



ESR GROUP LIMITED
(Stock code: 1821)

**COMMUNITY DEVELOPMENT
POLICY**

OWNER: GROUP ESG

The contents of this document are the property of the ESR Group Limited (formerly known as ESR Cayman Limited) (collectively, “**ESR**” or the “**Group**”) and is strictly confidential. It must not be reproduced in whole or in part or otherwise disclosed to any outside parties without the prior written consent of the Group ESG team. Employees in possession of this document must return their copies to ESR immediately prior to leaving the ESR’s employment.

ESR Group Limited

Suite 2905-06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong
T +852 2376 9600 | www.esr.com

CONTENTS

1. INTRODUCTION 3

2. COMMUNITY INVESTMENT AND DEVELOPMENT 3

3. VOLUNTEERISM 4

4. COMMUNITY IMPACT MEASUREMENT 5

1. **INTRODUCTION**

- 1.1 This Community Development Policy (“**Policy**”) sets out the commitment of ESR Group Limited and its subsidiaries (collectively, “**ESR**” or the “**Group**”) to act as a responsible corporate citizen and contribute to the economic and social development of communities where it operates in.
- 1.2 Our business activities have direct and indirect impacts on the livelihoods and quality of life of our employees as well as our communities. We aim to contribute positively to the communities in where we operate, to deliver long-term sustainable growth of the business.
- 1.3 The Group’s community investment and development efforts focus on employee volunteerism, environmental protection, philanthropic and humanitarian activities, donations, education, and scholarships. We adopt a two-pronged approach towards our community development strategy:
- (a) We align our community outreach efforts with positive social, economic, or environmental contributions. Working closely with community partners such as charities and educational institutions, we aim to support impactful programmes and initiatives in line with the focus areas of caring for the underprivileged, promoting education and protecting the environment.
 - (b) We also support community programmes through key sponsorships and donations to empower beneficiaries, address local needs, encourage community self-reliance, and strengthen capacity building.

2. **COMMUNITY INVESTMENT AND DEVELOPMENT**

- 2.1 The Group aims to positively contribute to the social, economic, and environmental aspects of the communities. We strive to understand the needs of the communities where we operate and to ensure that our operations and activities take into consideration the communities’ needs and interests.
- 2.2 Our community investment and development strategy guides the Group to strategically invest

in our communities through partnerships and alignment with focus areas including:

- (a) Supporting the Underprivileged – We work closely with partners and social organisations to support the most vulnerable communities such as underprivileged families and the elderly, to improve their well-being.
- (b) Promoting Education – We firmly believe in the social multiplier effect of education and the positive impact of having a strong foundation through supporting educational programmes and providing scholarships to students with financial needs.
- (c) Environmental Protection – We work closely with partners to lead initiatives that include biodiversity conservation, climate action and environmental awareness.
- (d) Humanitarian and Resilience Support – We commit to leverage resources to ensure the safety and well-being of our communities by providing humanitarian assistance to disaster relief and crisis management efforts.

2.3 In accordance with our Code of Conduct and Business Ethics, all charitable donations and sponsorships provided by the Group must be compatible with our commitment to operating in an ethical manner. Donations are subject to approval by Co-CEOs and philanthropic activities shall be documented and retained. Donations must not be used for any form of corruption or improper advantage.

2.4 In line with the Group's ESG 2030 Roadmap, ESR plans to establish a foundation with a focus on community development and investment. Through strategic partnerships, this foundation aims to positively impact communities where we operate in.

3. VOLUNTEERISM

3.1 To inculcate a spirit of volunteerism and cultivate an engaged workforce, employees are encouraged to dedicate time to volunteer in community related activities and are provided with two days of volunteer leave annually for this purpose. Please refer to the ESR Group Employee Volunteering Leave Policy for more details.

3.2 A committee, comprising representatives across the Group, will be established to drive the Group's community development efforts, including overseeing the implementation of volunteering leave, to ensure that they are aligned with our strategic objectives.

4. COMMUNITY IMPACT MEASUREMENT

4.1 The Group aims to deliver tangible and measurable social, economic, and environmental benefits and outcomes to the communities where we operate.

4.2 We will put in place a monitoring and evaluation framework for our community development programmes and initiatives to ensure the delivery of all objectives. This includes measuring social impacts through engaging the communities / beneficiaries in evaluating their own developments, as well as sharing lessons learnt with strategic partners and key stakeholders.

4.3 Our social impact measurement will be aligned with globally-recognised frameworks, such as the Business for Societal Impact ("**B4SI**")¹ framework, which ensures objective measurement and monitoring of our engagement efforts while accommodating local variation, to maximise the impact and benefit we bring to local communities.

4.4 The B4SI framework ensures the consistent measurement of the Group's contributions, impacts and results through the measurement of the following:

- (a) The Contribution (Inputs) – Resources the Group provides in supporting the community initiative (e.g., cash, time, and in-kind contributions);
- (b) The Result (Outputs) – Community and business outputs resulting from the contributions made (e.g., funds raised, beneficiaries supported, employees involved, stakeholders reached); and
- (c) The Change (Impacts) – Long-term changes resulting from the community activity, including the depth and type of impact on the community and business (e.g.,

¹The [B4SI](#) framework is a robust measurement standard that helps organisations understand the difference their contributions make to society. It is reflected in the GRI standard and is recognised by the UN Global Compact as evidence for a company's social impact narrative to stakeholders

improvement in quality of life, behavioural impacts).

DOCUMENT REVISION HISTORY AND VERSION CONTROL

Version	Revision Details	Author	Effective Date
1.0	Initial Release	Group ESG	22 Mar 2023

Document Title	Community Development Policy
Document Language	English
English Title	Community Development Policy
Category	Group Policy
Policy Producing Function	Group ESG
Document Author	Group ESG
Document Approver	BOD
Portfolio Owner	Group ESG
Document Contact	
Original Issue Date	22 Mar 2023
Last Review Date	
Next Review Date	
Version	1.0