

# ESR Asset Management (Prosperity) Limited (Manager of Prosperity REIT)

## Sustainability Policy

### Commitment

- Prosperity REIT believes embracing social responsibility and putting it into practice is essential to a company's long-term success. We aim to bring advancement to the organization by fully adhering to various sustainability standards and to showcase our core values of sustainable development – Excellence, Inclusion, Entrepreneurship and Sustainability – to our community, environment, tenants, staff and unitholders. Premised on these core values, our focus is to ensure that our business grows responsibly and sustainably, and brings value to the community.
- Prosperity REIT will spare no effort to embedding environmental and social friendly measures in our day-to-day operations in order to meet and go beyond relating legal regulations. The following sections demonstrate our overall commitment in sustainability and the respective actions to be taken.

### Approach

#### Overall Sustainability

We strive to integrate sustainability concerns in our business strategy in order to improve our performance in different areas of sustainability development. Accordingly, we will:

- Implement sustainability initiatives with business value for our stakeholders;
- Apply this policy to Prosperity REIT to guide our decision making, allowing us to achieve better sustainability performance;
- Publicly report on our progress at least once a year;
- Engage our stakeholders on all environmental, social and governance (ESG) issues, including climate-related concerns in different ways, such as education, information sharing, collaboration and innovation;
- Work with our stakeholders to ensure that we understand their needs and meet their expectations; and
- Meet or exceed legal sustainability-related regulatory requirements.

## Environment

We integrate environmental concerns in our business strategy, we strive to avoid and minimise our impacts on environment. We will:

- Avoid and limit unnecessary greenhouse gases emissions, and implement energy management systems to achieve energy saving targets;
- Manage and minimise the use of water;
- Identify, manage and limit pollution from the daily operation of the properties we managed;
- Consider the potential impact to natural ecosystems and biodiversity through ongoing assessments and management of our properties;
- Adopt indoor air quality improvement measures, and maintain a good quality of indoor environment at our properties;
- Pursue for internationally or regionally recognized green building certification and aim for the highest-level award whenever possible; and
- Actively support and encourage our stakeholders to respond to climate change by conserving energy, water and resource, as well as protecting and enhancing biodiversity in areas within our influence.

## Employee

Staff plays a key role in the success of our business, and we are committed to developing a supportive, inclusive and respectful workplace by striving to promote diversity and equal opportunities, eliminate all forms of discrimination, create safe and secure working environments, and provide staff with training and development opportunities. We will:

- Treat our employees fairly in every aspect of employment, training and career development, regardless of sex, sexual orientation, pregnancy, marital status, age, disability, family status, ethnic origin, race or religious belief;
- Maintain a safe and healthy workplace by promoting a state of complete physical, mental and social wellbeing, and adopting international occupational health and safety standards;
- Adopt an open-door policy and provide multiple platforms for employees to share ideas and feedback;
- Ensure our remuneration package and appraisal system reward our employees fairly to retain talent; and
- Review the wellbeing measures and performance from time to time to uphold the mental and physical health, as well as the social wellbeing of our employees, tenants and the community.

## Value Chain

We believe that extending our ESG commitments throughout our value chain can maximize value creation. We thus oversee the ESG performance of our contracted parties and encourage responsible actions to be taken by our tenants. We will

- Communicate our sustainability-related policies to our suppliers, contractors and business partners, and require their acknowledgement to these policies;
- Integrate both green and socially-responsible supplier selection criteria where applicable into the purchasing process;
- Regularly evaluate suppliers' environmental performance and provide them with feedback for improvement; and
- Encourage responsible consumption and usage among tenants.

## Community

A successful business not only generates profit for the company and its shareholders, but also shares its success with the community. We strive to create positive impacts in society while developing our business. We will:

- Seek to understand the needs of the community and manage the impact of our operation on the community;
- Support projects or programmes that reflect the needs and expectations of local communities, including engagement with elderly, children and the underprivileged;
- Encourage our employees to participate in different community activities; and
- Evaluate our contributions, outcome and impact of the projects or programmes on a regular basis.

## Implementation and Review

- The Sustainability Steering Committee is responsible for the oversight of this Policy with the assistance of the Environmental, Health & Safety (EHS) & Supply Chain Management Task Group, Community Affairs Task Group and Employee Relations Task Group, as well as the Sustainability Working Groups for the implementation.
- The implementation progress, status, and related performance of this Policy will be reported in our Sustainability Report on an annual basis.
- This Policy will be reviewed by Sustainability Steering Committee from time to time and update the content to align with any revisions of our existing procedures and practices and the consideration of relevant legislations and the best practices as appropriate.

## Supplementary Policies

- Environmental Policy
- Health, Safety and Wellbeing Policy
- Labour Policy
- Stakeholder Engagement Policy
- Environmental and Social Due Diligence Policy for Property Investment