

November 13, 2024

To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

Implementation of the Real Estate ESG Survey 2024

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Ohyama; hereinafter, we referred to as "us") conducted the "Real Estate ESG Survey 2024" (hereinafter, we referred to as the "Survey") to assess the status of ESG activities in real estate investment and management, and we hereby inform you of the results.

This survey is conducted jointly by us and the Sumitomo Mitsui Trust Research Institute. This year marks, the third survey. The survey was held in June and July 2024, and 180 companies, mainly real estate investment companies, real estate companies, and construction companies, responded to the questionnaire.

As interest in sustainable management and decarbonization grows worldwide, real estate owners are expected to raise their corporate value by making real estate ESG a topic in management issue and deepening their efforts in disclosure. In this environment, we will continue to conduct this survey to visualize the status of real estate ESG activities in Japan and contribute to enhancing our customers' motivation to implement further initiatives.

[Survey Overview]

- Survey period: June 2024 to July 2024
- Survey Objective: To investigate Actual Situation of Real Estate ESG Activities by Property Owners
- Number of participating companies : 180 (real estate investment companies, real estate/construction companies, financial institutions, and other business corporations)

[Highlights of Survey Results]

Summary: Trends in Real Estate ESG Initiatives remain unchanged

Efforts to reduce GHG emissions are being strengthened, and specific measures increasingly vary depending on different types of company.

- Replies showing whether ESG information is reflected in the criteria for real estate investment are at the same level as last year's survey <Question 1>
8% of companies responded that they considered ESG information in quantitative terms, and 30% responded that they considered ESG information in qualitative terms, which is the same level as 10% and 32%, respectively, in the previous year's survey.
Although there has been no significant increase compared to the result of previous year, the trend remains unchanged.

- Efforts to establish GHG emission reduction targets are strengthened and the Scope is broader
<Questions 2 and 3>

The percentage of respondents who answered that they had set and disclosed a target to reduce GHG emissions (CO2 emissions) was 45%, which is the same level as last year.

In terms of types of company, investment companies (J-REITs) accounted for 93%, showing a significant lead for the second consecutive year.

The percentage of respondents who chose "Scope 1-3 (Scope 3 covers emissions throughout the supply chain, including indirect emissions)" as the target range was 21%, up from 9.3% last year.

Especially, 50% of business corporations and 32% of real estate and construction companies were actively attempting to grasp situation of the entire supply chain.

- Attention has also been paid to improving the environmental performance of existing properties< Question 4>

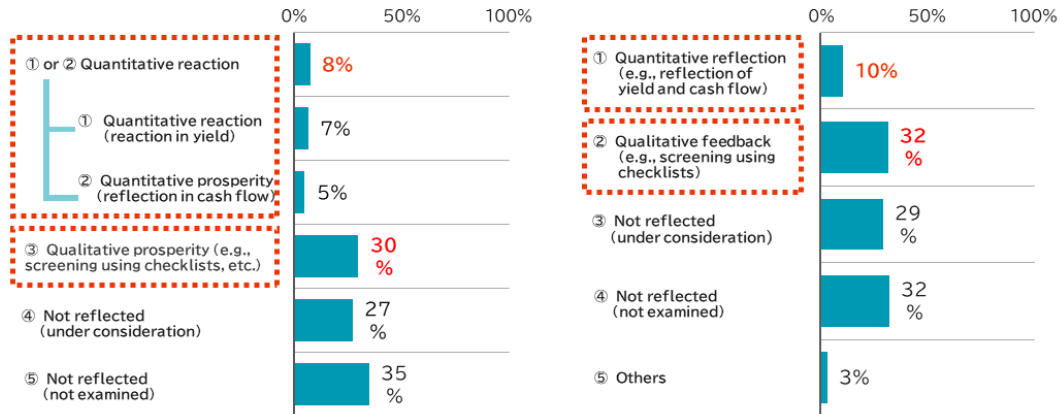
The most common portfolio strategy for improving environmental performance was "renovation of properties owned" followed by "acquisition of properties with high environmental performance."

- In the Social (S) domain, emphasis is placed on "improving health and comfort" and "improving safety"
<Question5>

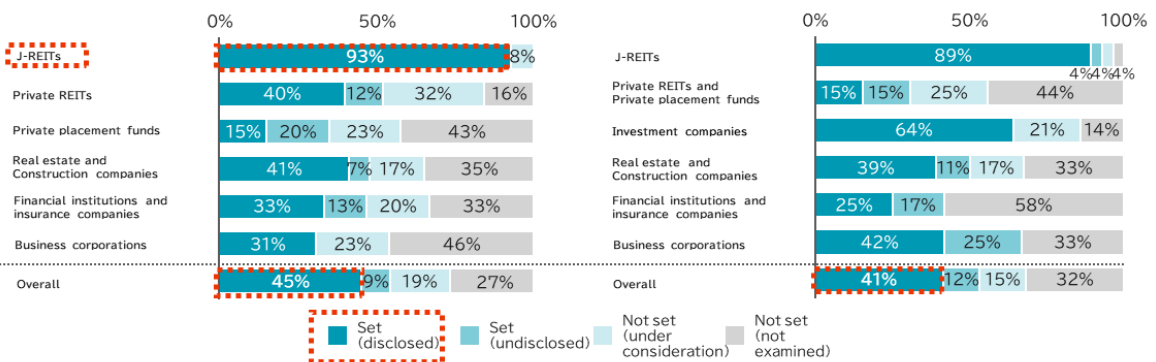
FY 2024

FY 2023

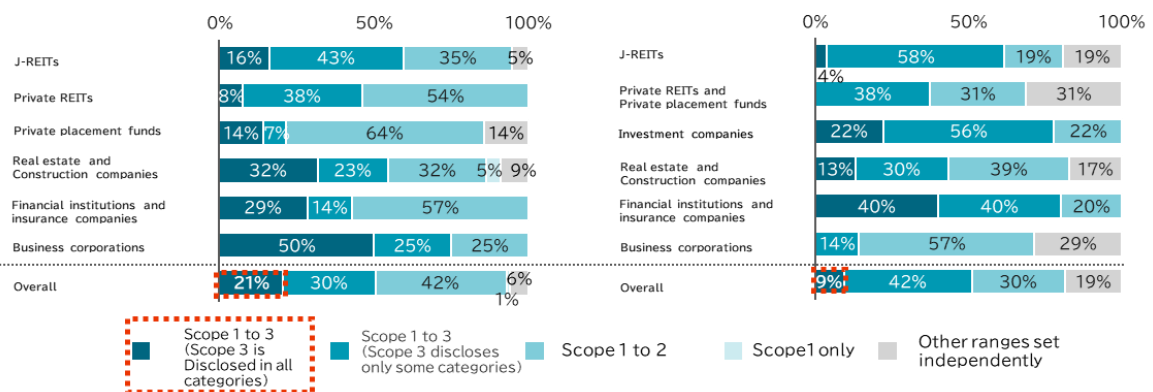
Question 1: How do you reflect ESG information in the criteria for real estate investment? (Multiple options)



Question 2: Have you set or disclosed reduction targets for greenhouse gas emissions (or CO2 emissions) for your entire real estate?

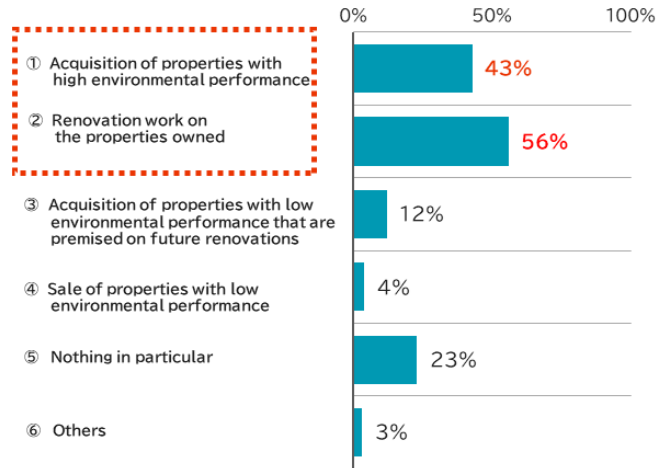


Question 3: What is the scope of the emissions targets (or CO2 emissions reduction targets) you set? (Only those who responded in Question 2 that you set a reduction target.)

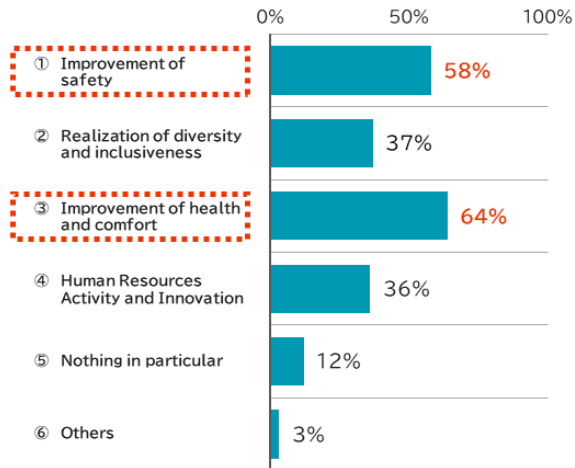


※FY 2023: Private REITs and private placement funds are classified as the same attributes

Question 4: What investment strategies do you emphasize in order to improve the environmental performance of the real estate portfolio as a whole (up to three options can be selected)?



Question 5: Please tell us about the activities, contributions and themes through real estate to resolve social issues that you are particularly aware of (up to three choices allowed).



[Contact Information]

Sumitomo Mitsui Trust Bank, Limited, Real Estate Business Planning Dept.

SuMi_REESG@smtb.jp

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