

ChampionREIT

冠君產業信託

Managing Climate Risks and Resilience Policy

of

Eagle Asset Management (CP) Limited

for use in relation to the management of

Champion Real Estate Investment Trust

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1. INTRODUCTION

1.1 Climate Change

It is now widely acknowledged that the consequences caused by climate change is affecting our daily lives. An enterprise may suffer from permanent loss when it is not resilience enough to recover from an extreme weather event. Joint efforts from governments, businesses and citizens are vital to mitigate the impacts.

Sustainability have always been an integral part of Champion Real Estate Investment Trust (“Champion REIT”, or “The Trust”), we formulated strategies to alleviate the effect brought by climate change. The **Managing Climate Risks and Resilience Policy** (“Policy”) provides guidance for Champion REIT on management of climate-related risks and opportunities, which forms as an important part of managing Champion REIT as a long-term sustainable real estate investment trust for the unit holders.

1.2 Objective

The key objective of this Policy is to effect proper management of climate-related risks and opportunities to which Champion REIT is exposed. Champion REIT is committed to minimising the impacts of our operations to the environment.

The Policy spells out the management approach that applies across the individual functional units as well as its service providers. The framework is integral to developing the climate strategy that drives Champion REIT as a sustainable real estate investment trust.

1.3 Scope

This Policy applies to the entire Trust and all business activities and sets out framework for management, as well as analysing scenarios.

1.4 Commitments

Champion REIT actively promotes climate and energy awareness by partnering with stakeholders, including its employees, tenants and customers and leverage their power for creating long-term impacts.

As both our near- and long-term targets, we commit to a net zero vision by 2045 through continuing performance tracking, review, and upgrading for a greener environment, while maintaining close-knit stakeholder's communication.

To accelerate our net zero transition for business, the Trust will continue to identify potential climate-related impacts on business and ensure transparency and relevant disclosure in a timely manner, as well as comply with the requirements of local and international sustainability indices, pledged targets, and certifications.

2. CLIMATE STRATEGY

2.1 Principles

This climate change management is a process that considers the impact of climate-related risks upon the enterprise's ability to meet its business objectives in both the near and longer-term. The purposes are:

- Identification and management of the climate-related risks to sustain performance
- Identification of new opportunities and unique challenges related to climate changes
- Improvement of ability to identify risks arising from climate changes
- Improvement of resilience ability to prepare for, mitigate, and recover from the toll/costs and other effects of climate changes

We work hard to deliver climate resilience through closely collaborating with our stakeholders in awareness at different stages of asset life cycle:

- Acquisition
- Designing and structuring of building
- Operation, fit-out and maintenance

2.2 Categories

Champion REIT's climate strategy covers below:

- Recognising and accessing near and longer-term climate-related risks
- Factoring climate-related risks into the investment management process for Champion REIT
- Incorporating climate resilience management into Champion REIT's asset to avoid the Trust's performance variability
- Building awareness and accountability of climate-related risks within the organisation
- Publicly disclosing the risks relevant information, including impacts and responses, wherever necessary

2.3 Approaches

In the course of assessing climate-related risks, the Trust integrates them into its risk management and internal control system. We follow the Task Force on Climate-related Financial Disclosures ("TCFD")'s recommendations to manage the premise nature of climate-related risks. We identify and monitor our portfolio exposure to climate-related physical and transitional risks and opportunities. Climate-related scenarios would be used to develop appropriate resilience features for our properties.

2.4 Climate Resilience

With the focus on identifying the vulnerability of the Trust's assets, the ability of the property (as a whole or by individual unit of the building system) to (1) withstand the severity and frequency of extreme weather conditions and (2) resume usual operation and swift post-disruption recovery will be assessed based on the results from the below:

- a) Climate effect analysis - building's exposure to weather event-focused
- b) Property element analysis - from hard-ware (design/structure/utilities) to soft-ware (operation, contractor services and stakeholders)
- c) Climate-related risk analysis - potential impact on the property and its operations-focused

The risk assigned owners shall then priorities the resilience plans in accordance to the finding of the vulnerability and report a summary and timeframe of the action plans to the management team.

3. REPORTING AND REVIEW

As part of our sustainability reporting and to emphasise transparency on climate-related disclosure, we are committed to adopting the TCFD's recommendations to monitor and disclose our performance in four thematic areas, namely Governance, Strategy, Risk Management, and Metrics and Targets. Details are outlined in our annual Sustainability Report.

To uphold the standard of information dissemination, such information would be reviewed and updated annually, and any material changes would be informed to relevant stakeholders as soon as possible.