

ESG Policy

1.1 Introduction and Purpose

BW Industrial Development JSC (“BW” or “Company”) has developed this ESG Policy to serve as a statement of our commitment to sustainably managing our business through integrating Environmental, Social, and Governance (ESG) considerations across our activities.

This ESG Policy is complemented by our suite of corporate codes and policies, including Code of Conduct and Business Ethics, to form BW’s total commitment and approach to sustainability.

This ESG Policy aims to provide direction and consensus across our projects on how to implement our sustainability commitments in accordance with our vision, mission, and values.

1.2 Coverage

We integrate ESG considerations in our business activities with the view to manage scarce natural resources; to minimize our environmental footprint, our greenhouse gas emissions, and potential impacts on biodiversity and land-use change; to look after the health, safety and well-being of our people, be they employees, workers, or contractors; and to adopt effective corporate governance while striving to maintain positive financial returns.

1.3 Application, Responsibility, and Authority

This ESG Policy applies to BW’s property investment, development, and management in all its provinces of operation in Vietnam. Its implementation is the responsibility of all BW employees and directors. It will enable the continuous improvement of our sustainability performance by enhancing the skills, knowledge, and commitment of all BW employees at all levels of the organization.

BW’s Board of Management endorses this ESG Policy and will review it every two years.

1.4 Our vision is to sustain a long-term business for the benefit of all our stakeholders

We aim to develop modern industrial warehouses and factories in response to the industrial needs of investors looking for production sites in Vietnam, along with monitoring the urbanization and industrialization of key provinces. We want to offer tenants modern, state-of-the-art, focused, and integrated facilities and provide investors with exposure to what we see as one of the world’s fastest-moving markets.

1.5 Our Mission Integrates ESG Considerations

We are committed to integrating Environmental, Social, and Governance considerations across the industrial real estate development cycle of our activities and our diligence, transparency, and accountability processes.

We are committed to working in compliance with local regulations and international standards and in continuous collaboration with our internal and external stakeholders with the view to contribute to a sustainable and successful business.

We aim to achieve high standards of corporate governance, which are crucial to our development and safeguarding the interests of our shareholders. We recognize the importance of our environmental, social, transparency, and accountability responsibilities to our tenants and customers, communities and stakeholders, investment partners and shareholders to manage risks, make effective decisions, and create value.

1.5.1 Environmental Considerations

We strive to mitigate our environmental footprint. BW optimizes, to the extent possible, the sustainability features of our new or existing developments through green design initiatives or by positioning our properties to minimize their environmental impact in terms of land-use change, biodiversity protection, and proximity to transport systems while providing cost benefits to our customers and long-term social consideration to the local community.

We seek to design new construction and refurbishment by integrating green building material attributes, available green building standards, and renewable energy sources (on-site, off-site) as applicable and relevant to the geographies in which we operate.

Examples: BW makes every effort to build new industrial facilities in compliance with local environmental regulations. We undertake Environmental Due Diligence for all new projects and Environmental Impact Assessment (EIA) for all new greenfield developments. We equip new facilities with energy-efficient technology, such as LED lighting and solar rooftop panels.

1.5.2 Social Considerations

We believe that creating a positive and supportive environment is among our social responsibility to the communities in which we operate and our employees, tenants, and suppliers. We believe this will create long-term benefits to society as well as to our company. In addition to responding to the traditional demands of our clients, we believe we can and must act as a bridge between local society and the environment.

We care for the health and safety of our project workers and building users. We adopt a sustainable approach at the design stage of new builds and refurbishments by integrating building material attributes and occupant well-being assessments. To the extent possible, we aim to include daylight access, active design features, and indoor air quality monitoring in our facilities.

1.5.3 Governance Considerations

BW believes that effective corporate governance is critical to our success, providing the foundation of long-term and sustained growth. BW has established robust processes and operating procedures to manage risks, make effective decisions, and create value during our due diligence, development, and asset management processes while recognizing fiduciary duties and remaining transparent and accountable to our investment partners and stakeholders. We believe that our information technology platform improves our operational efficiency and provides high-quality internal governance controls.

Our Board of Directors has general responsibility and power over the management and conduct of our business and oversees our overall risk control. Any significant business decisions involving material risks are reviewed, analyzed, and approved at the board level to ensure a thorough examination of the associated risks at our highest corporate governance body. We engage qualified, reputable, and independent third parties to assist us in managing our operational risks and have in-house personnel that continuously review our internal control measures. We enforce strict control and accountability policies and manuals at an individual employee level and conduct ongoing on-site training. Our policies and manuals are updated regularly based on our operational needs. We seek to maintain a corporate culture with a high level of responsibility, integrity, and reliability to manage our operational and market risks.

1.6 Our Business Approach is Sustainable

In each province we operate, we endeavor to build industrial facilities or acquire existing logistics facilities in strategic locations, generally with a view to refurbish, expand, modernize, or redevelop them as tenants upgrade from outdated, often small, and owner-occupied facilities to newer facilities in more premium locations.

We seek to offer the following key sustainable business features:

- ◆ Optimal space utilization with large floor plates, high ceilings, and wide column spacing that contributes to workers' well-being;
- ◆ High operating efficiency with spacious loading and parking areas equipped with modern loading docks that include comprehensive safety designs;

- ◆ Security and surveillance features, proper ventilation, and basic firefighting features such as sprinkler systems that protect the occupational health and safety of our employees, workers, and contractors;
- ◆ Access to transport networks to best serve both import and export logistics and domestic market distribution and optimize the overall transport environmental footprint.

We further optimize these sustainable features in locations such as Ho Chi Minh City and Hanoi by building state-of-the-art distribution centers with a “human-centric” approach. We focus on environmental risks and make a meaningful impact on society and the health and well-being of our tenants.

Everywhere we operate, we develop a long-term vision with consideration to local socio-economic development. One of our projects in Binh Duong, BW Supply Chain City (BWSCC), will bring to life the first full-service supply chain hub from production, import-export, and distribution, to provide the community with better access to fast, affordable, and transparent international trade. Our first LEED-certified green building is among the deliverables.

1.7 BW Sustainable Commitments

We have identified and aim to mitigate potential Environmental, Social, and Governance issues that can influence our operations and investments. Where possible, we seek to:

1. Reduce the greenhouse gas, energy, water, and waste footprint of our properties under management at the design, development, construction, and operations stages, as well as of our corporate operations;
2. Protect the biodiversity and high-ecological habitats of our development sites and properties through conservation, enhancement, or offsets;
3. Manage natural hazards and climate and weather risks at the design, development, construction, and operations stages of our properties and in our asset management practices to increase our resilience;
4. Create safe and quality workplaces for people working in or visiting our sites and offices by following contractor management and occupational health and safety practices aligned with international standards;
5. Ensure a high standard of health and safety in our offices and properties, and provide employment conditions that support employee well-being;
6. Support the market uptake of new sustainability-related technologies and practices where appropriate;
7. Implement good, responsible investment practices to mitigate environmental and social risks and leverage opportunities where available in the interest of stakeholders and investment performance.

We are setting internal processes to implement this ESG Policy. These processes will include measuring, monitoring, and reporting on Environmental, Social, and Governance Performance Indicators to assess how our ESG commitments come alive. We will encourage and train our internal stakeholders to adopt and implement this ESG Policy. We aim to improve continuously and manage our properties and investments in a manner consistent with this ESG Policy.

If you have any questions, comments, or concerns regarding this ESG Policy or its implementation, please contact [add a contact] anonymously or not.

30 June 2021