



ESG report

2023.3

 Advance Residence Investment Corporation

 Advance Logistics Investment Corporation

 ITOCHU REIT Management Co., Ltd.

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About This ESG Report

• Advance Residence Investment Corporation (“ADR”), Advance Logistics Investment Corporation (“ADL”), and their asset management company, ITOCHU REIT Management Co., Ltd. (“IRM”) strive to disclose the status of its sustainability initiatives. This report was written to provide information regarding sustainability policies and the implementation status of its initiatives as disclosed on ADR, ADL and IRM websites to our stakeholders in an easy-to-understand manner.

• The disclosure in this report was prepared with reference to the GRI Standards (GRI 1: Foundation 2021) . For comparisons, please refer to the Comparative Table with GRI Standards.

• All numerical information included in this report is as of the end of February 2023, unless otherwise noted.

Date of Issue: March 16, 2023

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Disclaimer

This report contains forward-looking statements on future operating results, plans, business objectives and strategies of the company.

Forward-looking statements provide current expectations of future events based on number of assumptions and include statements that do not directly relate to any historical or current facts. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements.

Although the financial figures in the report are based on Japanese GAAP, the report does not necessarily follow any official rules or regulations on financial disclosures.

This report was not created for the purpose of soliciting investment in the company. Investments should be based on your own judgment and responsibility.

Overview of Companies

Advance Residence Investment Corporation

An investment corporation that boasts one of the largest asset holdings in Japan among REITs specializing in rental housing. Rooted in the basic policy of realizing stable, long-term profit sharing, investments are diversified nationwide, mainly in central Tokyo. Types of dwellings are also diversified, from single to family-type units, to make investments in a well-balanced manner.

Name of Investment Corporation	Advance Residence Investment Corporation
Representative	Wataru Higuchi, Executive Director
Address of Head Office	17th Floor, Jimbocho Mitsui Building 1-105 Kanda-Jimbocho, Chiyoda Ward, Tokyo
Type of Assets under Management	Residential Property
Fiscal Term End	Six-month period from Feb.1 to Jul.31, and Aug.1 to Jan.31

Advance Logistics Investment Corporation

Aiming to develop a logistics infrastructure for which demand is revitalized due to the expansion of EC transactions, etc., mainly through their ownership and operation of the “i Missions Park” logistics facilities. In addition, they strive to stabilize profits over the long term by utilizing the customer network and logistics operations experience that the ITOCHU Group has with logistics companies and shippers.

Name of Investment Corporation	Advance Logistics Investment Corporation
Representative	Tomoyuki Kimura, Executive Director
Address of Head Office	17th Floor, Jimbocho Mitsui Building 1-105 Kanda-Jimbocho, Chiyoda Ward, Tokyo
Type of Assets under Management	logistics facilities
Fiscal Term End	Six-month period from Mar.1 to Aug.31, and Sep.1 to end of Feb.

Overview of Companies



An asset management company that provides asset management services for Advance Residence Investment Corporation and Advance Logistics Investment Corporation, J-REITs, Advance Private Investment Corporation, a private placement REIT, and private funds, as well as private placement services for overseas real estate funds.

Management Company	ITOCHU REIT Management Co.,Ltd.
Representative	Junichi Shoji, Representative Director, President & CEO
Established	February 2, 2005
Capital	¥300 million
Shareholders	ITOCHU Corporation 80% ITOCHU Property Development, Ltd. 20%
Licenses and Registrations	Building Lots and Building Transactions Business License, Governor of Tokyo (4) No. 84325 Entrustment-based Agency Services for Transactions, etc. License, Minister of Land, Infrastructure, Transport and Tourism License No. 37 Financial Instruments Business Operator Registration, Director-General of the Kanto Local Finance Bureau (Financial Instruments) No. 309 First-class Architect Office: Governor of Tokyo Registration No. 58856
Memberships	The Investment Trusts Association, Japan Type II Financial Instruments Firms Association Japan Investment Advisors Association
Headquarter Address	17th Floor, Jimbocho Mitsui Building 1-105 Kanda-Jimbocho, Chiyoda Ward, Tokyo

Message from Top Management

Advance Residence Investment Corporation (“ADR”) and Advance Logistics Investment Corporation (“ADL”) are listed investment corporations managed by ITOCHU REIT Management Co., Ltd. (“IRM”), which was established on June 1, 2022 with the merger of AD Investment Management Co., Ltd. and former ITOCHU REIT Management Co., Ltd. ADR and ADL are sponsored by ITOCHU Corporation Group, which has strengths particularly in the lifestyle and consumption-related businesses.

Moves towards the realization of a sustainable society have been accelerating both domestically and globally, beginning with the adoption of the SDGs by the UN in 2015, and followed by the adoption of the Paris Agreement at the UN Climate Change Conference (COP), the establishment of goals and continuing discussions for implementation of the Agreement, and the commitment of the Japanese government to achieve carbon neutrality by 2050 and to provide financial support to Asian nations for decarbonization.

ADR, ADL and IRM are strongly aware that the promotion of sustainability initiatives such as eco-friendliness, contribution to regional societies, and enhancement of tenant experiences are all important agendas to address as a business entity and are essential to maximize shareholder value. To achieve these agendas, IRM reviewed, reorganized, and revised its sustainability policy at the time of the above merger.

ADR and ADL also set targets and KPIs to establish materiality (important issues in sustainability) and enhance the effectiveness of these materiality initiatives towards the implementation the sustainability policies.

Recently, in the GRESB real estate assessment in 2022, both ADR and ADL received high acclaim. ADR was the first ever housing-related REIT to be awarded four stars and was also chosen as the Asian Listed Housing Sector Leader for the third consecutive year. ADL was awarded five stars, the highest rating, and was chosen as the Global Listed Logistics Sector Leader. We believe this assessment is attributable to our steady efforts to date and are committed to continue promoting sustainability programs.

This ESG Report aims to provide investors and other stakeholders with a wide understanding of the current state of sustainability measures taken by ADR, ADL and IRM by summarizing the details of the sustainability policy and the structure to promote it, as well as providing specific initiatives, external assessments of the results of such initiatives, and various data.

We will continue to contribute to the realization of a sustainable society to the best of our ability, and to communicate to investors and other stakeholders the implementation status of our efforts in an easy-to-understand manner.

Your continued support is highly appreciated.



Wataru Higuchi

Executive Director
Advance Logistics Investment Corporation



Tomoyuki Kimura

Executive Director
Advance Logistics Investment Corporation



Junichi Shoji

Representative Director, President & CEO
ITOCHU REIT Management Co., Ltd.

Sustainability Policy

Based on the understanding that addressing global environmental challenges and social issues is one of the most important items in management policy, we have established our Sustainability Policy for real estate investment management operations with the intention of contributing to the achievement of a sustainable society.

1. Legal compliance and the establishment of an organizational structure

We will establish an appropriate organizational structure to ensure compliance with laws and regulations on environmental, social, and governance (ESG) factors and to prevent risks.

2. Efforts toward achievement of a decarbonized society

We will contribute to achieving a decarbonized society and to mitigating climate change by reducing greenhouse gas emissions from the operation of our property holdings by installing energy efficient equipment and adopting renewable energy.

3. Resource conservation and waste reduction

We will contribute to the achievement of a society that conserves and recycles resources by encouraging tenants to conserve power and water and to recycle waste.

4. Employee education

We will foster employee awareness of environmental considerations and promote environment-friendly practices through education and awareness-raising activities.

5. Contribution to local communities

We will strive to offer high quality properties to tenants and contribute to local communities through collaboration with our employees and other stakeholders including property management companies.

6. Transparent disclosure

When disclosing our ESG-related policies and initiatives, we will take the perspective of unitholders and make disclosures easy to understand.

Sustainability Policy and Structure

Promoting Sustainability



We have defined the direction that we will take in promoting sustainability based on our Corporate Philosophy and Management Policy and on changes in our operating environment as our Sustainability Policy, and we are pursuing it as an organization in a systematic manner. In doing so, we have established KPIs for material issues, which are the priority challenges that the Company and our investment corporations must find solutions to, and we are implementing a PDCA cycle for target achievement.

Sustainability Promotion Framework



In order to systematically pursue sustainability improvement activities, we have established the Sustainability Promotion Committee, which is chaired by the representative director, and the Sustainability Practical Committee, which is composed of employees responsible for actual operations in each department. The Sustainability Promotion Committee meets twice a year to implement a PDCA cycle with the aim of improving asset value over the medium to long term. The PDCA cycle consists of the following steps: formulate sustainability goals and initiatives, identify and evaluate climate-related risks and opportunities, analyze climate-related risks and manage them company-wide, monitor environmental performance as well as the results of ESG evaluation by external organizations, verify the degree of achievement of goals, and reset goals for remaining challenges and new challenges. In addition, the Sustainability Practical Committee is responsible for pursuing the various measures necessary to achieve the goals.

Goals are set by the representative director, who is the chief executive officer of sustainability, and the progress made toward goals and on initiatives is reported to the Board of Directors and to each investment corporation's executive committee once every six months.

IRM-Endorsed Initiatives

IRM recognizes that climate change is an important issue that may bring about drastic changes to the natural environment and social structure and substantially affect overall business activities. With this in mind, IRM aims to secure sustainable and stable earnings on a long-term basis by appropriately evaluating the risks and opportunities brought about by climate change and by incorporating evaluation results in the operations and management policies of IRM, ADR and ADL. IRM therefore endorses the following initiatives.

Recommendations of Task Force on Climate-related Financial Disclosures (TCFD)

In March 2020 IRM expressed support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD)*. We recognize climate change as a critical issue that will affect the continued growth of IRM as well as the investment corporations we manage in the years to come. Based on the TCFD recommendations, we will continue to contribute to the achievement of a sustainable society by assessing the impact of climate change on our businesses, counteracting risks and taking advantage of opportunities, and proactively disclosing related information. In addition to supporting the TCFD, we also became a member of the TCFD Consortium (composed of Japanese companies and organizations that support TCFD).

* TCFD was established in 2015 by the Financial Stability Board, which consists of central banks and financial regulators of the world's major countries. In June 2017, TCFD issued recommendations urging companies to disclose information on climate-related business risks and opportunities in the medium to long term, their impact on corporate finances, specific actions and strategies to address those risks, and other factors in order to mitigate risks that could destabilize financial markets. Please refer to the [TCFD website](#) for details.



Japan Climate Initiative (JCI)

Subscribing to the fundamental principles of the Japan Climate Initiative (JCI), IRM became a member in July 2019.

* JCI: Following the adoption of the Paris Agreement for the prevention of global warming in 2015, JCI was established by a coalition led by Japanese corporations, municipalities, NGOs, and other bodies actively working to address climate change. It is intended to serve as a network for voluntary efforts toward the decarbonization of society. JCI is aiming for the achievement of a decarbonized society by creating a nationwide movement, supporting the activities of its member organizations while urging the government to take action, and cooperating with the international community. For more information, please visit the [JCI \(Japan Climate Initiative\) website](#).



External Assessment and Certification

Participation in GRESB Assessment

ADR and ADL have continuously participated in the GRESB real estate assessments and both ADR and ADL were rated highly in the 2022 assessments.

 Advance Residence Investment Corporation

First residential J-REIT to receive a 4 star rating; selected as the "Asia Sector Leader" for Three Consecutive Years *

 Advance Logistics Investment Corporation

Awarded the highest 5 star rating; selected as the "Asia Sector Leader" and "Global Sector Leader" *



GRESB
REAL ESTATE
sector leader 2022

* Ratings for Listed Residential sector for ADR and Listed and Logistics sector for ADL

Acquisition of Environmental Certification

ADR and ADL are proactively seeking environmental certification, such as the Green Building Certification and energy efficiency ratings.

Certification	ADR		ADL	
	Certification Status	Sample Properties	Certification Status	Sample Properties
DBJ Green Building Certification	Certified properties : 10 properties Percentage of properties certified : 6.9% of total floor space 、 3.6% of total number of property (as of January 2023)	4Stars : RESIDIA Roppongi-Hinokichokoen、 RESIDIA TOWER Azabujuban etc. 3Stars : RESIDIA Yutenji、 RESIDIA Sasazuka II etc.	Certified properties : 9 properties Percentage of properties certified : 84.9% of total floor space 、 69.2% of total number of property (as of March 25,2022)	4Stars : i Missions Park Inzai、 i Missions Park Kashiwa2 etc. 3Stars : i Missions Park Noda、 i Missions Park Kashiwa
CASBEE Certification for Real Estate	Certified properties : 13 properties Percentage of properties certified : 21.7% of total floor space 、 4.7% of total number of property (as of January 2023)	S Rank : RESIDIA TOWER Meguro-Fudomae、 RESIDIA TOWER Kami-Ikebukuro(Tower)etc. A Rank : Park Tower Shibaura Bayward Urban Wing, RESIDIA TOWER Kami-Ikebukuro(Park) etc.	Acquired S Rank at i Missions Park IchikawaShiohama	
BELS	Acquired 1 Star at Residia Ochanomizu II		Certified properties : 8 properties Percentage of properties certified : 68.1% of total floor space 、 61.5% of total number of property (as of November 30,2021)	5 Stars : i Missions Park Inzai、 i Missions Park Kashiwa2 etc. 4 Stars : i Missions Park Misato

Acquisition of SBT Certification



ADR obtained SBT* certification in March 2023 for our GHG emissions reduction target, as Science Based Targets, which is consistent with the level required by the Paris Agreement.

【 Certificated GHG emissions reduction target 】

Scope 1 & 2:
FY2030 to date (vs. FY2018) 51% reduction (total)

*SBT (Science Based Targets: emission reduction targets based on scientific evidence) is GHG emission reduction targets set by companies that are consistent with the levels required by the Paris Agreement (which aims to limit the global temperature increase to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C). The SBT Initiative is an international initiative of CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) to certify companies that set SBT.



Materiality and Targets

ADR and ADL have identified the following ten materiality items as important issues to be solved as a priority in promoting sustainability and are executing the PDCA cycle to achieve our goals. Also, in September 2022, ADR and ADL established targets and KPIs to enhance the effectiveness of materiality.

Environment

Materiality	Related SDGs	Targets and KPIs ADR	Targets and KPIs ADL
Management and reduction of energy consumption, CO2 emissions, water consumption, and waste emissions	6,7,11,13	<p>【Energy consumption】 FY2030 to date (vs. FY2018) 20% reduction (intensity)</p> <p>【CO2 emissions (GHG)】 Scope1&2 FY2030 to date (vs. FY2018) 51% reduction (total) Net zero by FY2050 Scope3 Identification of corresponding categories and scope determination and calculation</p> <p>【Water consumption】 Do not increase (common areas)</p> <p>【Waste】 Recycling rate 65% (emissions related to construction of exclusive use areas)</p>	<p>【Energy consumption】 FY2030 to date (vs. FY2020) 10% reduction (intensity)</p> <p>【CO2 emissions (GHG)】 Scope1-3 FY2030 to date (vs. FY2020) 10% reduction (intensity)</p> <p>Scope3 Identification of corresponding categories and scope determination and calculation</p> <p>【Water consumption】 Do not increase (intensity)</p> <p>【Waste】 Do not increase (intensity)</p>
Acquisition of environmental and energy-saving certifications	11, 13	Proportion of environmental and energy-saving certifications acquired by FY2030 30% or more (by total floor space)	Proportion of environmental and energy-saving certifications acquired by FY2030 90% or more (by total floor space)
Collaborate with stakeholders on environmental friendliness	11, 12, 13, 17	<ul style="list-style-type: none"> • Conduct periodic training and monitoring of suppliers • Conclusion of contracts with green lease clauses for new tenants • Conducted periodic training for employees of asset management companies 	

Materiality and Targets

Social

Materiality	Related SDGs	Targets and KPIs ADR	Targets and KPIs ADL
Improvement of tenant satisfaction, engagement with tenants	3,11,13	<ul style="list-style-type: none"> • Conduct periodic tenant satisfaction surveys • Install disaster prevention maps in all properties • Make disaster prevention goods available at no charge for all • Distribute sustainability guidelines to all units • Conduct education on sustainability and disaster prevention at all properties 	<ul style="list-style-type: none"> • Conduct periodic tenant satisfaction surveys • Install disaster prevention maps in all properties and expand emergency supplies • Distributed Sustainability Guide to all tenants • Conduct education on sustainability at all properties • Conduct disaster drills and lifesaving drills • Promote new amenity services
Contributing to local communities	3, 11	<ul style="list-style-type: none"> • Promote installation of AED equipment at all properties • Promote installation of donation vending machines • Support employees' volunteer activities, donate to charitable organizations, etc. • Participate in regional activities, Local revitalization through dialogue with local communities 	<ul style="list-style-type: none"> • Promote agreements with municipalities for disasters • Install AED equipment in multiple properties • Promote installation of donation-type vending machines • Support employees' volunteer activities, donate to charitable organizations, etc. • Consider holding events to promote local employment
Pursuit of unitholders' interests through customer-first business management	8,17	<ul style="list-style-type: none"> • Establish system for managing conflicts of interest in the oversight of multiple funds • Conduct honest, transparent disclosure • Pursue unitholders' interests through the establishment of an asset management fee structure linked to investment performance 	
Utilize diverse human resources, develop skills	4, 5, 8	<ul style="list-style-type: none"> • Average years of service: 5 years or more • Proportion of female employees: 30% or more • Proportion of female managers: 15% or more • Organize and encourage employees to attend training and acquire qualifications for continuous employee skill development 	
Development of workplace environment that offers job satisfaction	3, 8	<ul style="list-style-type: none"> • Leave acquisition ratio: 70% or more • Zero turnover due to life events, including use of childcare and nursing care leave systems • Percentage of employees taking childcare leave: 50% or more • Frequency rate of occupational accidents: Zero • Conduct employee satisfaction surveys and undertake improvements • Average monthly overtime / Less than 45 hours (Compliance with 36 agreements) 	

Materiality and Targets

Governance

Materiality	Related SDGs	Targets and KPIs ADR/ADL
Firm corporate governance structure	16	<ul style="list-style-type: none"> • Development of governance structure • Increase in the number of fund officers and appointment of female officers comprising 25% • Conduct in-house compliance training, achieve 100% participation rate • Maintain and improve the effectiveness of committees and the Board of Directors • Conduct an internal audit once a year to ensure the feasibility of internal controls.
Strengthening of resilience	13	<ul style="list-style-type: none"> • Response to severe disasters (earthquakes, floods, etc.) • Response to TCFD (assessment and calculation of climate change-related risks and opportunities) • Conduct annual BCP training • Acquire CDP and SBTi certification *ADR only

A glass globe containing a smaller globe and a frog, with a reflection below it, set against a bokeh background. The word "Environment" is written in bold black text across the center of the image.

Environment

Environment – Response to Climate Change

IRM recognizes climate change as a critical issue that will bring about dramatic changes in the natural environment and social structure and will significantly impact business activities overall. Based on this recognition, we will aim for sustainable and stable earnings over the long term by appropriately assessing the risks and opportunities posed by climate change and incorporating them in the business management and the investment management policies of both IRM and the investment corporations that we manage. The climate-related risks and opportunities identified and the strategies are as shown below.

Identified climate-related risks, opportunities and response*

Risk Category		Term	Financial Implications	Strategy
Transition Scenario	Political and Legal	Medium-term	<ul style="list-style-type: none"> Increased CO2 emission costs due to introduction of carbon tax and expansion of emissions trading system. Increased renovation costs for existing properties due to tightening energy conservation regulations. 	<ul style="list-style-type: none"> Upgrading properties systematically. Introduced green power certificate and renewable energy. Acquiring properties that comply to energy saving standards.
	Technology change	Medium-term	<ul style="list-style-type: none"> Increased costs for introducing new technologies to prevent portfolio obsolescence due to the evolution and spread of renewable energy and energy-saving technologies. 	<ul style="list-style-type: none"> Upgrading properties systematically. Acquisition of new properties with new technology introduced.
	Market change	Medium-term	<ul style="list-style-type: none"> Price increase of energy-saving property, possibility of price decrease of unsupported property. Rise in funding cost 	<ul style="list-style-type: none"> Promotion of acquisition of green building certification for existing properties and newly acquired properties. (expansion of qualified real estate in issuing green bonds)
	Reputations	Short-term	<ul style="list-style-type: none"> Being discredited from investors. Decrease in occupancy rate due to changes in reputation from tenants. 	<ul style="list-style-type: none"> Development of disclosures that investors place importance on when investing in ESG, including TCFD. Providing tenants with services to heighten satisfaction (Disaster prevention / energy saving support) .
Physical Scenario	Acute	Short-term	<ul style="list-style-type: none"> Increases in flooding from torrential rain, rising sea level and etc. Increase in insurance cost. 	<ul style="list-style-type: none"> Implementation of disaster risk assessment for each property. Disaster countermeasures for both hardware and software. Acquiring properties with disaster risks.
	Chronic	Long-term	<ul style="list-style-type: none"> Property in the area of zero meters above sea level may be flooded due to sea level rise. Decreased comfort due to rising average temperature and rising indoor temperature due to the increase in hot days. 	<ul style="list-style-type: none"> Implementation of disaster risk assessment for each property. Disaster countermeasures for both hardware and software. New acquisition of properties with high energy-saving efficiency and heat insulation.
Opportunity	Resilience	Short-term	<ul style="list-style-type: none"> Demand for properties prepared for natural disasters will increase. 	<ul style="list-style-type: none"> As inundation measures, necessary measures are taken from both hardware and software according to the disaster risk evaluation results of each property. Installation of waterproof boards, implementation of disaster training, distribution of disaster prevention goods, etc. (*ADL only, in addition, emergency power generation equipment, solar panels, raising of power receiving equipment)

* Applicable to ADR and ADL, unless otherwise stated.

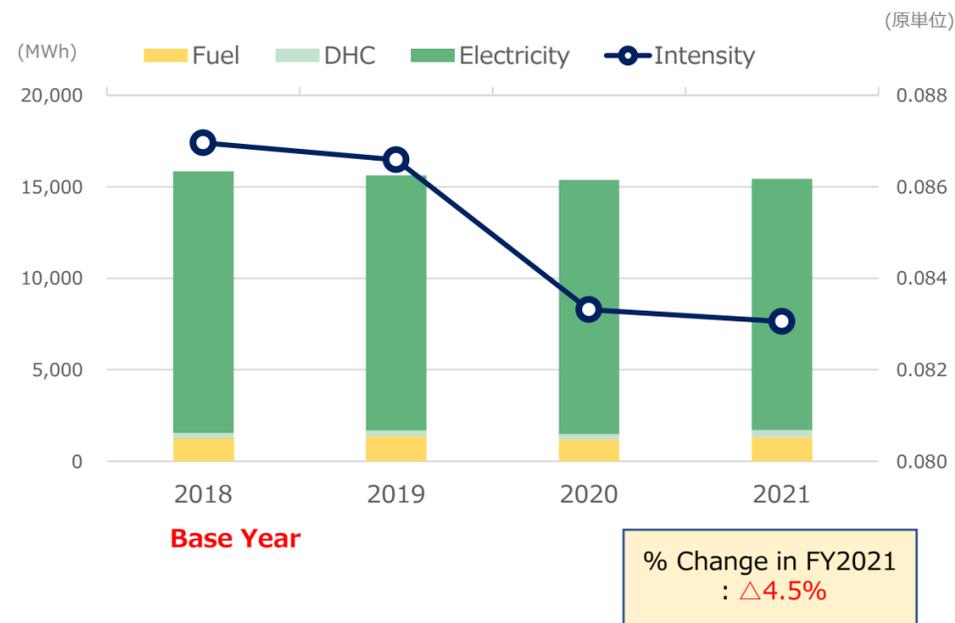
Environment — Environmental Performance Data

The graphs below show ADR's environmental performance data up to FY2021. Detailed data can be found in the [ESG Data](#) section of this report.



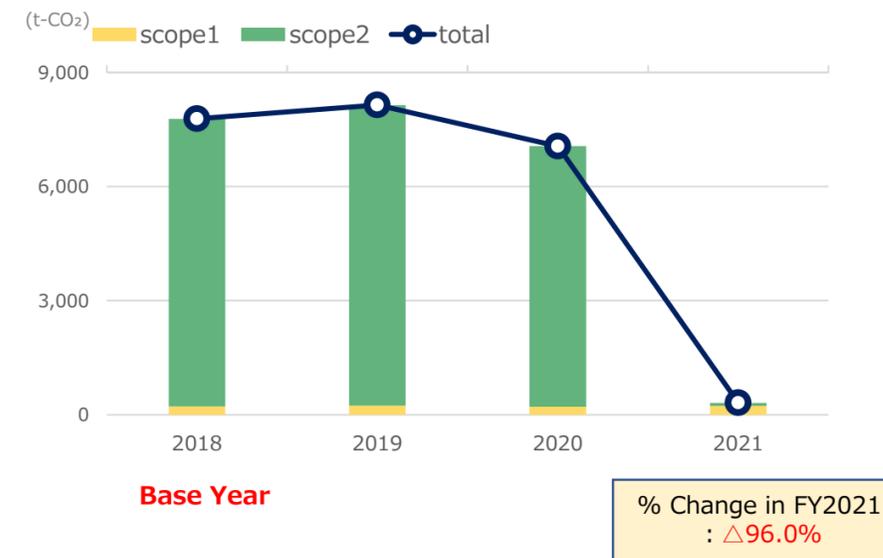
Energy consumption

Target : FY2030 to date (vs. FY2018) 20% reduction (intensity)



CO2 emissions (GHG)

Target : Scope1&2 FY2030 to date (vs. FY2018) 51% reduction (total)
Net zero by FY2050



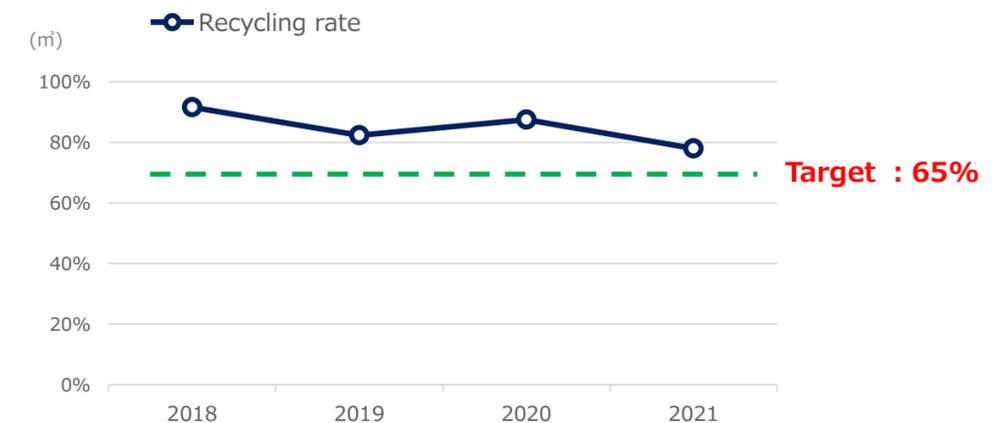
Water consumption

Target : Do not increase (common areas)



Waste

Target : Recycling rate 65%
(emissions related to construction of exclusive use areas)

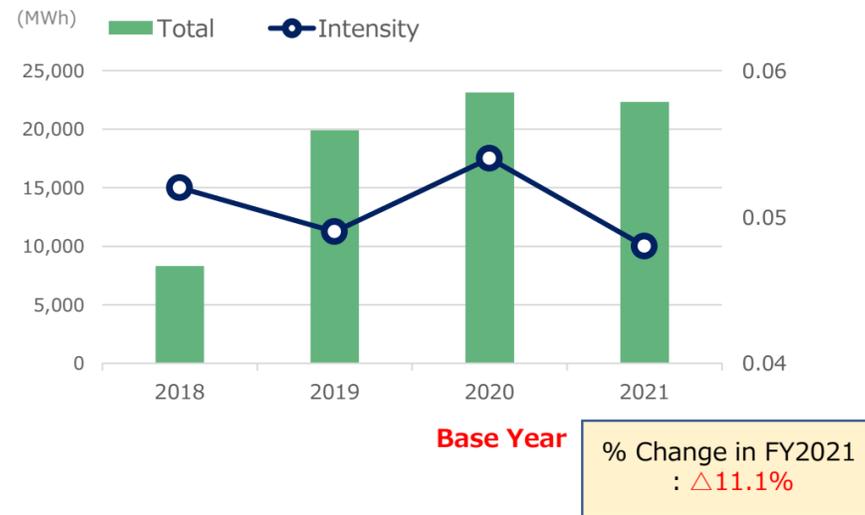


Environment — Environmental Performance Data

The graphs below show ADL's environmental performance data up to FY2021. Detailed data can be found in the [ESG Data](#) section of this report.

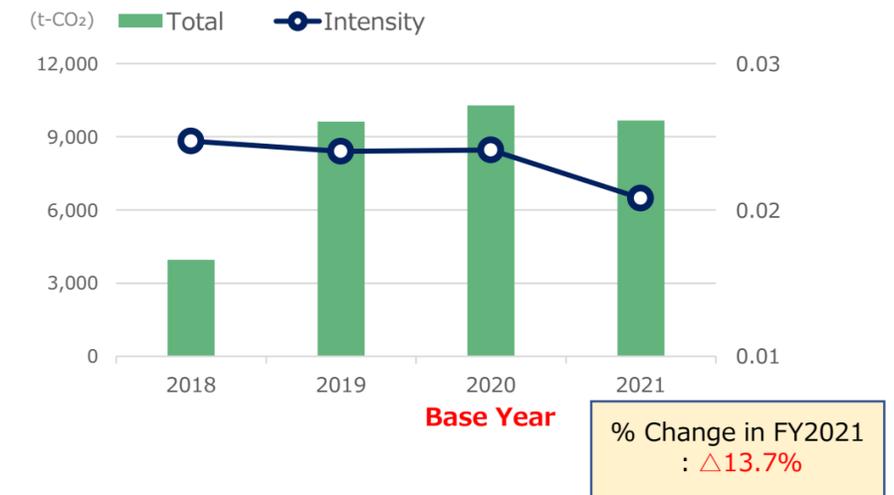
Energy consumption

Target : FY2030 to date (vs. FY2020) 10% reduction (intensity)



CO2 emissions (GHG) Scope1-3

Target : FY2030 to date (vs. FY2020) 10% reduction (intensity)



Water consumption

Target : Do not increase (vs. FY2020)



Waste

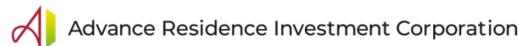
Target : Do not increase (vs. FY2020)



Environment – Environmentally Conscious Asset Management

Environmentally Conscious Asset Management

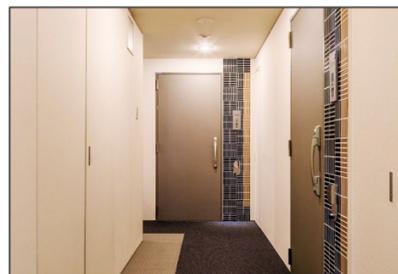
ADR and ADL strive to reduce environmental burdens by implementing energy-saving, water-saving, and other environmentally friendly initiatives.



**Large-Scale Repair/Maintenance
(Environmental contribution by extending property lifespan)**



Installation of LED Lighting



Water-saving Toilets



Installation of Heat-shielding Paint Roofing



Encouraging Tenants to Conserve Energy Usage (Distribution of sustainability guidebook, etc.)



Installation of LED Lighting



Use of Renewable Energy



Installation of Water-saving Toilets and Washbasins



**Promotion of Green Spaces
(Installation of green parking lots)**



Reduction of CO2 Emissions in Collaboration with Tenants



Investments Towards Urban Revitalization



ADR invests in various types of properties, promoting the reduction of environmental burdens and contributing to the revitalization of towns and communities.

○ Investment in Mixed-Use/Multi-Use Properties

Through investments in mixed-use or multi-use properties (84 properties accounting for about 30% of the portfolio as of January 31, 2023) ADR promotes convenience for residents of the properties and those living near the properties as well as reductions in environmental burdens. Some properties have shops and public spaces that attract people, thereby contributing to the revitalization of towns and communities.

- Investments in properties close to railway stations, promoting the use of public transportation to reduce CO2 emissions.
- Investments in properties with amenities for daily life such as supermarkets and convenience stores.
- Investments in properties that have public spaces for use by nearby residents.
- Investments in properties that accommodate the elderly such as those with barrier-free facilities.

○ Investments in properties developed as part of urban regeneration projects*, etc.

Through investments in properties developed as part of urban regeneration projects, etc. we contribute to the revitalization of towns and communities and the enhancement of convenience to nearby residents.

* Laws and regulations restrict J-REITs from development activities including the construction of properties.

(Example) Pianetta Shiodome
Residents of the area proposed ideas for new manufacturing activities and the creation of a community for lifestyle improvements. Agreeing with this, ADR invested in the properties located in this area developed by urban regeneration projects.



Environment —Cooperation with Stakeholders and Sponsor Group

Cooperation with Stakeholders

Green Lease Clause

ADR and ADL have lease clauses with tenants concerning energy and water conservation. Green lease clauses are also set forth in the management agreement with the all property management companies.

Supply Chain Management

To realize the items listed in the Sustainability Policy, IRM collaborates with its suppliers and has in place a Sustainability Procurement Policy. Based on this policy, IRM has administered a questionnaire with questions related to sustainability initiatives to all property management companies and evaluates the results. This questionnaire is administered at the beginning of the partnership as well as once every year thereafter and, by doing so, strengthens the transactions with the suppliers. IRM also believes it is important that all suppliers understand and cooperate with the procurement policy and we again notified the Sustainability Procurement Guideline to the property management and building management companies who are our key business partners.

Cooperation with Sponsor Group

Regarding environmental friendliness, ADR and ADL is collaborating with its sponsor, ITOCHU Group.

Property Development and Purchase

Proactive promotion of transactions including logistics facilities and mixed/multi-purpose for Residential Property, etc. that can contribute to the environment and region. Acquisition of green building certifications.

Property Management

Contribution to the region through environmental consciousness such as energy-saving awareness campaigns and installation of AEDs.

Example of Cooperation with Sponsor Group

i Missions Park Ichikawa-Shiohama (ADL)

At i Missions Park Ichikawa-Shiohama, developed by our sponsor, ITOCHU Corporation, LED lighting is used exclusively throughout the building.

Solar panels provided by VPP Japan, one of ITOCHU Corporation's investments, are installed on the roof and all electrical power to the property is provided carbon dioxide free.

Furthermore, the building is equipped with offices, meeting rooms, break rooms, and employee restrooms on every floor to create a considerate work environment.

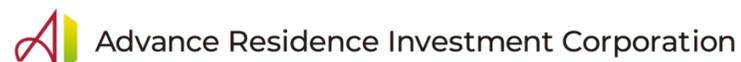




Social

Social —Initiatives for Tenants and Regional Contribution

ADR and ADL recognize that enhancing the satisfaction of tenants leads to stable and improved earnings from the properties and therefore are implementing the following initiatives.



Customer Satisfaction Survey

A survey of satisfaction and desire for the RESIDIA brand is carried out periodically (about every three years) for the residents of RESIDIA properties.

	Date of the survey	No. of Respondents	Total No. of People Surveyed	Response Rate	Total No. of Leasable Units	Survey Coverage
1	Between April to July 2014	3,106	14,155	21.9%	19,078	74.2%
2	Between Sept. to Nov. 2017	3,945	16,445	24.0%	20,842	79.0%
3	Between Apr. to Jun. 2020	7,705	18,000	42.8%	21,332	74.2%

Tenant Services

To enhance customer satisfaction and tenant retention, residents are offered a wide range of services including a dedicated support desk, RESIDIA Customer Support, which provides residents with a variety of services, as well as the discount program "Moving Style" for tenants moving from one RESIDIA property to another.

Installation of Disaster Prevention Map and Distribution of Disaster Kits

At all the properties, disaster evacuation sites are clearly displayed in the common area to provide support in the case of a disaster and to foster anti-disaster awareness. In some of the RESIDIA properties, disaster kits area distributed free of charge to those that are interested.



Disaster Prevention Map

Installation of AEDs and Vending Machines with Donation Function

Several properties are installed with AEDs that can be used by residents in the neighboring area and vending machines that donate part of its sales to pediatric cancer facilities.



AED



Vending Machines with Donation Function

Tenant Satisfaction Survey

A tenant satisfaction survey regarding the facilities and management is carried out twice a year so that corporate tenants can use the facilities more comfortably.

Conclusion of Disaster Prevention Agreement

ADL and Noda City of Chiba Prefecture executed an Agreement for Acceptance of Evacuees and Relief Supplies at the Time of Disaster at IMP Noda. In the event of a disaster, if Noda City is unable to secure space to receive relief supplies and evacuees, ADL will provide a part of the grounds and building of IMP Noda as a temporary evacuation space to store and manage relief supplies and to accept evacuees, thereby enabling rapid responses to the support needs of local residents and citizens.



Signing Ceremony (May 2022)

Social —Initiatives for Tenants and Regional Contribution

IRM actively implements social contribution activities, including employee-participatory activities, in addition to company initiatives.



Support Social Participation of People With Physical Disabilities

In 1987, ITOCHU Corporation, the parent company of IRM, founded a special subsidiary company ITOCHU Uneedus Co., Ltd. to provide motivational and rewarding work to people with physical and mental disabilities.

IRM supports ITOCHU Uneedus by placing orders for its company's business cards and envelopes. Please refer to [this page](#) for company details.(In Japanese)

Supporting ITOCHU Foundation

ITOCHU Foundation, founded in 1974 by ITOCHU Corporation, the parent company of IRM, has continued to promote social contribution activities aiming for the sound development of young people. Current projects include the Children's Literature Collection Grant and the Project for Promotion of E-book Libraries, which contribute to the healthy growth of children. IRM supports the Foundation through donations.

Periodic Cleaning of the Area Surrounding the Office

As a member of the area, IRM employees have proactively and continuously participated in the cleanup of Chiyoda Ward where the IRM office is located.



Participating in Cleanup Activity

Supporting Students

To provide opportunities for and support architecture and design students as well as to create interest in IRM and the REIT industry, IRM sought renovation ideas for its RESIDIA leased residences by holding a student competition. Renovation based on the best design was actually carried out.

Participation in Eco-Cap Campaign

In an endorsement of the Eco-Cap Campaign, IRM collects caps from used PET bottles for recycling purposes. The collected bottle caps are sold to recyclers via the certified NPO, the Japan Committee for Vaccines for the World's Children, and the proceeds are used to help children around the world suffering from diseases. The campaign also promotes the employment of people with disabilities who are tasked with separating the collected caps.



Human Rights Policy

IRM has established a Human Rights Policy to fulfill its responsibility of respecting the human rights of all people involved in its business operations. As part of implementing this policy, IRM is advancing initiatives such as positive action initiatives to support the active participation of women as a means of increasing diversity.

1. Support for international norms and guidelines

We support international norms on human rights, including the Universal Declaration of Human Rights, the Declaration on Basic Principles and Rights in Labor of the International Labor Organization (ILO), and the United Nations Global Compact. In addition, we respect human rights in accordance with the United Nations' Guiding Principles on Business and Human Rights.

Furthermore, the parent company ITOCHU Corporation's Itochu Group Human Rights Policy applies to all officers and employees of IRM.

2. Non-complicity in human rights violations

We endeavor not to violate human rights ourselves or be complicit in human rights violations by others.

3. Respect for freedom of association and collective bargaining rights

We respect the freedom of association and the right to collective bargaining in accordance with relevant laws and regulations, and we do not engage in illegal or improper discrimination in employment and occupation.

4. Elimination of forced labor

We strive to eliminate and prevent all forms of forced labor at IRM and in our supply chain.

5. Effective abolition of child labor

We support and practice the effective abolition of child labor from IRM and our supply chain. We do not hire children who are not above the legal minimum working age.

6. Elimination of discrimination in employment and occupation

We do not treat people differently or disadvantage them based on characteristics that are irrelevant to their capabilities or specific job requirements. Those characteristics include ethnicity, skin tone, gender, religion, political views, nationality (country of birth), social origin, age, disability, HIV infection/AIDS, trade union membership, and sexual orientation.

Social —Initiatives for Employees

Based on the awareness that the stable growth of each investment corporation and investment fund is dependent on our personnel, IRM is pursuing a human resource strategy with the aims of enabling people to unleash their full potential and of achieving overall human resource optimization.

* The investment corporations managed by IRM are, under the laws pertaining to investment trusts and investment corporations, prohibited from hiring employees and therefore outsource asset management, storage, and administrative functions.

Career development

In addition to a job rotation program, IRM has a system for employees to indicate their desired career path once a year and discuss it with their superior. Moreover, each new hire is assigned a senior employee as an instructor as well as a separate employee to act as a mentor who can be consulted on work and other various matters.

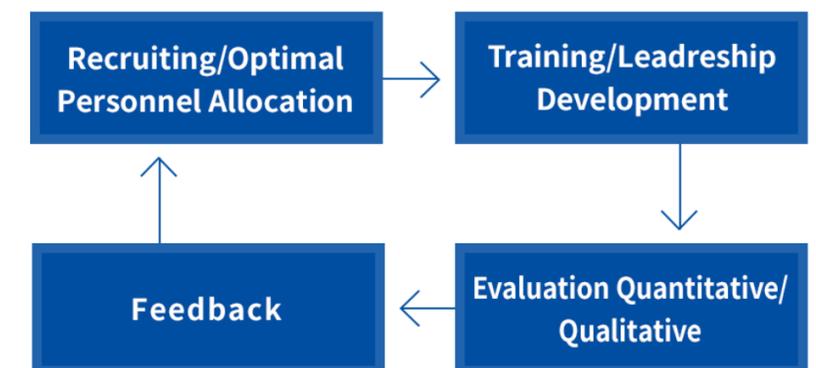
Performance appraisals and feedback process

Our personnel evaluation consists of "performance evaluation," which evaluates the degree of achievement against one's own business goals, and "behavioral evaluation," which evaluates the performance required by each organization and position.

Goal management interviews are held three times a year at the beginning of the fiscal year (goal setting), middle of the term (review), and at the end of the fiscal year (feedback) to establish a transparent goal-setting process with good communication between supervisors and subordinates, and an evaluation system to support employees' achievement of goals, expansion of results, and growth. In particular, during the review process, the supervisor and the subordinate confirm "GOOD (what went well, what was accomplished)" and "MORE (what can be improved further)," which leads to concrete actions to achieve goals.

Fixed salaries and bonuses are determined based on the evaluation, and bonuses for employees (including non-executive officers and non-operating departments) are partially linked to the performance of each investment corporation and fund under management. In addition, through individual interviews, we provide feedback on evaluations and dialogue on individual career development, which is used to formulate personnel strategies.

Human Resource Strategy



Support and financial aid for acquiring certifications

IRM has a system in place to subsidize the cost of acquiring qualifications in order to improve work performance and acquire specialized knowledge. All executives and employees (including contract employees) are eligible for this program.

Professional development and training programs

We have set up a wide range of training programs and self-development support systems matched to job levels and other factors.

Examples of Training	Details
Training for New Managers	Participants acquire knowledge and skills essential for leaders, such as management, trust building, team building, human resource development, and labor management, through a total of six sessions.
Next Generation Business Leader Training	To foster a sense of management as a mid-level employee. To recognize the role required of them as the core of the organization, based on their own strengths and weaknesses.
Follow-up Training for Young Employees	A 3-day course for young employees to consider and design their own careers and learn the ability to set issues and grasp the essence of issues in order to become mid-level employees.

Promotion of Health Management

In October 2020, IRM established the Health and Productivity Management Policy and declared that we will advance efforts towards the maintenance and improvement of employees' and their families' health in mind and body.

These programs received recognition by external organizations and health and productivity management-related certifications were acquired.



Health and Productivity
Management
Organization2022
(SME category)



Silver authorization
Certification No.
Kengin No. 903 (2)

Human Resources System

Childcare leave, shortened work hours for childcare, nursing leave

To assist employees in balancing work and childcare, we offer childcare leave that can be taken until the child turns two, and shortened work hours for childcare that can be taken until the child enters elementary school. In addition, we treat nursing leave taken to care for sick or injured preschool children as paid leave.

Caregiver leave, shortened work hours for caregivers, caregiver absence

To assist employees in balancing work and caregiving, we offer caregiving leave, shortened work hours for caregivers, and caregiver absence.

Hourly paid leave

Each year, employees may take paid leave by the hour for up to five days' worth of hours (40 hours).

Welfare Program

Cafeteria-style benefits package

The cafeteria-style benefits package offers employees preferential rates for the unlimited use of a broad range of services provided by various partners, such as hotels, fitness clubs, and childcare providers. The objective is to support employees in balancing work and family life, and in improving their health.

Periodic monitoring of employee satisfaction

To be a company where employees can work with pride and satisfaction, we conduct annual employee satisfaction surveys and apply the results to such efforts as improving the workplace environment.

Working from home

In response to the COVID-19 pandemic, since FY2020 we have enabled employees to work from home. We determine the number of remote work days based on the state of the spread of infection, the social climate, and other factors, and for employees with preschool children, we make such arrangements as allowing them more remote work days.

Congratulatory and condolence money

We provide congratulatory benefits for employees' marriages and childbirths, and we also have a system of providing condolence money in preparation of loss of family members.

Continued employment

We have set the retirement age at 60, but eligible employees may choose to be reemployed as a commissioned employee under a renewable annual contract.

Employee investment unit ownership program

We have established an investment unit ownership program for investing in units of the investment corporations whose assets we manage (Advance Residence Investment Corporation and Advance Logistics Investment Corporation). The aim is to further align the interests of our employees with those of the investment corporations' unitholders and to expand employee benefits.



Governance

Governance – Compliance Structure

IRM has established a corporate governance framework by clearly defining our commitment to our fiduciary duty, setting up compliance and investment committees, and other means. The framework enables us to ensure risk management and compliance in our operations, fairly handle transactions involving conflicts of interest, and work toward improving and further enhancing our corporate governance.

Supervision by the Board of Directors and other bodies

The status of risk management is reported to the Board of Directors of IRM and each investment corporation as required.

IRM formulates a compliance program each term to serve as a detailed plan of action for putting into practice the compliance manual, which is our code of conduct. The program is finalized after deliberation by the Compliance Committee and approval by the Board of Directors. The results of verification of the program's progress and other factors are reported to the Compliance Committee and the Board of Directors. In addition, the results of internal audits and the operational status of the whistleblowing system are also reported to the Compliance Committee and the Board of Directors.

IRM also has a system in place in which the Compliance Committee and the Boards of Directors of IRM and each investment corporation can offer opinions and make other suggestions regarding the reported matters as needed to ensure that improvement efforts are effective.

Furthermore, the Sustainability Promotion Committee identifies and evaluates climate-related risks and opportunities, formulates strategic plans for key challenges, and verifies the results of measures based on the Climate Change and Resilience Policy, after which it reports these matters to the CEO and to the Board of Directors.

Attendance

- Over the past year, attendance rates at the board meetings of ADR and ADL have been 100%. *1
- The attendance rate at Board of Directors meetings of the asset management company was 98% in FY2021. *2

*1 The figures for the terms ending July 2022 (24th term) and January 2023 (25th term) are used for ADR. The figures for the terms ending July 2022 (8th term) and February 2023 (9th term) are used for ADL.

*2 Attendance rate of the Board of Directors of AD Investment Management during FY2021

Basic Policy on Customer-Oriented Business Conduct

IRM places the highest priority on faithfully managing the funds entrusted to us by investors and have established the Basic Policy on Customer-Oriented Business Conduct and publish the appropriate management of conflicts of interest transactions, clarification of fees, and other relevant matters on the website.

Please refer [here](#) for the Basic Policy on Customer-Oriented Business Conduct on the IRM website(in Japanese).



Directors and Officers investment unit ownership program

IRM has introduced an investment unit ownership program for directors and officers with the objective of achieving growth in unitholder value over the long term by strengthening the alignment of interests between our officers and the unitholders of ADR and ADL, both listed companies. The executive compensation of IRM's representative director is partly linked to the progress of ESG-related initiatives.

Governance — Preventing Misconduct and Corruption

IRM recognizes that legal compliance is a given, and that we must ensure compliance to continue being an organization that is trusted by society. We have therefore established our Anti-Corruption Policy as part of our Compliance Manual. Our Anti-Corruption Policy stipulates that we will maintain sound relationships with our stakeholders and that we will not provide entertainment or gifts that may lead to the suspicion or distrust of society.

As specific measures, IRM implements guidelines related to bribery and internal audits are conducted every year to confirm that expenses are not being misused every year.

The ITOCHU Group has also established the ITOCHU Group Anti-Corruption Policy based on the Corporate Ethics Code of Conduct. It prohibits the provision of money and goods, entertainment, convenience and other profits to public officials and officers and employees of private entities, in Japan or overseas, for the purpose of gaining an illegal advantage.

Anti-corruption Policy

- 1. We will not engage in or be complicit in any form of corruption, including embezzlement, fraud, money laundering, or the obstruction of justice.**
- 2. We will not provide money, services, conveniences, or other benefits to civil servants or persons in similar positions in Japan or elsewhere for the purpose of obtaining illicit gains.**
- 3. We will not provide money, services, convenience, or other benefits to the officers and employees of private-sector business partners for the purpose of obtaining illicit gains.**
- 4. We will not request business partners and others to provide entertainment or gifts that go beyond personal benefits or**

ITOCHU Group Policy

The ITOCHU Group ensures the implementation of compliance principles, that is, legal compliance, and recognizes that it must continue to be an organization with acceptable standards in a modern society. We have no tolerance for any gain obtained through illegal means. To address the risk of bribery and corruption, the ITOCHU Group has established rules that cover, among others, application and approval procedures and recording methods. These rules describe behaviors that are commonly found in scenarios where bribery or corruption take place and instruct the strict observance of those rules. The rules were established based on the Regulations Concerning the Prohibition of Giving Illicit Benefit, as well as four related guidelines about public officers, foreign public officers, business partners, and investments.

[ITOCHU Group Anti-Corruption Policy]

- No money, entertainment, gifts, or anything of value shall be given to any public or quasi-public official inside or outside of Japan, to obtain illicit gains.
- No money, entertainment, gifts, or anything of value shall be given to any director, officer or employee of any private entity, to obtain illicit gains.

For more information on the ITOCHU Group Anti-Corruption Policy, please click [here](#).

Internal audit structure

We have an Internal Audit Office under the direct control of the president. Based on our Internal Audit Regulations, the Internal Audit Office conducts internal audits on the overall operations of all departments once a year to verify the status of their compliance with laws, regulations, the Articles of Incorporation, and internal regulations, as well as the procedures for executing duties and the validity of the work done. It also carries out unannounced inspections of information management and other operations two times a year. Furthermore, a system audit of IRM and property management companies is conducted by an external third-party organization once every five years. The Internal Audit Office itself is also evaluated by an external third-party organization once every five years.

If problems are identified or requests for improvement are made in audits, the audited department is required to formulate a plan for improvement and have it approved by IRM's Board of Directors. Later, the Internal Audit Office conducts a follow-up audit and reports the progress made on improvement to the Board of Directors.

Whistleblowing system

We have set up whistleblowing contacts where all officers and employees can directly report misconduct (four internal, two at the parent company, and one at an independent third-party). Under the whistleblowing system, we have established an appropriate handling mechanism, protect whistleblowers, and maintain the confidentiality of information. The system is designed to strengthen compliance management through the early detection and correction of improper acts, including bribery. The operational status of the whistleblowing system is reported to the Compliance Committee and the Board of Directors once a year.

The Compliance Officer immediately investigates the facts when report or consultation concerning a fact that is the subject of a report is received, unless there is a valid reason not to investigate the subject matter. The results of the investigation are reported to the representative director, president & CEO and to the general manager of the General Affairs and Management Division, and corrective action and measures to prevent recurrence are decided through discussion. If an internal disciplinary action is deemed appropriate, We will impose an appropriate disciplinary action on the officers and employees involved in the subject case in accordance with the Company's internal rules such as the Employment Regulations.

In addition, in compliance with the Whistleblower Protection Act, we prohibit disadvantageous treatment against whistleblowers.

Implementation of compliance training

IRM continuously provides education and awareness-raising programs on compliance to ensure that each officer and employee understands the purpose of laws and regulations, social norms, business rules, and other standards and complies with them with an enhanced compliance mindset.

IRM offers a variety of compliance training for all officers and employees (not just full-time employees but also temporary employees and others) several times a year. To date, we have covered topics such as responding to legal amendments, measures to prevent power harassment and sexual harassment, and personal information management. By focusing on issues of interest in society in a timely manner, we are continuously working to enhance the compliance knowledge of officers and employees and to foster a mindset of compliance.

Initiatives	Details
General Training	Training sessions held for all officers and employees In FY2021, we offered the following series of six training sessions: Act on the Protection of Personal Information, General Meeting of Investors, Merger Procedures, IRM's Compliance-Related Efforts, Sustainability, and Harassment. We also conducted web exams on compliance every other month.
Training at Time of Hire	For new hires (including mid-career hires, dispatched employees, and others), we provide training and review exams over a total of nine sessions on matters that they need to understand for their work at IRM.
Training by Department and Rank	Rank-based training is provided for newly appointed managers.
Other	Compliance-related information (including matters linked to preventing corruption) such as internal rules and regulations, revision of laws and regulations, and compliance incidents and efforts at other companies is provided as appropriate. As part of ITOCHU Group compliance, ITOCHU Corporation conducts on-site compliance training once a year.

Case in IRM

- In FY2021 (April 2021 to the end of March 2022), there were no incidents of compliance violations disciplinary action based on our Employment Regulations or Board of Directors Regulations.
- There have been no incidents of violations of our Anti-corruption Policy, nor were any officers or employees disciplined or dismissed for this reason.
- IRM has never paid any fines or settlements related to corruption.
- No payments of fines or settlements have been identified as ESG issues in our audited accounts.
- IRM complies with the Political Funds Control Act, the Public Offices Election Act, and other relevant laws and regulations, and has never paid any political contributions.

Disclosure

In order to ensure disclosure transparency, in addition to statutory disclosures, ADR and ADL will disclose information it deems useful and valuable on a timely basis in an easy-to-understand form. Specifically, ADR and ADL will actively disclose information on its website in addition to disclosing on the Tokyo Stock Exchanges disclosure system .

Management Fee Structure

Management fee structures for ADR and ADL are linked to unitholders' interests. Moving forward, we aim to further align the interests ADR and ADL unitholders with the interests of IRM.

 Advance Residence Investment Corporation

Fee Category	Fees Linked To	Maximum Rate
AM Fee I	NOI*	7.00%
AM Fee II	AM Fee I X Adjusted FFO Per Unit*	0.05%

* NOI = Gross Operating Income minus Gross Operating Expense (excluding depreciation and loss from fixed asset retirement)

* Adjusted FFO per Unit = (net profit excluding AM Fee II + depreciation expense - gains on transfer of real estate + losses on transfer of real estate + impairment losses) / Number of investment units issued as of the closing date of the accounting term

 Advance Logistics Investment Corporation

Fee Category	Fees Linked To	Maximum Rate
AM Fee I	Total Assets	0.05%
AM Fee II	NOI	5.00%
AM Fee III	Net Income Before Tax X Adjusted EPU*	0.004%

* Adjusted EPU = Net profit excluding AM Fee I , II ,III / Number of investment units issued as of the closing date of the accounting term

Disclosure of rewards

The executive compensations of ADR and ADL officers are determined based on the Investment Corporation Agreements. Specific compensation amounts are found in the asset management report of the respective corporations.

ADR Asset Management Reports: [Click here](#) to see the asset management reports of ADR for previous fiscal terms.

ADL Asset Management Reports: [Click here](#) to see the asset management reports of ADL for previous fiscal terms.



Green Finance

Green Finance

Green finance refers to financing (i.e., issuance of bonds (green bonds) and/or procurement of loans (green loans)) for which use of proceeds is limited to environmentally-conscious projects.

IRM intends to use the proceeds from green financing for implementing sustainability-promoting initiatives in line with its Basic Sustainability Policy, and will proactively recognize the required level of environmental, social, and governance (ESG) practices through a dialogue with investors and apply such knowledge to its asset management strategy.

Green Financing Framework

Category	ADR	ADL
Purpose of funds procured through green finance	<ul style="list-style-type: none"> • Costs of acquisition of green eligible assets • Costs of renovation work which meets the eligible criteria or costs of the repayment of loans or redemption of investment corporation bonds that initially funded such acquisitions or renovations 	<ul style="list-style-type: none"> • Costs of acquisition of green eligible assets • Repayment of loans borrowed for acquisition of green eligible assets • Redemption of investment corporation bonds issued for acquisition of green eligible assets
eligibility criteria	<p>The green eligible assets are selected from assets for which ADL has obtained or plans to obtain one or more of the following third-party certifications</p> <ul style="list-style-type: none"> • 5,4,or 3stars of the DBJ Green Building Certification • S,A or B+,rank of CASBEE Certification • 5,4,or 3stars of BELS Certification 	<p>The green eligible assets are selected from assets for which ADL has obtained or plans to obtain one or more of the following third-party certifications</p> <ul style="list-style-type: none"> • 5 or 4 stars of the DBJ Green Building Certification • S or A rank of CASBEE Certification • 5 or 4 stars of BELS Certification
Green Finance Framework Evaluation *Please see below for details of the evaluation results of each investment corporation. ADR ADL	ADR and ADL received the “Green 1 (F)” rating, the highest rating in the JCR Green Finance Framework Evaluation by the Japan Credit Rating Agency, Ltd. (JCR), which assesses if a framework is in line with the requirements of the Green Bond Principles of the International Capital Market Association, the Green Bond Guidelines of the Ministry of the Environment of Japan, and the Green Loan Principles of the Loan Market Association and the Asia Pacific Loan Market Association.	

Reporting

The status of funds raised with green financing is updated annually and uploaded on the websites of ADR and ADL. Reporting on the effectiveness of environmental improvement (impact reporting) of green eligible assets is also uploaded on the ADR and ADL websites on an annual basis.



ESG Data

Environmental performance data



Category	Unit	FY 2018 (Base Year)	FY 2019		FY 2020		FY 2021			
				% Change		% Change	Coverage	% Change	% Change (vs FY2018)	
Energy Consumption Total	Total Usage (MWh)	15,842	15,624	0.0%	15,445	-3.5%	15,438	100.0%	0.0%	-4.5%
	Intensity (MWh/m ²)	0.086	0.086		0.083		0.083			
Electricity	Total Usage (MWh)	14,300	13,951	-1.3%	13,887	-2.6%	13,734	100.0%	-2.7%	-5.9%
	Intensity (MWh/m ²)	0.078	0.077		0.075		0.073			
Fuel	Total Usage (MWh)	1,247	1,364	6.8%	1,263	-33.3%	1,313	100.0%	-20.8%	2.3%
	Intensity (MWh/m ²)	0.059	0.063		0.042		0.061			
District Heating and Cooling	Total Usage (MWh)	294	308	5.0%	294	-4.8%	390	100.0%	35.0%	32.6%
	Intensity (MWh/m ²)	0.020	0.021		0.020		0.027			
GHG Emission(CO ₂) Total (scope1+2)	Total Usage (t)	7,781	8,143	4.7%	7,071	-13.2%	310	100.0%	-95.6%	-96.0%
	Intensity (t/m ²)	0.042	0.045		0.038		0.001			
Direct Emission Scope1	Total Usage (t)	218	239	9.6%	221	-7.5%	230	100.0%	10.0%	5.5%
	Intensity (t/m ²)	0.01	0.011		0.007		0.010			
In-direct Emission Scope2	Total Usage (t)	7,563	7,904	4.5%	6,850	-13.3%	80	100.0%	-98.8%	-98.9%
	Intensity (t/m ²)	0.041	0.043		0.037		0.000			
Water Usage	Total Usage (m ³)	11,076	10,852	-2.0%	11,326	4.4%	9,956	100.0%	-12.1%	-10.1%
	Intensity (m ³ /m ²)	0.069	0.068		0.070		0.061			
Water itake	Total Usage (m ³)	11,076	10,852	-	11,326	-	9,956	-	-	-
	Intensity (m ³ /m ²)	0.069	0.068	-	0.070	-	0.061	-	-	-
Displacement	Total Usage (m ³)	11,076	10,852	-	11,326	-	9,956	-	-	-
	Intensity (m ³ /m ²)	0.069	0.068	-	0.070	-	0.061	-	-	-
Waste Volume	Total Volume(m ³)	288	399	38.2%	482	-9.6%	336	100.0%	-30.3%	16.6%
	Recycling Volume (m ³)	264	328	24.3%	422	-9.5%	336		-20.3%	27.2%
	Recycling Rate (%)	91.6%	82.4%	-10.1%	87.5%	6.2%	78.0%		-10.9%	-14.9%

1. Review period
The fiscal year starts on April and end on March of the following year.

2. Calculation method
• “Intensity” is calculated as follows.
Total Usage or Emission (MWh) ÷ Total Property Floor Space (m²)

• “Coverage” is calculated as follows.
Total Floor Space of Data Collected (m²) ÷ Total Property Floor Space (m²)

• The calculation of the waste recycling rate is as follows

Recycling rate (%) = (1) Total amount recycled ÷ (2) Total amount x 100

(1) Total amount of waste recycled The amount of waste recycled out of the total amount of waste generated by the restoration work ordered by ITOCHU Urban Community, a group company of the asset management company (m³).
(2) Total amount of waste generated from the same work (m³).

3. Target of aggregation
IRM compare the properties owned for the full year in each fiscal year.

Environmental performance data

Category	Unit	FY2018 ※ 2	FY2019	FY2020 (Base Year)	FY2021
Energy Consumption	Total amount (MWh)	8,317	19,919	23,127	22,327
	intensity (/m ²)	0.052	0.049	0.054	0.048
	Coverage rate (%)	100%	100%	100%	100%
GHG Emission(CO₂) ※ 1	Total amount (MWh)	3,961	9,619	10,291	9,667
	intensity (/m ²)	0.0247	0.0240	0.0241	0.0208
	Coverage rate (%)	100%	100%	100%	100%
Water Usage	Total amount (m ³)	10,520	27,150	30,693	26,554
	intensity(/m ²)	0.0708	0.0714	0.0754	0.0572
	Coverage rate (%)	92%	95%	95%	96%
Waste Volume ※3	Total volume (t)	52.62	2,432.41	2,088.30	864.09
	Generation intensity (/m ²)	0.00063	0.00754	0.00552	0.00186
	Coverage rate (%)	44%	80%	89%	100%

- ※ 1 Total CO₂ emissions were calculated using the emission coefficients indicated in the "Standards for Greenhouse Gas Emissions Calculation, Reporting, and Disclosure," of Japan's Ministry of Environment .
- ※ 2 From fiscal 2019, GRESB's environmental data disclosure guideline requires that properties held in quasi-co-ownership are also calculated as 100% ownership. Accordingly, the fiscal 2018 figures have also been revised. Specifically, i Missions Park Inzai was 70% owned by us as of fiscal 2018, so we have revised the figures.
- ※ 3 With respect to the basic unit of waste volume for fiscal 2018, the figures appear low due to the acquisition of properties that were not yet in operation during the period.
- ※ 4 For fiscal 2019, total amount figures of i Missions Park Kashiwa 2 acquired on February 3, 2020, in accordance with GRESB's environmental data disclosure guideline, are based on operations for one year (April 1, 2019 - March 31, 2020).
- ※ 5 The coverage rate was calculated as follows:
Square meters of floor area for which data was collected ÷ square meters of total portfolio floor area

Independent assurance statement

ADR and ADL obtained limited assurance from a third party (Sustainability Accounting Co., Ltd.) for environmental performance data (April 2021 - March 2022).

Human Resource Data

Key Human Resource Data

Category	FY2017	FY2018	FY2019	FY2020	FY2021
Employees* ¹ (No. of people)	67	61	60	60	61
Males (No. of people)	53	50	50	48	50
Females (No. of people)	14	11	10	12	11
Percentage of females (Percent)	20.9%	18.0%	16.7%	20.0%	18.0%
Average years of service (No. of years)	7 yrs 5 mths	8 yrs 1 mths	7 yrs 9 mths	7 yrs 11 mths	8 yrs 2 mths
Males (No. of years)	7 yrs 7 mths	8 yrs 3 mths	7 yrs 10 mths	7 yrs 12 mths	8 yrs 4 mths
Females (No. of years)	6 yrs 11 mths	7 yrs 6 mths	7 yrs 6 mths	7 yrs 2 mths	7 yrs 3 mths
No. of new hires (No. of people)	5	2	6	6	6
Males (No. of people)	3	2	5	4	5
Females (No. of people)	2	0	1	2	1
Turnover* ² (Percent)	9.0%	4.9%	8.3%	6.7%	3.3%

Employee Health and Safety

Employee Health and Safety	FY2017	FY2018	FY2019	FY2020	FY2021
Annual medical exam taken (Percent)	100%	100%	100%	100%	100%
Occupational accident frequency rate* ³ (Percent)	0.00	0.00	0.00	0.00	0.00

Coverage: Full-time employees and contract employees

1. Number of employees as of April 1. Information is before the asset management company merger on June 1, 2022, and therefore does not include the number of employees of the former ITOCHU REIT Management Co., Ltd.
2. Turnover is calculated by dividing the number of employees that left IRM during the fiscal year by the number of employees as of April 1. Additionally, there were no workforce reductions due to corporate mergers or acquisitions involving restructuring, or for other reasons during the fiscal years listed above. Also, and the same applies to the merger between asset management companies on June 1, 2022.
3. Occupational accident frequency rate is calculated as follows: number of fatalities and injuries due to accidents ÷ cumulative work hours x 1 million hours.
For details, please refer to the following [Ministry of Health, Labour and Welfare site](#) (in Japanese).

Workstyle Reforms · Diversity

Workstyle Reforms/Diversity	FY2017	FY2018	FY2019	FY2020	FY2021
Average overtime (Length of time)	16 hrs 29 min	17 hrs 31 min	20 hrs 35 min	23 hrs 46 min	20 hrs 41 min
Paid leave acquisition rate (Percent)	77.2%	79.9%	68.4%	68.2%	59.8%
Share of female executives (Percent)	0.0%	0.0%	0.0%	0.0%	0.0%
Share of female managers (Percent)	0.0%	0.0%	3.7%	6.3%	11.4%
Users of childcare leave system (No. of people)	1	1	1	1	1
Users of shortened work hours for childcare (No. of people)	3	2	1	1	0
Users of nursing leave (Percent of males)	62.5%	69.2%	72.7%	58.3%	45.5%
Users of nursing leave (Percent of females)	100.0%	100.0%	100.0%	100.0%	100.0%

Employees with professional certification

Certification	Number of people certified
Real Estate Transaction Agent	45
ARES Certified Master	26
Certified Building Administrator	3
First-Class Architect	5
Lawyer	1
Securities Analyst	5
Certified Public Accountant	2
U.S. CPA	1
Labor and Social Security Attorney	1
Certified Internal Auditor	1
CASBEE Building Evaluator	1

*As of March 31, 2022 Real Estate Transaction Agent and CASBEE Building Assessor are based on successful applicants.

Human Resource Data

General training

Category	Overview	Managers	General employees	Non-regular employees	Hours/people
New officer training	Responsibility and role recognition required of officers	–	–	–	–
Manager training	Training of future executives	5	–	–	18
Future manager training	Management training	–	4	–	14
Next generation Business leader training	Leadership training	–	3	–	14
Fourth-year training	Training for fourth-year employees	–	–	–	–
Instructor training	Training for appointees as instructors of new hires	–	1	–	16
New hire training	Basic training for new graduate hires (ITOCHU Group)	–	1	–	48
Bookkeeping training	Training on basic bookkeeping knowledge for new hires	–	1	–	–
Training on office machinery	Training for new hires and some junior employees	–	–	–	–
Compliance training and exams	Comprehensive compliance training (For all officers and employees Apart from training, compliance exams are conducted once a month, in principle.)	–	Cumulative total: 300	–	–
Harassment prevention training	Training aimed at preventing workplace harassment	39	26	12	3
Sustainability training and exams	Training aimed at raising the awareness of officers and employees	39	26	12	1
Business productivity improvement training	Excel macro and VBA training	–	–	–	–
Internal study groups	In-house seminars held by departments (lectures by outside analysts, latest knowledge on finance and tax systems, etc.)	Held frequently	Held frequently	Held frequently	N/A
Cafeteria-style training	Training provided by the ITOCHU Group. Participants have a choice of approx. 200 courses.	4	4	–	–
Real Estate Transaction Agent exam prep training	In-house training for exam applicants	1	4	–	–

* FY2021 actual results

Career Support System

Category	Overview	Managers	General employees
Mentor system	System of support by senior employees (expenses borne by company)	–	3
Career path reporting system	System for employees to indicate career path intentions	–	25
Aid for self-development through business school attendance	Training through adult education institutes of universities	1	3
Support for certification	System of financial aid toward the costs of acquiring certification to improve business execution skills and gain expertise	6	2
Language learning support	System of financial aid for part of the costs of language classes to improve language skills required for business	4	2

* FY2021 actual results

A person in a grey suit is pointing at a document on a desk. The document appears to be a table or report. A laptop is visible in the background, and a pen lies on the desk in the foreground. The scene is brightly lit, suggesting an office environment.

Comparative Table with GRI Standards (GRI content index)

Comparative Table with GRI Standards (GRI content index)

Universal Standards		
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	P3 Overview of Companies
2-2	Entities included in the organization's sustainability reporting	P2 About This ESG Report
2-3	Reporting period, frequency and contact point	P2 About This ESG Report 、 Inquiries
2-4	Restatements of information	Not applicable
2-5	External assurance	P37 Independent assurance statement
2. Activities and workers		
2-6	Activities, value chain and other business relationships	—
2-7	Employees	P38 Key Human Resource Data
2-8	Workers who are not employees	—
3. Governance		
2-9	Governance structure and composition	P7 Sustainability Promotion Framework
2-10	Nomination and selection of the highest governance body	—
2-11	Chair of the highest governance body	P7 Sustainability Promotion Framework
2-12	Role of the highest governance body in overseeing the management of impacts	P7 Sustainability Promotion Framework
2-13	Delegation of responsibility for managing impacts	P7 Sustainability Promotion Framework
2-14	Role of the highest governance body in sustainability reporting	P7 Sustainability Promotion Framework
2-15	Conflicts of interest	—
2-16	Communication of critical concerns	P31 Case in IRM
2-17	Collective knowledge of the highest governance body	—
2-18	Evaluation of the performance of the highest governance body	—
2-19	Remuneration policies	P32 Management Fee Structure
2-20	Process to determine remuneration	P32 Management Fee Structure
2-21	Annual total compensation ratio	P32 Management Fee Structure
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	P5 Message from Top Management
2-23	Policy commitments	P5 Message from Top Management P6 Sustainability Policy, P24 Human Rights Policy P29 Anti-corruption Policy
2-24	Embedding policy commitments	P7 Sustainability Policy and Structure
2-25	Processes to remediate negative impacts	P30 Whistleblowing system
2-26	Mechanisms for seeking advice and raising concerns	P28 Supervision by the Board of Directors and other bodies P30 Whistleblowing system
2-27	Compliance with laws and regulations	P31-32 Preventing Misconduct and Corruption
2-28	Membership associations	P4 Overview of Companies
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	P28 Basic Policy on Customer-Oriented Business Conduct
2-30	Collective bargaining agreements	—

GRI 3: Material Topics 2021		
3-1	Process to determine material topics	P11 Materiality and Targets
3-2	List of material topics	P11 Materiality and Targets
3-3	Management of material topics	P11 Materiality and Targets

Topic Standards (Economic)		
GRI201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	—
201-2	Financial implications and other risks and opportunities due to climate change	P15 Response to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	—
201-4	Financial assistance received from government	Not applicable
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	—
203-2	Significant indirect economic impacts	—
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	—
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	P29 Preventing Misconduct and Corruption
205-2	Communication and training about anti-corruption policies and procedures	P31 Implementation of compliance training
205-3	Confirmed incidents of corruption and actions taken	P31 Case in IRM
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P31 Case in IRM
GRI 207: Tax 2019		
207-1	Approach to tax	—
207-2	Tax governance, control, and risk management	—

Comparative Table with GRI Standards

(GRI content index)

Topic Standards (Environmental)

GRI 301: Materials 2016		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	—
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	—
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	P36,37 Environmental performance data
302-4	Reduction of energy consumption	P36,37 Environmental performance data
302-5	Reductions in energy requirements of products and services	P36,37 Environmental performance data
GRI303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	—
303-2	Management of water discharge-related impacts	P36,37 Environmental performance data
303-3	Water withdrawal	P36,37 Environmental performance data
303-4	Water discharge	P36,37 Environmental performance data
303-5	Water consumption	P36,37 Environmental performance data
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable
304-3	Habitats protected or restored	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	P36,37 Environmental performance data
305-2	Energy indirect (Scope 2) GHG emissions	P36,37 Environmental performance data
305-3	Other indirect (Scope 3) GHG emissions	—
305-4	GHG emissions intensity	P36,37 Environmental performance data
305-5	Reduction of GHG emissions	P36,37 Environmental performance data
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	—
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	—
306-2	Management of significant waste-related impacts	—
306-3	Waste generated	P36,37 Environmental performance data
306-4	Waste diverted from disposal	P36,37 Environmental performance data
306-5	Waste directed to disposal	P36,37 Environmental performance data
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	P31 Case in IRM

GRI 308: Supplier Environmental Assessment 2016

308-1	New suppliers that were screened using environmental criteria	—
308-2	Negative environmental impacts in the supply chain and actions taken	—

Comparative Table with GRI Standards (GRI content index)

Topic Standards (Social)		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	P38 Key Human Resource Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P26 Human Resources System
401-3	Parental leave	P26 Human Resources System
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	—
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	—
403-2	Hazard identification, risk assessment, and incident investigation	—
403-3	Occupational health services	—
403-4	Worker participation, consultation, and communication on occupational health and safety	—
403-5	Worker training on occupational health and safety	—
403-6	Promotion of worker health	P26 Promotion of Health Management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—
403-8	Workers covered by an occupational health and safety management system	—
403-9	Work-related injuries	P38 Employee Health and Safety
403-10	Work-related ill health	P38 Employee Health and Safety
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	P39 General training
404-2	Programs for upgrading employee skills and transition assistance programs	P25 Professional development and training programs
404-3	Percentage of employees receiving regular performance and career development reviews	P25 Performance appraisals and feedback process
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	P38 Workstyle Reforms · Diversity
405-2	Ratio of basic salary and remuneration of women to men	—
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Not applicable
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	—
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	P39 General training

GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	—
412-2	Employee training on human rights policies or procedures	P39 General training
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	P21 Initiatives for Tenants and Regional Contribution
413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	—
414-2	Negative social impacts in the supply chain and actions taken	—
GRI 415: Public Policy 2016		
415-1	Political contributions	P31 Case in IRM
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	—
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	—
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable
417-3	Incidents of non-compliance concerning marketing communications	Not applicable
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable
GRI 419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	Not applicable