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Notice Concerning Joining Sustainability Initiatives

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that DHR and Daiwa House Asset Management Co., Ltd. (the “Asset Manager”), the asset manager to which DHR entrusts the management of its assets, have joined the following sustainability initiatives.

1. Policy for joining the initiatives

DHR and the Asset Manager share the Daiwa House Group’s basic approach of “Creating Dreams, Building Hearts.” We believe that incorporating environmental, social, and governance considerations into real estate investment management operations is essential to realize a sustainable society and contributes to DHR’s basic policy of ensuring stable revenue and achieving steady asset growth over the medium to long term, and have put this into practice through our real estate investment management operations.

DHR and the Asset Manager believe that addressing climate change, human rights, diversity and inclusion (respect for diversity), and biodiversity are particularly important social issues, and will continue to actively work to resolve social issues by joining the initiatives related to these issues.

2. DHR’s joining the initiatives

(1) Joining the Race to Zero campaign

Race to Zero is a global campaign rallying non-state actors including companies, cities, regions, financial and educational institutions to take rigorous and immediate action to achieve net zero carbon emissions by 2050 at the latest.



It mobilizes a worldwide coalition of 1,049 cities, 67 regions, 5,235 businesses, 441 of the biggest investors, and 1,039 higher education institutions. Collectively these actors now cover nearly 25% of global CO₂ emissions and over 50% of GDP.

DHR aims to achieve net zero greenhouse gas emissions by 2050, and became the first J-REIT to join the Race to Zero campaign.

(2) Joining the RE Action – Declaring 100% Renewable

RE Action – Declaring 100% Renewable is a new framework for Japanese companies, local governments, educational and medical institutions, and other organizations to demonstrate their intentions and actions to convert 100% of the electricity they consume to renewable energy and promote the conversion.



DHR set a goal of converting 100% of its electricity consumption to renewable energy by 2050, and became the first J-REIT to join the RE Action initiative.

3. The Asset Manager’s joining the initiatives

- (1) Becoming a signatory to the United Nations Global Compact (UNGC) and joining the Global Compact Network Japan (GCNJ)
- Human rights
Climate Change
- Diversity & Inclusion
Biodiversity

The United Nations Global Compact (“UNGC”) is the world’s largest sustainability initiative, bringing together the United Nations and the private sector (companies and organizations) to build a healthy global society. It is a voluntary initiative for companies and organizations to act as good members of society and achieve sustainable growth by exercising responsible and creative leadership.

The companies and organizations that are signatories to the UNGC continue to work towards the realization of the Ten Principles related to protecting human rights, eliminating unfair labour practices, responding to the environment, and preventing corruption, with the commitment of their top executives to achieve the goal.

< The Ten Principles of the UN Global Compact >

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The UNGC’s local networks around the world act as platforms for sustainable development. The Global Compact Network Japan (“GCNJ”) was established in December 2003 as a local network in Japan. The GCNJ supports the voluntary strategic actions of Japanese member companies and organizations towards the UNGC’s Ten Principles and works to realize a sustainable society through holding seminars and subcommittees led by the member companies.

The Asset Manager agreed with the UNGC’s Ten Principles and became a signatory. The Asset Manager also joined the GCNJ to put the initiatives into practice.

(2) Joining World Wide Fund for Nature (WWF) Japan Climate Change Biodiversity

World Wide Fund for Nature (“WWF”) is an environmental conservation organization working in more than 100 countries and was established in Switzerland in 1961. WWF promotes the realization of a sustainable society, aiming for a future in which people and nature can live in harmony. WWF promotes the conservation of rare wildlife and sustainable production and consumption in order to restore the richness of biodiversity, which is rapidly being lost, and to realize a decarbonized society for preventing global warming.

Public Interest Incorporated Foundation World Wide Fund for Nature Japan (“WWF Japan”) was established in Tokyo in 1971 as the 16th WWF in the world. Its main activities are (a) activities, research and surveys, policy recommendations, and dissemination of environmental conservation ideas for the conservation of biodiversity and the reduction of human impact on the natural environment, (b) cooperation with World Wide Fund for Nature International (WWF International) and collaboration with other related organizations, and (c) other activities necessary to achieve the objectives of WWF Japan.

The Asset Manager agreed with the purpose of WWF Japan's activities and decided to support WWF's environmental conservation activities as a corporate member.

(3) Becoming a signatory to the Principles for Financial Action for the 21st Century Climate Change

The Principles for Financial Action towards a Sustainable Society (commonly known as the “Principles for Financial Action for the 21st Century”) were compiled in October 2011 by a drafting committee involving a wide range of financial institutions as action guidelines for financial institutions wishing to fulfill their responsibilities and roles necessary for the development of a sustainable society.



Signatory financial institutions are expected to implement initiatives based on the following seven principles to the greatest extent possible in light of their own business activities. One of the characteristics of the initiative is that it is positioned as a starting point for collaboration, without being restricted by business type, size, region, or other factors.

< The Principles for Financial Action towards a Sustainable Society (The Seven Principles) >

Principle 1:	We will recognize our roles and responsibilities, taking into account the precautionary approach, and promote the best efforts towards developing a sustainable society.
Principle 2:	We will contribute to the formation of a sustainable global society through the development and provision of financial products and services leading to the development and increased competitiveness of “industries contributing to a sustainable society” as represented by the environmental industries.
Principle 3:	From the perspective of regional development and improvement in sustainability performance, we assist the environmental programmes of small and medium enterprises. We will also back activities that will raise environmental awareness amongst citizens and support disaster readiness and community activities.
Principle 4:	In the formation of a sustainable society we will recognize the importance of cooperation with diverse stakeholders and will not only participate in its activities but will endeavor to take a proactive role.
Principle 5:	We will not be limited to complying with environmental laws and regulations but will take active steps to reduce our own environmental footprint through resource and energy savings as well as encouraging our suppliers to do likewise.
Principle 6:	We will recognize activities that will further profile sustainability as a business issue and will endeavor to disclose information on our activities.
Principle 7:	In order to implement the above actions we will aim to raise the awareness of environmental and societal issues of our own board and support them to take an active role through their normal duties.

The Asset Manager agreed with the Seven Principles and became a signatory.

4. DHR and the Asset Manager's joining the initiatives

(1) Joining the Japan Climate Initiative (JCI)

Established in response to the Paris Agreement in 2015 to prevent global warming, the Japan Climate Initiative (“JCI”) is a network of Japanese companies, local governments, and NGOs which are actively working to address climate change, with the aim of realizing a voluntary decarbonized society. It aims to create a Japan-wide movement to realize a decarbonized society by supporting the activities of participating members, lobbying the government, and engaging in collaborative activities with the international community.



DHR and the Asset Manager joined the JCI because we agreed with the goal of achieving a decarbonized society and met the JCI's participation requirements.

(2) Certification and Registration for Eco Action 21

Eco Action 21 is a third-party evaluation system to certify and register organizations which implement appropriate environmental initiatives, establish, operate, and maintain environmental management system, and promote environmental communication in accordance with the “Eco Action 21 Guidelines” ^(Note) formulated by the Ministry of Environment.



With the expiration of the certification period of the Asset Manager which was certified and registered for Eco Action 21 in March 2020, DHR and the Asset Manager were certified and registered after a new examination.

(Note) These guidelines were formulated by the Ministry of the Environment and set forth 14 items (requirements) based on the PDCA cycle which consists of the three elements of environmental management system, environmental performance assessment, and environmental reporting.

5. DHR's future efforts

DHR and the Asset Manager will continue to make sustainability efforts based on the Sustainability Policy.

(Note) References to J-REIT in this press release refer to Japanese real estate investment trust listed on the Tokyo Stock Exchange.

* DHR's website: <https://www.daiwahouse-reit.co.jp/en/>