

ADF ESG Policy

2020

ESG Policy

As a leading asset management company in Korea, ADF Asset Management boasts a proven track record in providing services for logistics properties development and investment, and has taken up the mission of managing a broad range of its environmental, social and governance (ESG) matters since 2020. ADF's ESG strategies are integrated into the policies and principles that govern its business and reflect its commitment to the environment and sustainable growth. The following ESG topics have been identified as the most relevant to the firm's business and of greatest interest to the firm's stakeholders.

1. Environmental Policy

ADF recognizes the potential for ESG-related risks, and as such, ESG matters are an important consideration in how the firm does business. ADF is committed to protecting the environment and minimizing its environmental footprint by identifying, developing and managing environmentally responsible business practices.

Environmental Management System

ADF is committed to identifying and managing environmental risks for all investment and development projects. ADF employs construction companies that maintain a reputable third-party certified environmental management system. The environmental impact of land development, demolition and construction are significant, and should be addressed at the early stages of the planning process to reduce significant impacts. The foundation of the environmental management system should be based on strict compliance to the national laws and regulations.

Climate Change and Carbon Emissions

ADF reduces and minimizes carbon emissions from construction of new assets and operation of completed assets by improving energy efficiency and utilizing renewable energy. We are committed to adapting our investments in

development and building management for the climate change and carbon emissions via annual review of the objectives and targets.

Energy Efficiency

ADF manages its assets by enhancing energy efficiency throughout the lifecycle of buildings. The management cycle starts from the planning and design stages so that appropriate materials and equipment are procured. ADF believes that enhancing energy efficiency is one of the key elements in achieving sustainability for building development and management.

Material Sourcing

ADF employs construction companies that source high-efficiency certified products (or their equivalent) for development projects. Construction materials are encouraged to be supplied locally, where possible, to support the local economy and minimize energy consumption for transporting materials. In selecting materials, recyclability of the materials is also considered.

Waste Management

ADF takes a systematic approach to identify, manage, reduce and dispose waste from assets under construction and operation of completed assets. Waste should be managed and disposed separately as per the national waste classification. Waste must be managed systematically from a resource conservation perspective.

Water Resources

ADF is committed to design and operate building facilities in a manner to utilize water resources efficiently. Use of water resources must be planned, monitored and reviewed for continuous improvement.

Wastewater Control

ADF takes a systematic approach to identify, manage, reduce and treat wastewater in design and operation of investment assets. Management of wastewater must be planned, monitored and reviewed for continuous improvement.

Air Emission Control

ADF takes a systematic approach to identify, manage, reduce and treat air pollutant in design and operation of investment assets. Management of air pollutant must be planned, monitored and reviewed for continuous improvement.

Noise and Vibration Abatement

ADF identifies and manages noise and vibration sources for development projects. Development sites must comply with national standards for occupational and community noise.

Community Engagement

ADF takes a proactive role in community engagement via open communications and various locally beneficial programs.

Site Selection

ADF is committed to protection and conservation of native, threatened and endangered species, and cultural and historical heritage sites. In order to minimize the impacts of development on the environment, all considerations will be made to stay within existing developed areas.

Biodiversity and Habitat Protection

ADF is dedicated to conservation of biodiversity and sensitive habitat in the course of asset development and management.

2. Social Policy

ADF supports a collaborative and respectful environment that increases the participation and contribution of all employees. ADF's mission is to support a diverse and inclusive workplace to achieve competitive business advantage and to attract top talent.

Human Rights

ADF believes that all members of the firm and its affiliated companies deserve a fair and ethical workplace. All members must be treated with the utmost dignity and respect. ADF upholds the highest standards of human rights.

Anti-Discrimination

ADF does not and shall not discriminate against any member of the firm and its affiliated companies based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership or any other status.

Anti-Abuse and Harassment

ADF is committed to ensuring a workplace free of abuse and harassment. Abuse and harassment may be verbal, written, physical, psychological and mental.

Prevention of Involuntary Labor

ADF ensures that all work is voluntary. Involuntary labor includes recruitment, transfer, receipt or employment of persons by means of threat, force, coercion, fraud or payments to any person having control over another person for the purpose of their exploitation.

Health and Safety

ADF complies with all requirements, as specified in the national Occupational

Safety and Health Act, and strives to adopt best management practices in the global real estate industry. Not only the employees but also contractors and vendors of ADF for development and investment projects abide by the requirements to ensure health and safety throughout project cycles. As we practice the best management practices, we apply the same health and safety practices to the stakeholders including the communities around the assets that ADF manages.

Wages and Benefits

ADF remunerates employees at least the federal minimum wage and provides any benefits within the time period required by the national labor laws and employment contracts. ADF communicates its pay structure and pay periods to all members of the firm. Wages are not used as a disciplinary measure.

Freedom of Association and Bargaining

ADF allows all members the lawful right to associate with others, to form and join organizations of their choice, and to bargain collectively without interference, discrimination and retaliation.

Grievance Mechanism

ADF ensures that there is an effective and efficient process to report grievances and facilitates open communication between management and all members of the firm.

Occupational Health and Safety Hazard Prevention

ADF is committed to the prevention of health and safety hazards that arise from the course of daily business operation. At minimum, it satisfies all the requirements set forth in the Occupational Safety and Health Act.

Emergency Response Plan

ADF identifies and assesses potential emergency situations for all investment and development. For each situation, it develops and implements emergency response plans and procedures in a way to minimize harm to life, environment and assets.

Incident Management

ADF complies with the requirements on incident management and incident reporting, as specified by the Occupational Safety and Health Act.

Working Condition

ADF provides all members of the firm with accessible, safe, hygienic and clean amenities.

Inclusion and Diversity

ADF understands and values differences among people in race, ethnicity, gender, age, religion, sexual orientation and disability, and education, personalities, skill sets, experiences and knowledge.

3. Governance Policy

ADF promotes strong leadership and sound governance. Senior management develops ADF strategic direction and oversees its execution, while the Board of Directors provides oversight of management's performance. ADF is committed to maintaining the highest standards of performance, transparency and ethics where the stakeholders are empowered and respected.

Board of Directors

The Board of Directors oversees the CEO and senior management who are responsible for the day-to-day operation of the firm for the sake of shareholders' interests. The Board reviews CEO and senior management annually to ensure top management provides effective leadership of the firm. Based on the annual review, the Board determines appropriate compensation for the CEO and senior management.

Fiduciary Duties

The Board has fiduciary duties and is expected to take a proactive approach to ensure that the firm is committed to business success, shareholders' right including for profitability, meeting and voting, its ESG responsibilities.

Board Committees

The Board may operate a temporary or standing committee(s) to establish a framework for the governance of the Board and oversight of the firm. The committee may oversee valuation, investment and risk management processes, which incorporate matters pertaining to the ESG factors.

Ethics

The Board expects its directors and employees to act ethically and adhere to the firm's code of conduct so that there are no conflicts of interest.

- **Ethics and Conflicts of Interest:** The Board expects its directors and employees to act ethically and adhere to the firm's code of conduct so that there are no conflicts of interest.

Procurement Process

ADF has strong relationships with its contractors and suppliers that have been built over the years. ADF requires each of its contractors and suppliers to meet the highest standards for all goods and services. ADF requirements include a commitment to rigorous quality assurance and social responsibility. ADF is committed to the fair treatment of contractors and suppliers at every stage of the procurement process.

Anti-Corruption and Anti-Lobbying

Corruption can take place in many forms and contents, but most often it occurs through bribery, kickback and facilitation payments/expenses. ADF has a zero tolerance for any form of corruption in connection with its business dealings. Directors and employees of ADF do not attempt to influence government deliberations or actions by way of funding.

Political Contribution

ADF directors and employees do not engage in political activities in any of the firm's capacities, and do not offer political contributions for any candidates or parties. While an employee may participate as an individual citizen in the political process, decisions to do so are entirely personal and voluntary. Employees must not use their position with the firm to coerce or pressure other members of the firm to make contributions to support or oppose any political candidates or ballot initiatives.

Whistleblower Protection

Whistleblower protection is key to encouraging the reporting of misconduct, fraud and corruption. The risk of corruption increases where the reporting of wrongdoing is not supported or protected. ADF strongly supports and protects

whistleblowers from retaliation for reporting in good faith suspected acts of corruption and other wrongdoings.

Cyber Privacy and Security

ADF is committed to protection and improvement of data privacy and security via best available IT technology and solutions. Any disruptions on the ADF IT operating systems can impact our stakeholder community including employees, investors and customers equally.

