



**ESR GROUP LIMITED**  
(Stock code: 1821)

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**ENVIRONMENTAL RESOURCE  
MANAGEMENT POLICY**

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**OWNER: GROUP ESG**

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## 1. **INTRODUCTION**

- 1.1 The Environmental Resource Management Policy (“**Policy**”) sets out the commitment of ESR Group Limited and its subsidiaries (collectively, “**ESR**” or the “**Group**”) to manage water consumption and waste generation by adopting best management practices in its business operations.
- 1.2 Fresh water is a scarce resource that exists in limited quantities globally. Its availability is becoming less predictable in many places as demand continues to increase. This situation is worsened further by wastage, pollution, and climate change.
- 1.3 Water consumption in buildings accounts for approximately 25% of global water demand. This forms a vital part of real estate operations and consumption is projected to increase with rising population and economic development.
- 1.4 This Policy complements all other relevant and applicable policies and local regulations in the respective countries which the Group operates in.

## 2. **WATER CONSUMPTION**

- 2.1 The understanding of water consumption within an asset could identify areas for water reduction and/or increase water efficiency. The Group and all its Business Units (“**BUs**”), including those engaged in development projects, shall develop appropriate processes to monitor and report their water consumption in absolute (i.e., m<sup>3</sup>) and intensity (e.g., m<sup>3</sup> per square metre) metrics on a periodic basis.
- 2.2 BUs shall set water efficiency targets and develop water management plans to achieve them. The targets should have a definite timeline to be achieved (e.g., 3 years or longer).
- 2.3 The Group strives to improve its water efficiency by adopting the following methods, where applicable:
  - (a) Efficient water systems – Optimise water supply systems to operate at their desired efficiency and reduce water wastage. This could be achieved through regular monitoring

and maintenance to identify areas for improvement. Examples include conducting annual water audits and periodic leak detection tests, charting and analysing water consumption, installing remote sub-meters and adopting low-pressure water systems;

- (b) Water conservation measures – Implement water-saving measures to reduce water consumption without compromising service quality. This could be achieved by understanding water use at different areas and formulate improvement actions for them. Examples include using water-efficient technologies, landscape designs, irrigation systems, and adopting good general washing practices;
- (c) Expand available water sources – Expand existing water supply by substituting potable water demand with other available sources. This could be achieved through collection and storage of other sources of water for non-potable use. Examples include collecting harvested rainwater, air conditioning condensate and greywater for toilet-flushing, landscape irrigation, and cooling tower makeup;
- (d) Encourage water efficient practices – Collaborate with occupants to raise awareness and adoption of water conservation measures. Examples include implementing water conservation efforts during dry weather, organising green education and campaigns;

### **3. WASTE GENERATION**

- 3.1 Waste creates a multitude of impacts to the environment when left unmanaged. Improper management of waste would have negative consequences which lead to the deterioration of land, water, and air quality. Consequently, this would result in adverse effects on the population's health.
- 3.2 Bulk of the waste generated within real estate assets are attributable to occupants and customers. This is projected to increase with the shift in demographics, urbanisation, and economic development.
- 3.3 The types of waste produced within an asset come in different forms and vary in nature. For this Section, waste is categorised as the following:

- (a) Hazardous waste – Hazardous waste has properties to cause harmful effects on human health and the environment. Examples include biological waste from medical and dental facilities or electronic waste from consumers and manufacturers.
- (b) Non-hazardous waste – Non-hazardous waste does not cause harm to people or the environment. Examples include municipal waste from product packaging and discarded food or construction waste from building and renovation.
- (c) Recyclable waste – Recyclable waste refers to materials that can be processed and used again. Examples include paper, aluminum cans and glasses.

#### **4. WASTE MANAGEMENT**

- 4.1 The understanding of waste composition within an asset could help identify potential areas for waste minimisation and recycling. The Group and its BUs shall develop appropriate processes to monitor, report and audit their waste categorically (i.e., hazardous, non-hazardous, recyclable) in absolute (i.e., tonnes) and intensity (i.e., tonnes per square metre) metrics on a periodic basis, where applicable.
- 4.2 BUs shall set waste efficiency targets and develop waste management and recycling plans to achieve them. The targets should have a definite timeline to be achieved (e.g., 3 years or longer).
- 4.3 The Group shall recycle and/or salvage non-hazardous construction and demolition debris as much as possible. For new developments, BUs shall develop and implement a construction waste management plan that, at a minimum, identifies the materials to be diverted from disposal and whether the materials will be sorted on-site or comingled. On-site waste facilities where waste can be sorted according to types or waste streams should be provided.
- 4.4 The Group strives to improve its waste management practices by adopting the following methods, where applicable:
  - (a) Reduce – Avoid the production of waste at source so as to minimise the quantity that needs to be treated or disposed of. Examples include encouraging occupants to

redistribute leftover food or eliminating use of plastic straws;

- (b) Reuse – Use an object or material again without significant alteration of its physical form. Examples include reusing cardboard boxes and other waste containers or permitting shop fit-outs to be reused;
- (c) Recycle – Transform waste materials into reusable form which may or may not be like the original product. Examples include composting of food waste or recycling of lighting and electronic by-products to useful products;
- (d) Collect – Provide adequate waste collection points for different types of recyclable waste at convenient and accessible areas. Examples include installing recycling bins for segregating recyclable and non-recyclable materials at locations with high footfall;
- (e) Dispose – Select qualified waste service providers with relevant expertise to transport and dispose waste and set standards for disposal of waste generated by contractors. Examples include selecting licensed waste companies to manage the end-of-life treatment of collected wastes; and
- (f) Collaborate – Collaborate with occupants to raise awareness and adoption of waste management measures. Examples include organising green education and campaigns.

## **DOCUMENT REVISION HISTORY AND VERSION CONTROL**

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