	TOTAL
LEED		17		1	11	2	8	5	44
CASBEE				29		1			30
NABERS	18						16		34
GBCA							3		3
BREEAM							5		5
WELL					29		3		32
BCA Green Mark						5	7	7	19
IGBC			4					1	5
ABINC				2					2
BELS				7					7
BEAM Plus							29		29
EPA's ENERGY STAR							20		20
Energy Performance Certificate UK							2		2
PUB							3		3
G-SEED							1		1
Building Energy Efficiency Certification							1		1
Green Star Building	1						2	9	12
WIRED							1		1
Total	19	17	4	39	40	8	101	22	250 ^{Note 14}

Notes

14. This figure of 250 represents the number of sustainable building certifications and ratings for completed directly managed assets only (i.e., relating to 181 number of assets, some with multiple certifications or ratings, as disclosed in property portfolio summary table and footnote 6 above).

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ESG Data Summary

NUMBER OF SUSTAINABLE BUILDING CERTIFICATIONS OR RATINGS WITH “HIGH” SUSTAINABILITY RATING ^{NOTE 6}

	ESR Australia	ESR China	ESR India	ESR Japan	ESR Korea	ESR Singapore	ARA	LOGOS	TOTAL
LEED		7		1	5	2	7		22
CASBEE				29		1			30
NABERS	6						10		16
GBCA							3		3
BREEAM									0
WELL					1		3		4
BCA Green Mark							5	4	9
IGBC								1	1
ABINC									0
BELS				7					7
BEAM Plus							29		29
EPA's ENERGY STAR									0
Energy Performance Certificate UK							1		1
PUB									0
G-SEED							1		1
Building Energy Efficiency Certification									0
Green Star Building	1						1	5	7
WIRED									0
Total	7	7	0	37	6	3	60	10	130

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ESG Data Summary

Certification Schemes	Certification Levels	Definition of “high” sustainability rating (minimum requirement)
Leadership in Energy and Environmental Design (“LEED”) of the U.S. Green Building Council	Certified / Silver / Gold / Platinum	Gold
Comprehensive Assessment System for Built Environment Efficiency (“CASBEE”) in Japan	C (Poor) / B- (Fair poor) / B+ (Good) / A (Very Good) / S (Excellent)	A
National Australian Built Environment Rating System (“NABERS”) in Australia	1 Star (Making a Start) / 2 Stars (Below Average) / 3 Stars (Average) / 4 Stars (Good) / 5 Stars (Excellent) / 6 Stars (Marketing Leading)	5 Stars
Green Building Council of Australia (“GBCA”)	Performance: Green Star 1 Certified / Green Star 2 Certified / Green Star 3 Certified / Green Star 4 Certified / Green Star 5 Certified / Green Star 6 Certified Communities, Design & As Built, Buildings, Interiors and Fitouts: Green Star 4 Certified / Green Star 5 Certified / Green Star 6 Certified	Green Star 5 Certified
BREEAM	Unclassified / Pass / Good/ Very Good / Excellent / Outstanding	Excellent
WELL of International WELL Building Institute	Bronze / Silver / Gold / Platinum	Gold
Building & Construction Authority (“BCA”) Green Mark in Singapore	Certified / Gold / Gold Plus / Platinum	Gold Plus
Indian Green Building Council (“IGBC”) in India	Certified / Silver / Gold / Platinum / Super Platinum	Platinum
Association for Business Innovation in harmony with Nature and Community (“ABINC”)	1 Certification level	N/A
Building Energy Labelling System (“BELS”)	1 Star / 2 Stars / 3 Stars / 4 Stars / 5 Stars	5 Stars
Building Environmental Assessment Method Plus (“BEAM Plus”) by Hong Kong Green Building Council	Comprehensive Scheme: Bronze / Silver / Gold / Platinum Selective Scheme: Satisfactory/ Good/ Very Good/ Excellent	Gold/Very Good
United States Environmental Protection Agency (“EPA”) ENERGY STAR plant certification	1 Certification level	N/A
Energy Performance Certificate UK	G (1-20) / F (21-38) / E (39-54) / D (55-68) / C (69-80) / B (81-91) / A (92-100)	B
Public Utility Board of Singapore (“PUB”)	1 Certification level	N/A
G-SEED certification from Crebiz in South Korea	Green 4 (50-57) / Green 3 (58-65) / Green 2 (66-73) / Green 1 (74 and above)	Green 1
Building Energy Efficiency Certification by Korea Research Institute of Eco-Environmental Architecture	Grade 1+++/1++/1+/1/2/3/4/5/6/7	Grade 6
Green Star Buildings and Green Star – Design & As Built by Green Building Council Australia	1 Star / 2 Stars / 3 Stars / 4 Stars / 5 Stars / 6 Stars	5 Stars
Haute Qualite Environnementale (“HQEx”)	Good / Very Good / Excellent / Outstanding	Excellent
BiU v6	Unclassified /Acceptable / Pass / Good/ Very Good / Excellent / Outstanding	Excellent

ABOUT THIS REPORT

ESG Data Summary

GRESB STANDING INVESTMENT ASSESSMENT 2023

	ESR China		ESR Japan				ESR Singapore		ESR Australia				ESR Korea	
	e-Shang Star Cayman Ltd	Redwood China Logistics Fund LP	PGGM RJLC LP	RJLF 3 Co-Investment Platform	ESR Japan Core Fund Limited Partnership	ESR Japan Income Fund	ESR-LOGOS REIT	EALP	EOP IV	POP III	EMP	EALP II	EADP	ESR Kendall Square Asset No. 1 REIT Co., Ltd.
Result	3-Stars	4-Stars	5-Stars	3-Stars	5-Stars	4-Stars	2-stars	2-Stars	3-Stars	4-Stars	1-Star	1-Star	1-Star	5-Stars
Overall GRESB score	81	82	92	80	90	85	66	73	80	85	63	57	59	89
Peer group name	China Industrial: Non-Refrigerated Warehouse		Japan Industrial, Non-Refrigerated Warehouse Non-listed Tenant Controlled		Japan Industrial, Non-Refrigerated Warehouse Core		Japan Industrial, Non-Refrigerated Warehouse Listed	Australia Industrial Core Tenant Controlled	Australia Office - Corporate Core	Australia Industrial Core Tenant Controlled		Australia Industrial Non-Refrigerated Warehouse Non-listed	Eastern Asia Industrial: Distribution Warehouse Listed	
Peer ranking	6 th /6	4 th /6	2 nd /8	5 th /8	5 th /9	6 th /9	10 th /10	6 th /10	28 th /32	24 th /32	9 th /10	10 th /10	5 th /6	9 th /12
Ranking INDUSTRIAL ASIA (out of 55)	32 nd /55	28 th /55	11 th /55	34 th /55	14 th /55	22 nd /55	46 th /55	n/a	n/a	n/a	n/a	n/a	n/a	16 th /55

	ARA					
	Suntec REIT	ARA US Hospitality Trust (USHT)	ARA China Investment Partners (CIP)	Peninsular Investment Partners (PIP)	Fortune REIT	Prosperity REIT
Result	5-Stars	3-Stars	5-Stars	5-Stars	5-Stars	5-Stars
Overall GRESB score	90	78	87	90	93	92
Peer group name	Asia Office: Corporate Listed	Americas Hotel Listed	China Diversified: Office/Retail Non-Listed	Asia Pacific: Office: Corporate Office Core	Eastern Asia Retail: Retail Centers: Shopping Center Listed	Eastern Asia Office: Corporate: High-Rise Office Listed
Peer ranking	6 th /19	4 th /6	2 nd /8	22 nd /38	1 st /6	4 th /7
Ranking OFFICE/RETAIL/DIVERSIFIED ASIA / HOTEL AMERICAS	Asia Office (16 th /57)	Americas Hotel (4 th /7)	Asia Diversified: Office/Retail (14 th /34)	Asia Pacific: Office (38 th /102)	Asia Retail (4 th /25)	Asia Office (7 th /57)

ABOUT THIS REPORT

ESG Data Summary

	KWAP	LAIV	LALV	Southport	LALP	LAWT	Oxford	LAMV	LOGOS		LIFD	WIRI	LSLV	LSLV2	LILV	LCLV3	Guoshou	ILV
Result	4-Stars	2-Stars	2-Stars	2-Stars	2-Stars	1-Star	3-Stars	2-Stars	1-Star	2-Stars	1-star	4-Stars	3-Stars	3-Stars	4-Stars	2-Stars	2-Stars	
Overall GRESB score	82	72	73	71	67	63	76	66	55	75	57	85	80	79	82		74	
Peer group name	Australia Industrial Core			Australia Industrial, Non-Refrigerated Warehouse Non-listed			Australia Industrial: Distribution Warehouse Core	Australia Industrial Value-added		Australia and New Zealand Industrial, Non-Refrigerated Warehouse Non-listed		Asia Industrial Opportunistic Tenant Controlled	Asia Industrial, Non-Refrigerated Warehouse Opportunistic	Asia Industrial Opportunistic Tenant Controlled	China Industrial, Non-Refrigerated Warehouse Non-listed		Asia Industrial Value-added	
Peer ranking	4 th /17	10 th /17	9 th /17	11 th /17	3 rd /6	4 th /6	5 th /7	4 th /9	6 th /9	2 nd /8	7 th /8	2 nd /9	5 th /8	8 th /9	6 th /9	9 th /9	6 th /6	
Ranking INDUSTRIAL ASIA/OCEANIA	4 th /28	13 th /28	12 th /28	14 th /28	18 th /28	20 th /28	9 th /28	19 th /28	25 th /28	10 th /28	23 rd /28	23 rd /55	33 rd /55	36 th /55	31 st /55	47 th /55	40 th /55	

GRESB DEVELOPMENT ASSESSMENT 2023

	ESR China	ESR Korea		ESR Japan		ESR India	ESR Australia		
	e-Shang Star Cayman Ltd	ESR Kendall Square Development JV I	ESR Kendall Square Development JV II	Redwood Japan Logistics Fund II LP	RJLF 3 Co-Investment Platform	ESR India Logistics Fund Pte Ltd	EALP	EMP	EADP
Result	5-Stars	4-Stars	5-Stars	5-Stars	5-Stars	5-Stars	5-Stars	3-Stars	4-Stars
Overall GRESB score	97 (Regional Non-Listed Sector Leader)	94	98 (Regional Sector Leader)	98 (Regional Sector Leader)	97 (Regional Sector Leader)	97	96	86	94
Peer group name	China Industrial: Non-Refrigerated Warehouse Opportunistic	Eastern Asia Industrial: Non-Refrigerated Warehouse Opportunistic		Japan Industrial: Non-Refrigerated Warehouse Non-listed		Asia Industrial Opportunistic	Australia Industrial Core	Australia Industrial Non-Refrigerated Warehouse Non-listed	
Peer ranking	1 st /7	9 th /14	2 nd /14	2 nd /7	3 rd /7	5 th /21	3 rd /11	6 th /7	3 rd /7
Ranking INDUSTRIAL ASIA (out of 29)	6 th /29	16 th /29	2 nd /29	3 rd /29	4 th /29	5 th /29	n/a	n/a	n/a

ABOUT THIS REPORT

ESG Data Summary

	LOGOS									
	LSLV	LSLV2	TSA	LILV	LCLV4	China Mandate	LAMV	LAVD	LALV	Southport
Result	5-Stars	5-Stars	5-Stars	5-Stars	4-Stars	5-Stars	2-Stars	5-Stars	5-Stars	5-Stars
Overall GRESB score	96	95	95	96	95	96	82	96	95	96
Peer group name	South-eastern Asia Industrial Non-listed			China Industrial, Non-Refrigerated Warehouse Opportunistic			Australia Industrial Non-listed			Australia Industrial Core
Peer ranking	2 nd /6	4 th /6	5 th /6	3 rd /6	3 rd /7	2 nd /7	15 th /16	4 th /16	6 th /11	5 th /11
Ranking INDUSTRIAL ASIA/OCEANIA	8 th /29	13 th /29	14 th /29	12 th /29	15 th /29	9 th /29	16 th /18	5 th /18	8 th /18	7 th /18

ABOUT THIS REPORT

Independent Assurance



ASSURANCE STATEMENT

Scope and Objectives

Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned by ESR Group Limited (“ESR”) to conduct an independent verification for its sustainability data of the operations in Australia/New Zealand, Japan, South Korea, Greater China, Singapore, Southeast Asia, India, Europe and the United States of America for the calendar year of 2023.

The scope of sustainability data assurance covered:

Environmental data

Greenhouse gas emissions, energy consumption, water consumption, waste recycling and waste disposal.

Social Data

Human resources data on workforce profile, training, turnover rate and occupational health and safety performance.

Solar Power Capacity

Solar power capacity of assets in Australia/New Zealand, Japan, South Korea, Greater China, Singapore, Southeast Asia, India, Europe .

ESG 2030 Roadmap targets

2023 performance against the nine roadmap targets within the three pillars of ESR’s ESG Framework: Human Centric, Property Portfolio and Corporate Performance.

The aim of this verification is to provide a limited assurance on the accuracy and reliability of the aforementioned data compiled in ESR’s data management system.

The scope of sustainability data encompasses constituent assets of the following funds and REITs:

- e-Shang Star Cayman Ltd (China)
- Redwood China Logistics Fund LP (China)
- PGGM RJLC LP (Japan)
- ESR Japan Core Fund Limited Partnership (Japan)
- Redwood Japan Logistics Fund II LP (Japan)
- RJLF 3 Co-Investment Platform (Japan)
- ESR Japan Income Fund (Japan)
- ESR-LOGOS REIT (Singapore)
- ESR India Logistics Fund Pte Ltd (India)
- ESR Kendall Square Development JV I (South Korea)
- ESR Kendall Square Development JV II (South Korea)
- Kendall Square Subsidiary REIT No. 1 (South Korea)
- Kendall Square Subsidiary REIT No.2 (South Korea)
- ESR Australian Logistics Partnership (EALP) (Australia)
- ESR Australian Logistics Partnership II (EALP II) (Australia)
- ESR Milestone Portfolio (EMP) (Australia)
- ESR Australia Development Partnership (EADP) (Australia)
- ESR Office Partnership IV (EOP IV) (Australia)
- Propertylink Office Partnership III (POP III) (Australia)
- ESR Australia Logistics Trust (EALT)
- ARA China Investment Partners (CIP)
- Peninsular Investment Partners (PIP)
- Fortune Real Estate Investment Trust (Fortune REIT)
- Prosperity Real Estate Investment Trust (Prosperity REIT)
- Suntec Real Estate Investment Trust (Suntec REIT)
- ARA US Hospitality Trust (USHT)
- LOGOS

ABOUT THIS REPORT

Independent Assurance



METHODOLOGY

HKQAA's data assurance process was conducted in accordance with the International Standard on Assurance Engagement 3000 ("ISAE 3000") (Revised) — "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board for a limited level of assurance.

Data assurance procedures included:

- reviewing the consolidated data in ESR's system and analyzing the raw data provided;
- checking the supporting evidence of the selected samples; and
- communicating with responsible person for data reporting.

The reported data were sampled and tested to confirm the extent of accuracy and reliability.

INDEPENDENCE

ESR is responsible for the collection and presentation of the information. Our verification activities are independent and impartial.

CONCLUSION

Based on the verification results of the selected samples, it is our opinion that:

- nothing has come to HKQAA's attention that causes us to believe that the data consolidated in ESR's system is not accurate and reliable.

Signed on behalf of Hong Kong Quality Assurance Agency

A handwritten signature in black ink, appearing to read 'Connie', is positioned below the signature line.

Connie Sham

Head of Audit

24 April 2024

ABOUT THIS REPORT

HKEX and GRI Indices

HKEX ESG CONTENT INDEX 2023

This ESG report complies with the mandatory disclosure requirements and “Comply or Explain” provisions of the Hong Kong Exchange Main Board Listing Rule 13.91 and ESG Reporting Guide. Some optional KPIs have also been reported.

Mandatory Disclosure Requirements	Location of Disclosures
Governance Structure	https://www.esr.com/corporate-governance/ PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance
Reporting Principles	Appendix C2 of the HKEX ESG Guide GRI Reporting Standards ABOUT THIS REPORT: ESG Data Summary
Reporting Boundary	ABOUT THIS REPORT

Provisions	Location of Disclosure	Additional information, as applicable
Aspect A1: Emissions General Disclosure		A1 (Comply): ESR complied with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste in all material aspects during the reporting period.
KPIs: A1.1, A1.2, A1.3, A1.4, A1.5 & A1.6	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operation, Climate Change Resilience ABOUT THIS REPORT: ESG Data Summary	KPI A1.1/A1.2 (Comply and explain): We consume a negligible quantity of mobile fuels in our operations. Local air emissions from our property portfolio is negligible. Hence, they are not disclosed. KPIA1.5 (Explain): We are on track to develop our overall Net Zero Strategy and Decarbonisation Roadmap as part of the transition to net zero, with the advisory support from an external consultant. The scope of this work considers different asset typologies in different markets, with the aim to mitigate operational carbon (Scope 1 & 2), embodied carbon (Scope 3), and whole life carbon (Scope 3) across our value chain according to our carbon mitigation hierarchy. KPIA.1.6 (Comply and Explain): During construction, we implemented erosion and sediment control as well as responsible waste management to minimise the environmental impact. All of the assets in our portfolio were developed in accordance with the applicable governing codes and construction standards. Hazardous waste generated are handled by tenants and property managers according to local laws and regulations. For non-hazardous waste, they were disposed through various methods such as landfills, recycling and waste to energy. There was no material non-compliance noted on the treatment of hazardous and non-hazardous waste. In addition, as waste generation for ESR is immaterial, no reduction targets were set on this aspect. We focus on setting targets for significant aspects like energy, emissions and water.

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Provisions	Location of Disclosure	Additional information, as applicable
Aspect A2: Use of Resources General Disclosure; KPIs: A2.1, A2.2 & A2.3	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations ABOUT THIS REPORT: ESG Data Summary	KPI A2.4 (Comply): We did not experience issues in sourcing water that is fit for purpose during the reporting period. KPI A2.5 (Explain): Our operations involve immaterial packaging materials so this data is not reported for disclosure.
Aspect A3: Environment and Natural Resources General Disclosure; KPI: A3.1	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations, Sustainable Building Certifications, Climate Change Resilience, Flexible & Adaptable Properties, Strategic Locations ABOUT THIS REPORT: ESG Data Summary	KPI A3.1 (Comply): We have set out the five focus areas to minimise the impact to the environment and natural resources.
Aspect A4: Climate Change General Disclosure; KPI: A4.1	PILLAR 2: PROPERTY PORTFOLIO: Climate Change Resilience	KPI A4.1 (Comply): We have identified physical and transitional risks for our business. For more details, please refer to that section.
Aspect B1: Employment General Disclosure; KPIs: B1.1 & B1.2	PILLAR 1: HUMAN CENTRIC: Managing & Developing Talent ABOUT THIS REPORT: ESG Data Summary	B1 (Comply): ESR complied with relevant employment and labour policies, laws and regulations in all material respects during the reporting period.
Aspect B2: Health and Safety General Disclosure; KPIs: B2.1, B2.2 & B2.3	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being ABOUT THIS REPORT: ESG Data Summary	B2 (Comply): ESR complied with relevant health and safety laws and regulations in all material respects during the reporting period. Number and rate of work-related fatalities occurred in FY2023: 0 (FY2022: 0, FY2021: 0).
Aspect B3: Development and Training General Disclosure; KPIs: B3.1 & B3.2	PILLAR 1: HUMAN CENTRIC: Managing & Developing Talent ABOUT THIS REPORT: ESG Data Summary PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management	B3 (Comply): For disclosure details, see "ESG Data Summary"
Aspect B4: Labour Standards General Disclosure	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being, Managing & Developing Talent PILLAR 3: CORPORATE PERFORMANCE: Risk Management	B4 (Comply): ESR complied with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour in all material respects during the reporting period.
KPI B4.1	PILLAR 3: CORPORATE PERFORMANCE: Risk Management	KPI B4.1 (Comply): Our counterparty due diligence workflow incorporates screening and monitoring for risk of modern slavery i.e. bonded, forced migrant and child labour and human trafficking.
KPI B4.2	PILLAR 3: CORPORATE PERFORMANCE: Risk Management	KPI B4.2 (Comply): During the reporting period, no incidences of child or forced labour were discovered. Based on our Human Rights policy, we have zero tolerance regarding child or forced labour. If such cases are discovered and confirmed after investigation, we will pursue appropriate actions, including but not limited to initiating disciplinary actions, commencing legal proceedings and/or reporting to appropriate governmental / regulatory authorities.
Aspect B5: Supply Chain Management General Disclosure	PILLAR 1: HUMAN CENTRIC: Stakeholder Engagement, Safety, Health & Well-being PILLAR 3: CORPORATE PERFORMANCE: Risk Management	B5 (Comply): ESR complied with relevant Supply Chain Management laws and regulations in all material respects during the reporting period.
KPI B5.1	PILLAR 3: CORPORATE PERFORMANCE: Risk Management	KPI B5.1 (Comply and Explain): As of the end of this reporting period, 7,151 third parties have been screened through the platform. 1,944 out of 3,360 third parties are suppliers located in Australia (345), China (631), Hong Kong (75), India (125), Indonesia (23), Japan (438), Singapore (79), South Korea (164), Others (64). The other 3,791 third parties were screened before 2019 during Phase 1 and the system does not have relevant information to indicate the business relationship with ESR.

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Provisions	Location of Disclosure	Additional information, as applicable
KPI B5.2	PILLAR 1: HUMAN CENTRIC: Stakeholder Engagement, Safety, Health & Well-being PILLAR 3: CORPORATE PERFORMANCE: Supply Chain Management	KPI B5.2 (Comply and Explain): ESR seeks to engage and work with its Suppliers to adhere to high standards of ESG for their products and services. Specifically, ESR expects its Suppliers to uphold business integrity principles including business conduct, fair competition and confidentiality, amongst other factors. On social related areas, ESR's Suppliers are also expected to respect basic human rights, prohibit modern slavery and discrimination and uphold health and safety standards. On the environment front, ESR's Suppliers should comply with relevant environmental laws and regulations and minimise the environmental impact from their activities. After every completed engagement, ESR evaluates the performance of suppliers to provide them with feedback for improvement. Suppliers that do not meet or breach the requirements are penalised or terminated based on the contractual terms.
KPI B5.3	PILLAR 1: HUMAN CENTRIC: Stakeholder Engagement, Safety, Health & Well-being PILLAR 3: CORPORATE PERFORMANCE: Risk Management, Supply Chain Management	B5.3 (Comply): ESR has measures for the oversight of suppliers and service providers and conducts periodic meetings to discuss related risks and emergency preparedness. We also ensure our contractors and suppliers follow acceptable standards of business practices specified in our Supplier Code of Conduct to establish a sound supply chain.
KPI B5.4	PILLAR 1: HUMAN CENTRIC: Stakeholder Engagement, Safety, Health & Well-being PILLAR 3: CORPORATE PERFORMANCE: Risk Management, Supply Chain Management	B5.4 (Comply): ESR designs and implements sustainable procurement processes that comply with the standards relating to materials, resources, works or services. We also expect the outsourced contractors, sub-contractors, property managers and other types of suppliers throughout the supply chain to be aware of procurement sustainability and follow the related requirements.
Aspect B6: Product Responsibility General Disclosure	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management	B6 (Comply): ESR complied with relevant laws and regulations concerning product responsibility during the reporting period, including advertising, labelling and privacy matters.
KPI B6.1, B6.2, B6.3, B6.4		These KPIs concerning product recalls, consumer complaints, intellectual property protection and quality assurance are not considered material to our business.
KPI B6.5	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance	KPI B6.5 (Comply): We have privacy policies in place to manage third party data. Based on the Information Security Policy, we have procedures and tools in place to prevent unauthorised access and use of data, and to ensure confidentiality and security.
Aspect B7: Anti-corruption General Disclosure	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management	ESR complied with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering in all material aspects during the reporting period.
KPI B7.1	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management	KPI A7.1 (Comply): There were no concluded legal cases concerning corruption during the reporting period.
KPI B7.2	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management	KPI B7.2 & B7.3 (Comply): ESR established the whistleblowing policy and procedures and related preventative measures as disclosed in the report.
KPI B7.3	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance and Risk Management	
Aspect B8: Community Investment General Disclosure	PILLAR 1: HUMAN CENTRIC: Community Investment	KPI B8.1 & B8.2(Comply): ESR has strived to contribute positively to the communities in which we operate. Within the report, there is disclosure on the areas of contribution to strengthening social resilience, health, and well-being, promoting education & upskilling, protecting the environment, employee engagement and other charitable initiatives.
KPI B8.1	PILLAR 1: HUMAN CENTRIC: Community Investment	
KPI B8.2	PILLAR 1: HUMAN CENTRIC: Community Investment	

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HKEX and GRI Indices

GRI CONTENT INDEX 2023

This ESG report is in compliance with the GRI Standards from the Global Reporting Institute.

Statement of use	ESR has reported in accordance with the GRI Standards for the period 1st January to 31st December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	N/A

GRI Standard	Disclosures	Location of disclosure	Reason for deviation
General Disclosures Content			
GRI 2: General Disclosures 2021	2-1 Organisational details	<p>Legal name: ESR Group Limited</p> <p>Nature of ownership: https://www.esr.com/en/about-us/company-overview/</p> <p>Location of headquarters: Suite 2905-06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong</p> <p>Regions of operation: Hong Kong PRC Japan South Korea Singapore Thailand Australia India Indonesia Vietnam Europe North America</p>	N/A

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
General Disclosures Content			
	2-2 Entities included in the organisation's sustainability reporting	Annual Report, Note 1 Corporate Information	N/A
	2-3 Reporting period, frequency and contact point	The reporting period is 12 months, 1 January 2023 to 31 December 2023. Annual esrgroup@esr.com	N/A
	2-4 Restatements of information	There is no restatement of information.	N/A
	2-5 External assurance	External assurance is provided over financials and environmental data, social data and solar power generation.	N/A
	2-6 Activities, value chain and other business relationships	ESR is Asia-Pacific's ("APAC") leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers. With US\$81 billion in fee related assets under management, ESR's fully integrated fund management and development platform extends across various APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Singapore, Southeast Asia and India, with a presence in Europe and the U.S. ESR is listed on the Main Board of The Stock Exchange of Hong Kong, and is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite and MSCI Hong Kong Indices.	N/A
	2-7 Employees	ABOUT THIS REPORT: ESG Data Summary ESR had 3 non-guaranteed female employees in Australia in the reporting period.	N/A
	2-8 Workers who are not employees	ABOUT THIS REPORT: ESG Data Summary	N/A
	2-9 Governance structure and composition	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance https://www.esr.com/corporate-governance/	N/A
	2-10 Nomination and selection of the highest governance body	Annual Report, Corporate Governance Report	N/A

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
General Disclosures Content			
	2-11 Chair of the highest governance body	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance	N/A
	2-12 Role of the highest governance body in overseeing the management of impacts	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance	N/A
	2-13 Delegation of responsibility for managing impacts	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance	N/A
	2-14 Role of the highest governance body in sustainability reporting	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance The highest governance body is responsible for reviewing and approving the reported information	N/A
	2-15 Conflicts of interest	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance	N/A
	2-16 Communication of critical concerns	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance	N/A
	2-17 Collective knowledge of the highest governance body	During the ESR quarterly Board meetings, updates are provided on key ESG trends and developments affecting our industry in addition to updates on where we are in our ESG performance.	N/A
	2-18 Evaluation of the performance of the highest governance body	Annual Report, Corporate Governance Report	N/A
	2-19 Remuneration policies	Annual Report, Corporate Governance Report	N/A
	2-20 Process to determine remuneration	PILLAR 1: HUMAN CENTRIC: Managing & Developing Talent	N/A
	2-21 Annual total compensation ratio	Annual Report	
	2-22 Statement on sustainable development strategy	OUR ESG APPROACH: Letter from Chairman OUR ESG APPROACH: Letter from Group Co-founders and Co-CEOs	N/A

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
General Disclosures Content			
	2-23 Policy commitments	PILLAR 2: PROPERTY PORTFOLIO: Climate Change Resilience PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management https://www.esr.com/corporate-governance/ https://www.esr.com/our-purpose/	N/A
	2-24 Embedding policy commitments	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management	N/A
	2-25 Processes to remediate negative impacts	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance, Risk Management Annual Report, Corporate Governance Report	N/A
	2-26 Mechanisms for seeking advice and raising concerns	https://www.esr.com/whistleblowing-policy/	N/A
	2-27 Compliance with laws and regulations	ESR has complied with all relevant laws and regulations in the regions it operates.	N/A
	2-28 Membership associations	Various global relationships including GRESB, ANREV, APREA plus various professional memberships	N/A
	2-29 Approach to stakeholder engagement	PILLAR 1: HUMAN CENTRIC: Stakeholder Engagement	N/A
	2-30 Collective bargaining agreements	N/A	Our professional staff are not covered by collective bargaining agreements, as such, the percentage of employees who are covered is insignificant. ESR provides fair, competitive wages and ensures the safest and comfortable working conditions for all staff.

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	OUR ESG APPROACH: Materiality	N/A
	3-2 List of material topics	OUR ESG APPROACH: Materiality	N/A
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	OUR ESG APPROACH: ESG @ ESR; PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations, Climate Change Resilience	N/A
GRI 302: Energy	302-1 Energy consumption within the organisation	ABOUT THIS REPORT: ESG Data Summary	N/A
	302-2 Energy consumption outside of the organisation	N/A	ESR considers energy consumption outside the organisation to be immaterial, as the most significant sources of energy consumption are from internal use. As such, no data is reported on this aspect.
	302-3 Energy intensity	ABOUT THIS REPORT: ESG Data Summary	N/A
	302-4 Reduction of energy consumption	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations	N/A
	302-5 Reductions in energy requirements of products and services	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations, Sustainable Building Certifications ABOUT THIS REPORT: ESG Data Summary	N/A

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations, Climate Change Resilience	N/A
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	ABOUT THIS REPORT: ESG Data Summary	N/A
	305-2 Energy indirect (Scope 2) GHG emissions		N/A
	305-3 Other indirect (Scope 3) GHG emissions	N/A	No scope 3 emissions are reported, as ESR's main operation is managing assets and a significant portion of the emissions relate to operating the property portfolio with minimal emissions arising from its upstream and downstream activities.
	305-4 GHG emissions intensity	ABOUT THIS REPORT: ESG Data Summary	N/A
	305-5 Reduction of GHG emissions	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations	N/A
	305-6 Emissions of ozone-depleting substances (ODS)	N/A	ESR does not use substances that contribute to the deterioration of the ozone layer. Therefore, no information is reported on this aspect.
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	N/A	ESR's business operations do not engage in activities that generate significant amounts of nitrogen oxides, sulfur oxides and other significant air emissions. As such, no such information is reported.

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
Water			
GRI 3: Material Topics 2021	3-3 Management of material topics	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations, Climate Change Resilience	N/A
GRI 303: Water	303-1 Interactions with water as a shared resource	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations	N/A
	303-2 Management of water discharge-related impacts	Our method in discharging water (i.e. municipal waste systems) is in compliance with relevant local laws and regulations.	N/A
	303-3 Water withdrawal	ABOUT THIS REPORT: ESG Data Summary	N/A
	303-4 Water discharge	All water discharged is transported to municipal waste systems, therefore, no further breakdown is provided.	N/A
	303-5 Water consumption	ABOUT THIS REPORT: ESG Data Summary	N/A
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations, Climate Change Resilience	N/A
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations	N/A
	306-2 Management of significant waste related impacts	OUR ESG APPROACH: ESG @ ESR; ESG IN ACTION	N/A
		PILLAR 2: PROPERTY PORTFOLIO: Sustainable & Efficient Operations	
	306-3 Waste generated	ABOUT THIS REPORT: ESG Data Summary	N/A
		No significant spills were identified in 2023.	
306-4 Waste diverted from disposal	ABOUT THIS REPORT: ESG Data Summary	N/A	
306-5 Waste directed to disposal	ABOUT THIS REPORT: ESG Data Summary	N/A	

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	OUR ESG APPROACH: ESG @ ESR; PILLAR 1: HUMAN CENTRIC	N/A
GRI 401: Employment	401-1 New employee hires and employee turnover	ABOUT THIS REPORT: ESG Data Summary	N/A
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Part-time employees generally enjoy similar benefits as full-time employees on a pro-rata basis or in full.	
	401-3 Parental leave	ABOUT THIS REPORT: ESG Data Summary	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being	N/A
	403-2 Hazard identification, risk assessment, and incident investigation	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being	N/A
	403-3 Occupational health services	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being	N/A
	403-4 Worker participation, consultation, and communication on occupational health and safety	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being	N/A
	403-5 Worker training on occupational health and safety	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being	N/A
	403-6 Promotion of worker health	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being	N/A

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	PILLAR 1: HUMAN CENTRIC: Safety, Health & Well-being	N/A
	403-8 Workers covered by an occupational health and safety management system	We are pursuing ISO 14001 Environmental Management System(EMS), ISO 45001 Operational Health & Safety (OHS) & ISO 9001 Quality Management System (QMS) certifications across the Group.	N/A
	403-9 Work-related injuries	ABOUT THIS REPORT: ESG Data Summary	Information on workers who are not employees is not available but will be considered in the reporting scope going forward.
	403-10 Work-related ill health	ABOUT THIS REPORT: ESG Data Summary	Information on workers who are not employees is not available but will be considered in the reporting scope going forward.
GRI 404: Training and Education	404-1 Average hours of training per year per employee	ABOUT THIS REPORT: ESG Data Summary	N/A
	404-2 Programs for upgrading employee skills and transition assistance programs	PILLAR 1: HUMAN CENTRIC: Managing & Developing Talent	N/A
	404-3 Percentage of employees receiving regular performance and career development reviews	ABOUT THIS REPORT: ESG Data Summary	N/A

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Annual Report PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance ABOUT THIS REPORT: ESG Data Summary	N/A
	405-2 Ratio of basic salary and remuneration of women to men	N/A	There is no disclosure of basic salary and total remuneration breakdown by gender ratio due to the confidentiality and sensitivity of such matters.
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period.	N/A
Community			
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	PILLAR 1: HUMAN CENTRIC: Community Investment	N/A
	413-2 Operations with significant actual and potential negative impacts on local communities	We are not aware of significant actual or potential negative impact on local communities as a result of our operations.	N/A

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GRI Standard	Disclosures	Location of disclosure	Reason for deviation
Governance			
GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	PILLAR 3: CORPORATE PERFORMANCE: Corporate Governance	N/A
	205-2 Communication and training about anti-corruption policies and procedures	PILLAR 1: HUMAN CENTRIC: Managing & Developing Talent	N/A
	205-3 Confirmed incidents of corruption and actions taken	There were no instances of corruption identified during the reporting period.	N/A
GRI 206: Anti-Competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No current legal actions were recorded in 2023.	N/A
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints received concerning breaches of customer privacy, identified leaks, thefts or losses of customer data during the reporting period.	N/A