



# ENVIRONMENTAL, SOCIAL and GOVERNANCE POLICY

## (“ESG” POLICY)

### INTRODUCTION

As a provider of modern logistics facilities in China, e-Shang Shanghai (“e-Shang”) is uniquely positioned to construct best-in-class buildings that maximize supply chain efficiency and help to meet the needs of domestic consumption and e-commerce growth in our core markets in a more sustainable way. We are firmly committed to managing our activities to provide the highest level of protection to the environment and to safeguard the health and safety of our employees, customers and communities.

The EGS Statement is a key confirmation of our overarching commitment to integrating sustainability into the heart of our business practices and is underpinned by our core values. The purpose of this document is to provide a clear leadership position, initiate consensus across our business and create a common understanding of e-Shang’s Environmental, Social and Governance (ESG) principles.

### OBJECTIVES

This policy document applies for both newly built and existing building stock. Our objective is to create a more resilient logistics portfolio overall by ensuring that all our new buildings comply with our ESG requirements, while adopting a continual improvement strategy to our existing assets.

### ESG PRINCIPLES

e-Shang believes that an integrated ESG approach is required to deliver the best benefits to e-Shang and our stakeholders. This will be implemented through the following principles:

#### 1. Upholding ethics and corporate integrity

We maintain zero corruption policy across all our operations and take an active role to instill a culture of business integrity and ethical values. Strict written policies detailing the Code of Conduct and Ethics underpin this commitment, with all employees required to comply on an annual basis.

#### 2. Embedding material ESG risks and opportunities into decision-making

e-Shang is firmly committed to managing its activities to provide the highest level of protection to the environment and to safeguard the health and safety of its employees, customers and communities.

#### 3. Engaging proactively with stakeholders

Proactive stakeholder engagement allows e-Shang to understand and respond to local and emerging risks and opportunities in the communities that we operate in. We believe that this is key to being a dynamic business, and is central to developing long term value



creation.

#### **4. Attracting and retaining talented, motivated employees**

e-Shang's commitment to continuous improvement in its people and projects will see ESG being embedded into our talent management initiatives. We create comprehensive trainings and a positive work environment that supports individual growth and development. We promote a healthy, safe, and balanced lifestyle. As part of our cultural values, e-Shang seeks to identify talents both internally and externally. Our people receive performance and career development reviews on an annual basis.

#### **5. Maximizing supply chain efficiency**

e-Shang is committed to driving cost and resource based efficiency within our supply chain. Regional and national relationships will be established where possible and e-Shang will work closely with our preferred suppliers to support the delivery of developments safely, on budget, on time and with the lowest environmental impact.

#### **6. Driving performance through evidence**

e-Shang recognizes that to build accountability and transparency relies on robust and defensible data metrics. We commit to putting in place the necessary performance and data records and processes that support our ESG Policy objectives.

#### **7. Taking the lead in building better communities**

As part of e-Shang's commitment to continuous improvement, we will contribute positively to the debate on green building and wider sustainable development by sharing knowledge with our peers and learning from our tenants and others. We constantly seek ways to innovate in order to minimize the impacts our projects have on the environment, and strive to make a net positive contribution in the communities in which we operate.

#### **8. Protecting and enhancing the environment across all our operations**

e-Shang is vigilant about protecting the environment across all of our operations. We will aim to comply with national and local environmental standards relating to our operations.

#### **9. Promoting Energy Efficiency and Renewables**

Energy efficiency is fundamental to our design and operation process. We are committed to optimizing energy use in both the existing stock and new developments. As the continued supply of energy is an increasing concern for some of our growth markets, we will continue to promote the use of renewables in our local communities.

#### **10. Building sustainably certified new development**

e-Shang is committed to building and operating high performing developments which meet or are capable of meeting recognized national and international certification standards.

*We commit to reviewing this Policy Statement on an annual basis.*