

Accelerating Positive Impact for a Sustainable Future

ESG 2030 ROADMAP

28 APRIL 2023



Contents

- 3 Message from Group Co-founders and Co-CEOs
- 4 Global Commitments
- 5 Progress of ESG 2025 Roadmap Targets
- 6 ESG Framework
- 7 ESG 2030 Roadmap
- 11 Strategies in place for ESG 2030 Roadmap



Message from Group Co-founders and Co-CEOs

Together, we lead the way forward in the transition to a more inclusive, low-carbon and climate resilient future



As APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally, ESR is committed to integrating sustainability into every facet of our business.

Since the launch of our ESG 2025 Roadmap in November 2020, we achieved significant progress across our three key ESG pillars — Human Centric, Property Portfolio and Corporate Performance. Under the social domain, we increased gender ratio and maintained zero ESR workforce fatalities. On the environmental front, ESR achieved approximately 100 MW of rooftop solar power capacity and approximately 39% in sustainable building certifications and ratings across our portfolio of completed directly managed assets, and is developing a decarbonisation strategy in line with the Group's net zero commitment. We also became a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI) in June 2022 as well as secured approximately US\$3 billion in Sustainability-Linked Loans to date, underscoring our responsible investment and asset management approach across the enlarged Group. We continue to be recognised for our robust and exemplary ESG disclosure practices with high rankings in ESG benchmarks and global ratings such as GRESB, MSCI and Sustainalytics.

As we lead the way forward in the transition to a more inclusive, low-carbon and climate resilient future, our enhanced ESG 2030 Roadmap will set the direction in focusing our ESG efforts as an enlarged Group post the 2022 reporting period. The ESG 2030 Roadmap includes new targets that are coherent with the previous roadmap and drive greater accountability on our focus areas.

We thank you for your strong support in our ESG efforts as we continue to strengthen our partnership with various stakeholders and accelerate towards our vision to be a leading provider of *Space and Investment Solutions for a Sustainable Future*.

JINCHU SHEN AND STUART GIBSON

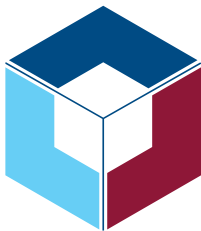
Group Co-founders and Co-CEOs

Global Commitments

Our **Vision** - We aspire to be a leading provider of *Space and Investment Solutions for a Sustainable Future*. Our vision drives us to manage sustainably and impactfully and we consider the environment and communities in which we operate as key stakeholders of our business.

SPACE AND INVESTMENT
SOLUTIONS FOR
A SUSTAINABLE FUTURE

EMBRACING
DIVERSITY, EQUITY
AND INCLUSION



RESPONSIBLE
INVESTMENT
APPROACH

Signatory of:



We are a signatory of the United Nations-supported Principles for Responsible Investment (UN PRI) and we demonstrate a firm commitment to responsible investing and sustainability best practices.



Our Vision for Sustainable Development and ESG Framework are aligned to six of the Sustainable Development Goals (SDGs) from the United Nations 2030 Agenda, which guide our business strategies towards sustainability and help us achieve our overall mission.



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



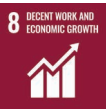
Commit to fostering workplaces embracing diversity and are free from discrimination, and achieve a gender ratio target as part of the overall diversity, equity & inclusion plan with monitoring actions and progress.



Meet recognised sustainable design and construction standards to embrace smarter ways to reduce our environmental impact.



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



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



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



Progress of ESG 2025 Roadmap Targets

Significant progress made across three key pillars under our ESG Framework since the launch of our inaugural ESG 2025 Roadmap in November 2020:



HUMAN CENTRIC



Safe working environment targeting **Zero workforce fatalities**, achieved in 2022 for all ESR's employees



Gender ratio of **45%** in 2022, as compared to the 40/60 women/men ratio



Development of **community engagement/ foundation programme** in progress as planned



PROPERTY PORTFOLIO



50% increase in rooftop solar power generation capacity which has been achieved in 2022 with close to **100 MW**



Sustainable building certifications for 50% of ESR's portfolio, where **39%** was achieved in 2022 as planned



20% reduction in energy consumption across the Group in progress, as part of **ongoing asset enhancement initiatives**



CORPORATE PERFORMANCE



Achieve a 3-Star GRESB rating average, where a **3.2 average** rating was achieved in 2022



Maintain a culture of **strong corporate governance**, as part of ongoing training and policies update



US\$15 million in Social Investment Programme to our local community foundation **by 2030**, in progress as planned

ESG Framework

Our ESG Framework organises material ESG issues into the following 15 focus areas under three key pillars — **Human Centric**, **Property Portfolio** and **Corporate Performance**:



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



ESG 2030 Roadmap



PILLAR 1: HUMAN CENTRIC



Targets



Maintain a safe working environment by targeting **Zero ESR Workforce Fatalities**



Achieve and maintain gender ratio of **50/50 women/men**



Creation of an ESR Group Foundation programme with an investment capacity of up to **US\$20 million**

Focus Areas



STAKEHOLDER ENGAGEMENT

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



SAFETY, HEALTH & WELL-BEING

Maintain a safe working environment by achieving Zero ESR Workforce Fatalities and promoting the holistic well-being of our people



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



DIVERSITY, EQUITY & INCLUSION

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



COMMUNITY INVESTMENT

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

ESG 2030 Roadmap



PILLAR 2: PROPERTY PORTFOLIO



Targets



Set up **1,000 MW** of solar power capacity on the rooftop of assets



Attain sustainable building certifications and ratings for **50% of the Group's portfolio**



Reduce energy consumption intensity in line with the **Group's Net Zero Carbon commitment and decarbonisation roadmap**

Focus Areas



SUSTAINABLE & EFFICIENT OPERATIONS

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



SUSTAINABLE BUILDING CERTIFICATIONS

Increase sustainable building certifications 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



CLIMATE CHANGE RESILIENCE

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)



FLEXIBLE & ADAPTABLE PROPERTIES

Design, construct and maintain the Group's assets to reduce material degradation



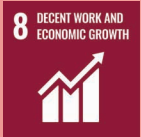
STRATEGIC LOCATIONS

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

ESG 2030 Roadmap



PILLAR 3: CORPORATE PERFORMANCE



Targets



Achieve a **3-Star GRESB rating average**



Maintain a culture of
strong Corporate Governance



Adhere to **UN PRI principles** in our investment
and asset management policies and practices

Focus Areas



RESPONSIBLE INVESTMENT

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



CORPORATE GOVERNANCE

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



DISCLOSURE & REPORTING

Actively participate in sustainability ratings and benchmarks to measure our ESG performance and disclosure against industry peers



RISK MANAGEMENT

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




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




ESG 2030 Roadmap


Summary of 2030 ESG Targets:




HUMAN CENTRIC




Maintain a safe working environment by targeting **Zero ESR Workforce Fatalities**




Achieve and maintain gender ratio of **50/50 women/men**




Creation of an ESR Group Foundation programme with an investment capacity of up to **US\$20 million**




PROPERTY PORTFOLIO




Set up **1,000 MW** of solar power capacity on the rooftop of assets




Attain sustainable building certifications and ratings for **50% of the Group's portfolio**




Reduce energy consumption intensity in line with the **Group's Net Zero Carbon commitment and decarbonisation roadmap**




CORPORATE PERFORMANCE



Achieve a **3-Star GRESB** rating average



Maintain a culture of **strong Corporate Governance**



Adhere to **UN PRI principles** in our investment and asset management policies and practices

Strategies in place for ESG 2030 Roadmap

We continue to refine our strategies by evaluating our progress against the commitments. We are determined to improve and achieve the nine targets across our three pillars and, outline the plan of actions over the next seven years to get us there.

Consistent Reporting with Transparency

Plan to progress in our reporting each year, with accountability, transparency and integrity, in the spirit of good corporate governance. We will continue to produce a GRI compliant ESG report annually, improve our GRESB scores and support as a signatory to the Principles of Responsible Investment (UN PRI).

Develop and Embed Systems and Processes for the Long-Term

Integrate ESG considerations into all stages of the business cycle which include establishing data management systems, streamlining ESG data collection processes and developing policies while setting annual performance targets and reviews.

Increase Engagement with the People that Matter Most

Implement engagement programmes to promote health & well-being to provide all our stakeholders with a positive and supportive environment. We will measure our impact with the hopes of creating a culture of community service and promote harmony with the community.

Foster A Culture of Active Learning

Encourage employees to progress on continuous learning with annual ESG training for all employees. This will pave the way for streamlined systems and efficient processes, creating a more resilient workforce for the future.

Plan and Adapt for Change

Conduct regular ESG risk assessments in building safety, energy efficiency, indoor environmental quality and waste and water management.

Scale up the development of renewables and sustainable building certifications and ratings across our portfolio, in line with our Net Zero Carbon commitment and decarbonisation roadmap.

Thank You

FOR MORE INFORMATION ON ESR'S ESG JOURNEY,
PLEASE REFER TO OUR **ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022**.

FOR ESG RELATED ENQUIRIES, PLEASE CONTACT **ESG@ESR.COM**

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