

KORAMCO ESG Highlights 2025

Leveraging ESG & Sustainability
to Enhance Financial Performance

Approved by Koramco REITs Management & Trust Co., Ltd.
Compliance Officer. Review No. 25-0001 (Valid from 2025.03.21 to 2028.03.20)

KORAMCO 

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Table of Contents

Chairman's Message

02

1. Global ESG & Sustainability Trends

04

- Navigating the Quickly Evolving ESG Regulatory Landscape
- Advancing Global Green Building Codes for a Sustainable Future
- Europe's Path to Net Zero Buildings

2. ESG & Sustainability in Korea

09

- Korea's Path to Net Zero
- Korea's Big Move in Requiring Net Zero Buildings
- Seoul Enforces GHG Cap Regulation to Reduce Emissions

3. Koramco's Milestones & Challenges

13

- Linking Sustainability to Enhanced Financial Performance
- Enhancing Energy Efficiency in our Buildings
- Achieving GRESB 5-Star Ratings and Global Leadership
- Case Study : Majestar City Tower Two, TP Tower
- Strengthening ESG Due Diligence
- Learning Global Best Practices by Leveraging ULI Greenprint Insights
- Leading the Future of Sustainable Development

Chairman's Message

ESG requirements are rapidly moving from voluntary guidelines to mandatory legislation. Various laws are being enacted globally to ensure that companies are providing consistent, comparable and reliable sustainability, ESG and climate disclosures to investors and regulators.

KORAMCO ESG Executive Committee



At Koramco, we are not yet required by law to report our sustainability metrics. However, we are closely following these global developments to learn and to improve our corporate standard operating procedures in ESG & sustainability to meet global best practices.

We will continually strive to meet the sustainability expectations of our investors and tenants who have ESG and/or net zero goals.

Investors

Some of our most valued institutional investors will need to file mandatory reports on sustainability and climate-related risks. Koramco wants to ensure that we invest in and manage our assets responsibly and provide timely, periodic reports to ensure transparency on sustainability metrics.

Tenants

Our tenants are very important stakeholders to us. Some tenants need to file mandatory reports that include sustainability data on the premises that they lease so we want to ensure we provide timely data to support. Koramco has already begun using “green leases” to align landlord-tenant interests. We are also planning on actively engaging with tenants to better understand their ESG and sustainability needs. Some things we have been discussing are “health & wellness” in our buildings and communities.

About Us

Korea was hit hard by the financial crisis in 1997. In the midst of the so-called IMF crisis, KORAMCO was founded in 2001 with the aim of connecting businesses who wanted to sell real estate owned and financial sector that needed a stable source of profits. KORAMCO introduced the REIT system for the first time in the nation to support restructuring of companies and open new investment opportunities for financial institutions. Thus, we have led the national growth as a reliable bridge between the real estate market and the financial market. Korea has become one of the 10 largest economies in the world and is on a par with countries with advanced financial markets. Now, KORAMCO is expanding our business landscape to the Global to create new value from real estate assets, together with diverse domestic and foreign investors.

Company Overview (as of 2024.12)

Company Name	Koramco REITs Management and Trust Co., Ltd.	KORAMCO Asset Management Co., Ltd.
Established	October 24, 2001	January 10, 2010
Address	4F, Icon Samseong BD, 511, Samseong-ro, Gangnam-gu, Seoul, Republic of Korea	2F, Icon Samseong BD, 511, Samseong-ro, Gangnam-gu, Seoul, Republic of Korea
Number of Employees	230 +	130 +
Shareholder(s)	LF Corporation(67.08%), Kiwoom Securities, Woori Bank, KDB Bank, etc.	Koramco REITs Management and Trust Co., Ltd. (100%)
Total AUM	16.4 trillion won (USD 11.1 billion)	17 trillion won (USD 11.5 billion)
Business Area	• REITs Management • Real Estate Trustee Services • New Construction, Renovations and Maintenance	• Real Estate Fund & REITs Management • Investment Advisory • Hedge Fund Investment
Special notes	Holds 19.3% share of Korea's private REITs market	Nearly 40% of its is in oversea assets
Website	www.koramco.com	www.koramcofund.co.kr

Source: Koramco Internal Data / Ministry of Land, Infrastructure and Transport information system
Source: Koramco Internal Data / Past financial results or business performance may not be indicative of future results.
The value of assets may fluctuate due to changes in exchange rates.
Based on the exchange rate as of 2024.12.31 : 1 USD = 1,477.00 KRW

Credit Rating

	Evaluation Agency	Credit Rating	Period
KOREA	KIS	A/Stable	~2025.6.14
	NICE	A/Stable	~2025.6.28

*KIS: Korea Investors Service/NICE : National Information & Credit Evaluation. Inc.

Financial Performance

(Unit: KRW in millions)

Balance Sheet	2024
Total assets	674,152
Total liabilities	198,445
Total equity	475,707
Total liabilities and equity	674,152

Income Statement	2024
Revenue from operations	173,212
Operating expenses	124,503
Operating income	48,709
Non-operating income	364
Non-operating expense	1,348
Earnings before taxes	47,725
Taxes	11,774
Net income	35,951

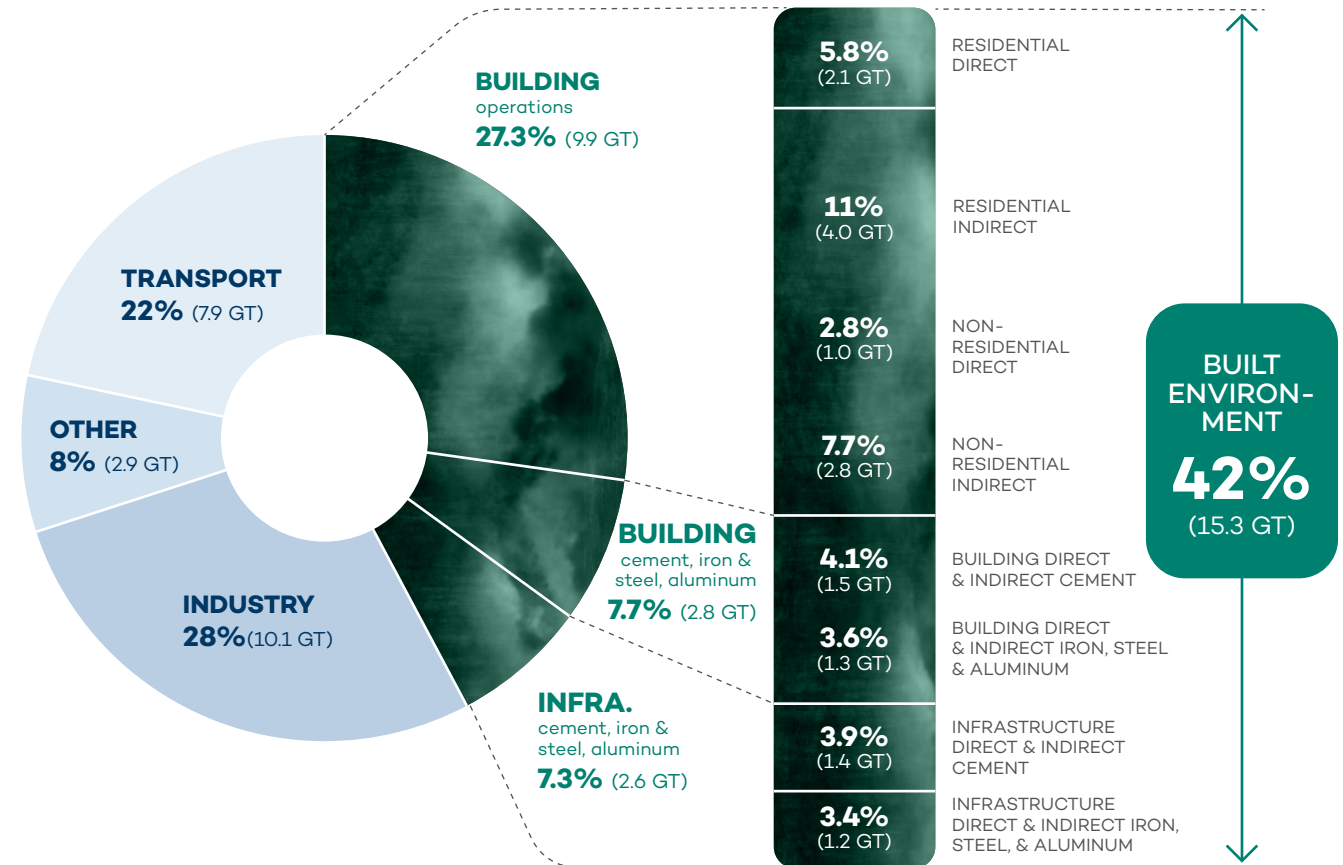
1. Global ESG & Sustainability Trends

Real estate owners, developers and investors around the world continue to face increasing pressure from stakeholders to decarbonize the built environment, responsible for 42% of global CO₂ emissions. Three main factors that are increasing demand for low carbon, sustainable buildings and “net zero” communities and cities are:

- 1. Laws are starting to require climate and sustainability information to be provided along with their annual financial reports;** and, are expected to be audited by independent third parties. In addition, building codes around the world are tightening to increase building energy performance on both existing stock and new construction toward net zero pathways.
- 2. Institutional investors are wanting to decarbonize their real estate portfolios** to meet their net zero pledges and commitments.
- 3. Tenants are demanding healthier and more sustainable spaces as they strive to attract talent** to more attractive workplaces and, at the same time, meet their own net zero commitments.

TOTAL ANNUAL GLOBAL CO₂ EMISSIONS

Direct & Indirect Energy & Process Emissions (36.3 GT)



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Analysis & Aggregation by Architecture 2030 using data sources from IEA & Statista.

Navigating the Quickly Evolving ESG Regulatory Landscape

Regulations in various parts of the world are now making it mandatory for corporations to disclose their ESG data in a more transparent manner. This trend of legislating laws will further increase the pressures on corporations and real estate players to provide data and analysis to support their ESG and sustainability goals.



IFRS S1 and S2 reports are now mandatory starting as early as January 2025. The International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) will require sustainability and climate change related data to be submitted along with annual corporate financial statements. Since May 2024, over 20 jurisdictions across the world have started evaluating the adoption of the IFRS S1 and S2 standards. The Korean-SSB has also begun evaluating these standards to determine whether Korea should also adopt these mandatory reporting practices.



The Corporate Sustainability Reporting Directive (CSRD) in the EU is now mandatory reporting in 2025. CSRD's disclosure expectations are detailed in the European Sustainability Reporting Standards (ESRS). The CSRD is expected to affect up to 50,000 entities, applying to all listed companies and large companies on EU-regulated markets, including real estate companies, that meet any two of the following three criteria: (1) more than 250 employees, (2) more than EUR 20 million of assets on the balance sheet or (3) more than EUR 40 million of net revenue.



In the US, the Enhancement and Standardization of Climate-Related Disclosures for Investors has been effective since May 28, 2024. The Securities and Exchange Commission adopted amendments to its rules under the Securities Act of 1933 and Securities Exchange Act of 1934. Corporate annual reports must now include climate-related information in their registration statements and annual reports. Also, SB253 (Climate Corporate Data Accountability Act) and SB261 (Climate-Related Financial Risk Act) are California state laws passed in 2023. These laws go beyond federal regulations and mandate companies operating in California to disclose climate-related risks and performance.

Advancing Global Green Building Codes for a Sustainable Future

“As global momentum builds for climate action, governments have introduced building requirements covering everything from energy and water use to green building certifications to climate resilience. The real estate industry is addressing the climate crisis through actions like selecting lower-carbon materials, setting portfolio-wide net zero targets, and increasing procurement of renewable energy”, ULI Greenprint.

In the EU, the Energy Performance Buildings Directive (EPBD) makes zero-emission buildings the new standard for all new buildings:

Target dates are 1 January 2028 for publicly owned buildings and 1 January 2030 for all other buildings.

New York's Local Law 97 is already in place with plans to reduce the emissions of the city's largest buildings 40% by 2030 and net zero by 2050. Under LL97, most buildings over 25,000 square feet are required to meet new energy efficiency and greenhouse gas emissions limits as of 2024 and expected to become stricter in 2030.

In Korea, we are expecting a Zero-Energy Building (ZEB) Certification law starting in 1 January 2025.

A phased roll-out that will eventually require all new construction of public and private buildings over 500 square meters to obtain ZEB certification. In Seoul, ZEB requirements will begin as early as 2025 where non-residential buildings above 1,000 square meters will need to consume total primary energy less than 140 kWh/m² per annum and supply at least 20% of its energy from clean energy sources.

And, many other green building codes in various countries and cities around the world show that the real estate industry must act quicker to drive down emissions in the built environment.

To keep abreast of the rapidly changing landscape, ULI Greenprint launched the Global Green Building Policy Dashboard in January 2023 to help real estate ESG teams more efficiently navigate regulations across 47 markets globally. With the launch of this updated version, the dashboard has expanded to cover 71 jurisdictions total in a web-based tool that enables users to filter by region, location, and category of regulation. Several regulatory changes emerged in those 12 months, underscoring that jurisdictions are rolling out and tightening regulations at a quickening pace.

[ULI Global Green Building Policy Dashboard](#)

Europe's Path to Net Zero Buildings

The revised Energy Performance of Buildings Directive (EPBD) puts Europe on track to achieve a fully decarbonized building stock by 2050 by spurring renovations in each Member State, particularly for worst-performing buildings.

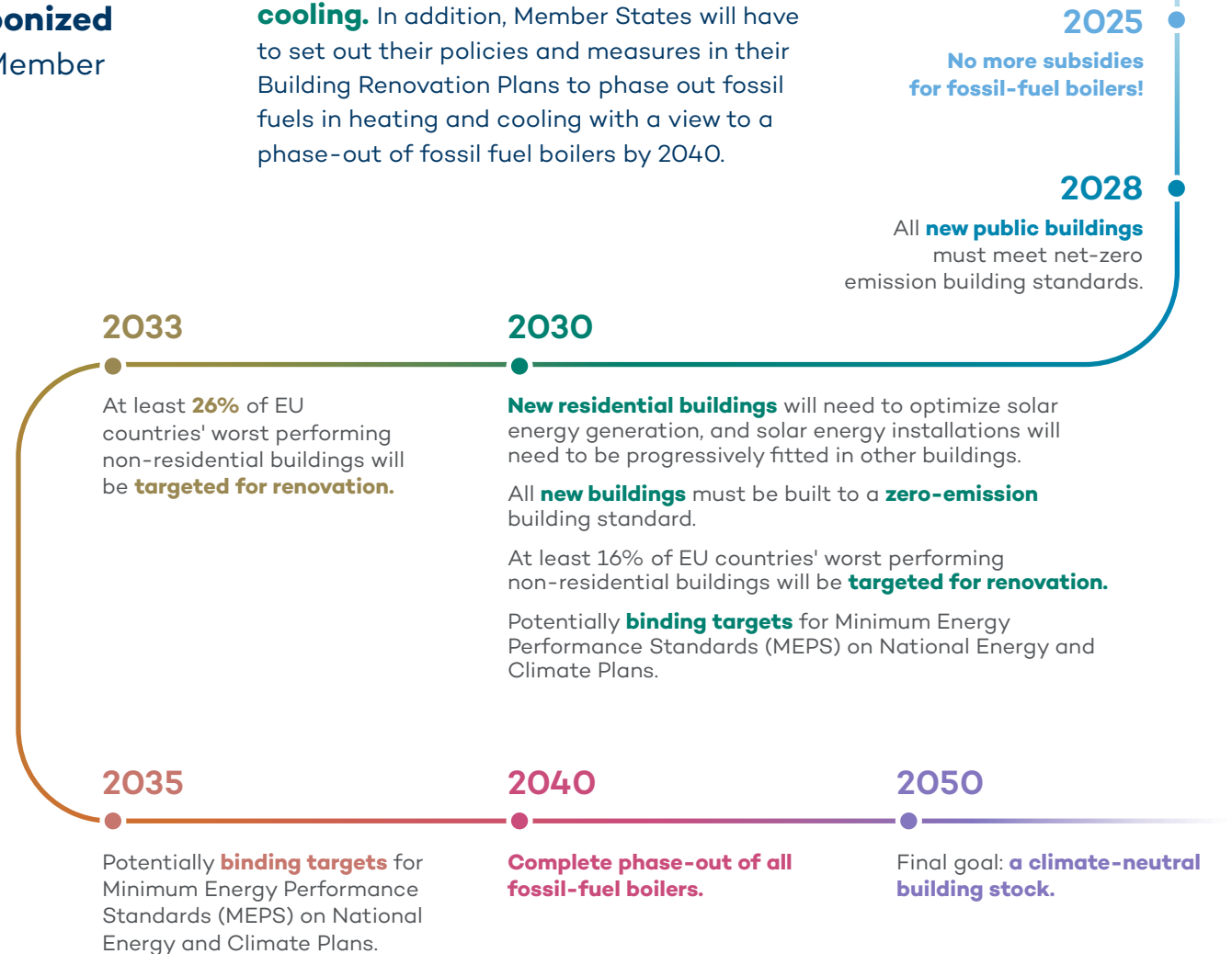
The Minimum Energy Performance Standards (MEPS) are requirements for existing buildings in the EU to meet certain levels of energy performance. It is part of a wide renovation plan to accelerate the renovation of existing buildings. MEPS will apply also when there is a sale, rent renewal contract, major renovation, donation or change of purpose. They are already in use in some Member States.

The revised EPBD makes zero-emission buildings the new standard for all new buildings: 1 January 2028 for publicly owned buildings and 1 January 2030 for all other buildings. In zero-emission buildings, where technically and economically feasible, 100% of the total annual primary energy use will have to be covered by renewable energy.

- 1. Residential buildings.** Each Member State will adopt its own national trajectory to reduce their average primary energy use by 16% by 2030 and 20-22% by 2035.
- 2. Non-residential buildings.** We expect the gradual introduction of Minimum Energy Performance Standards to renovate the 16% worst-performing buildings by 2030 and the 26% worst-performing buildings by 2033.

Phase out of fossil fuels in heating and cooling. In addition, Member States will have to set out their policies and measures in their Building Renovation Plans to phase out fossil fuels in heating and cooling with a view to a phase-out of fossil fuel boilers by 2040.

Key EPBD target dates



Europe's Path to Net Zero Buildings

Energy Performance Certificates (EPCs) are to assess the performance of buildings on a common template across all 27 EU Member States showing metrics on energy and GHG emissions.

However, EPC scales are not harmonized across Europe.

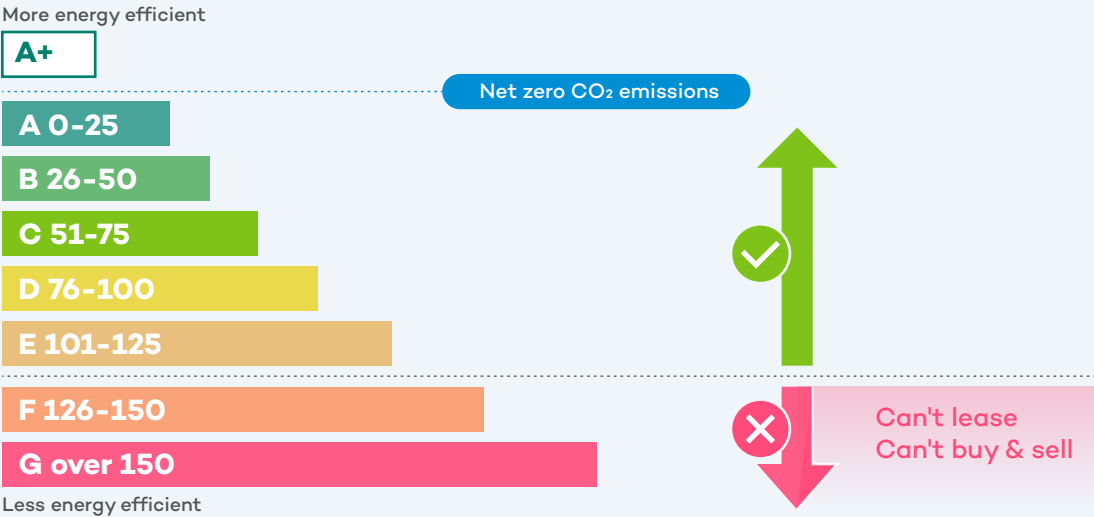
Under the revised EPC, there will be a common A-G scale. The 'A' rating will correspond to zero-emission buildings while the 'G' rating corresponds to the very worst-performing buildings in each country.

In certain Member States, an EPC lower than 'E' will no longer be able to lease their space. Bands 'F' and 'G' are considered "sub-standard" which gives rise to the notion of "stranded assets" until owners make investments to improve their EPC ratings.

- EPCs will have to be issued upon renewal of rental contracts, sales and major renovations to raise the awareness of building owners, buyers, tenants, financial institutions and public authorities.
- The EPBD also includes common requirements to have national databases on the energy performance of buildings, and allow access to the aggregated information. This will improve the availability of information, its quality and facilitate the work of public authorities and financial institutions, to spearhead renovations across Europe.

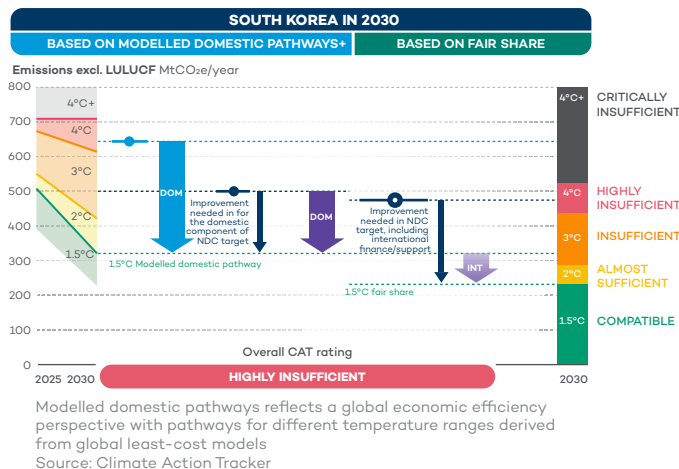
Illustration of national residential EPC scales and energy performance bands (primary energy).

Portugal		Germany		France		Ireland		Estonia	
EPC class	kWh/m²/yr	EPC class	kWh/m²/yr	EPC class	kWh/m²/yr	Building Energy Rating	kWh/m²/yr	EPC class	kWh/m²/yr
A+	≤ 25	A+	≤ 30	A	≤ 70	A	< 75	A	≤ 120
A	26-50	A	≤ 50			(A1, A2, A3)			
B	51-75	B	≤ 75	B	71-110	B	75-150	B	121-140
B-	76-100					(B1, B2, B3)			
C	101-150	C	≤ 100	C	111-180	C	150-225	C	141-160
						(C1, C2, C3)			
D	151-200	D	≤ 130	D	181-250	D	225-300	D	161-210
						(D1, D2)			
E	201-250	E	≤ 160	E	251-330	E	300-380	E	211-260
						(E1, E2)			
F	≤ 251	F	≤ 200	F	331-420	F	380-450	F	261-330
		G	≤ 250	G	< 420	G	< 450	G	331-400
		H	≤ 250					H	≤ 401



2. ESG & Sustainability in Korea

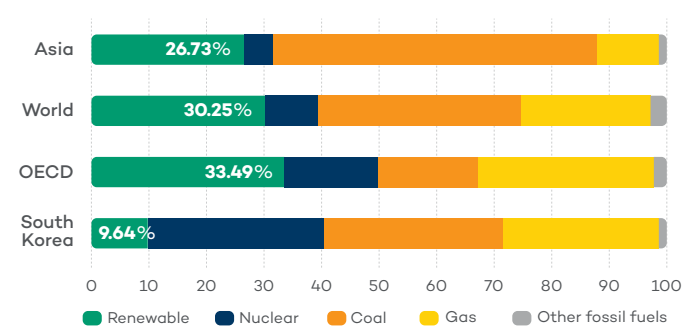
Despite Korea's efforts to respond to the climate crisis, the Climate Action Tracker evaluates that Korea's efforts are "highly inadequate" pointing out that Korea's policies and targets need to become more aggressive for South Korea to comply with the 1.5°C limit set in the Paris Agreement. According to their analysis, Korea should reduce its greenhouse gas emissions by at least 59% compared to 2018 by 2030 to align with the Paris Agreement goals.



Korea's share of renewable energy is the lowest among OECD countries.

In order to accelerate carbon neutral pathways, we need to also increase the supply of clean, renewable energy. In January 2023, the government announced its plan to increase its share of renewable energy to 21.6% by 2030. However, the CAT evaluates that this level will still not be enough to achieve the Paris Agreement goals.

South Korea's Lags in Renewable Energy Supply (9.64%)



Korean Citizens sue Korean Government on Climate Action. The citizens are starting to get seriously concerned.

In August 2024, South Korea's Constitutional Court ruled that current climate policies are insufficient to protect citizens' rights, especially for future generations who will bear the brunt of climate change. The National Assembly of the Republic of Korea is now required to amend the law and create year-by-year carbon-reduction targets for 2031 to 2049 by February 2026.



Source: Human Rights Watch

Korea's Path to Net Zero: Frameworks, Goals, and Real Estate's Role in a Sustainable Future

Framework Act on Carbon Neutrality and Green Growth to Respond to the Climate Crisis... Korean cities are mandated to develop plans to achieve 2030 NDC goals and achieve 2050 carbon neutrality.

In September 2021, Korea became the 14th country in the world to legislate its "Framework Act on Carbon Neutrality and Green Growth to Respond to the Climate Crisis".

Under this law, each city and province in Korea must establish and implement a carbon neutrality plan. The plans should reflect the government's goals of achieving its NDC goals of reducing carbon emissions 40% by 2030 and carbon neutrality by 2050. For the building sector, greenhouse gas emission reduction target is 32.8% (52.1 million tons in 2018 → 35.0 million tons in 2030).

The four recommended strategies to implement are:

1. mandating Zero-Energy Building (ZEB) certification from 1 January 2025
2. expanding green remodeling
3. spreading regional/private-led green construction
4. fostering future technologies for carbon-neutral construction

In the Building Sector, Seoul Plans to Reduce Emissions by 34.6% by 2030.

In Seoul, the building sector emitted 57.8% of the total greenhouse gas emissions in 2005 but increased to 66.5% in 2021. Recognizing this means that a more rigorous approach is needed to reduce emissions from buildings, the Seoul Metropolitan Government has set a goal to reduce greenhouse gas emissions in the building sector by 34.6% compared to 2018 by 2030. (33.1 million tCO₂eq in 2018 → 21.6 million tCO₂eq in 2030)

GHG Reduction Targets by 2030

Countries	Baseline Year	Target Reduction	By When
EU	1990	55%	2030
Russia	1990	70%	
India	2005	45%	
USA	2005	50-52%	
China	2005	65%	
Japan	2013	46%	
Korea	2018	40%	

Source: Nationally Determined Contributions Registry (UN Climate Change)

Korea's Annual GHG Reduction Targets (million tons CO₂eq)

Ten (10) Sectors	2018	2023	2024	2025	2026	2027	2028	2029	2030
1. Energy	269.6	223.2	218.4	215.8	211.8	203.6	189.9	173.7	145.9
2. Industry	260.5	256.4	256.1	254.8	252.9	250.0	247.3	242.1	230.7
3. Buildings	51.6	47.6	47.0	46.0	44.5	42.5	40.2	37.5	35.0
4. Transport	98.1	93.7	88.7	84.1	79.6	74.8	70.3	66.1	61.0
5. Agriculture	24.7	22.9	22.4	21.9	21.2	20.4	19.7	18.8	18.0
6. Waste	17.1	15.1	14.7	14.1	13.3	12.5	11.4	10.3	9.1
7. Hydrogen	(-)	3.4	4.1	4.8	5.5	6.2	6.9	7.3	8.4
8. Fugitive Emissions	5.6	5.1	5.0	5.0	4.9	4.8	4.5	4.2	3.9
9. Carbon Capture	(41.3)	(33.5)	(31.3)	(28.9)	(30.4)	(29.1)	(28.3)	(27.6)	(26.7)
10. CCUS	(-)	-	-	-	(0.4)	(0.7)	(1.3)	(3.2)	(11.2)
Total	686.3	633.9	625.1	617.6	602.9	585.0	560.6	529.5	436.6

Source: Presidential Commission on Carbon Neutrality and Green Growth

Korea's Big Move in Requiring Net Zero Buildings for New Construction

Zero-Energy Building (ZEB) Certification starts 1 January 2025

The roll-out plan for ZEB certification of public and private buildings show that most public and private buildings will have to reach ZEB 5 certifications in 2025. Larger public, non-residential buildings will have to achieve a higher rating of ZEB 4 which will require total energy consumption less than 140 kWh/m² per annum plus 40-60% of its energy to be sourced from clean, renewable sources.

For ZEB certification, all buildings must meet the following three criteria

1. Total primary energy requirements:

- Residential: must be less than 90kWh/m²
- Non-residential: must be less than 140kWh/m²

2. Energy independence rate (e.g. supply of clean energy) greater than 20% for the initial level of ZEB 5 and will be gradually increased over time. Please refer to the chart below.

3. Real-time building energy management system (BEMS)

ZEB has a total of five grades, with the key criterion being energy independence*.

*Percentage of renewable energy production among energy consumed by buildings (cooling, heating, hot water, lighting, ventilation)

Grade of Certification	Rate of energy independence
ZEB 1	100% ~
ZEB 2	80% ~ < 100%
ZEB 3	60% ~ < 80%
ZEB 4	40% ~ < 60%
ZEB 5	20% ~ < 40%

Zero Energy Buildings (ZEB) Certification Roadmap in Seoul



Source: Seoul Metropolitan Government

In Addition to ZEB for New Construction, Seoul Enforces GHG Cap Regulation to Reduce Emissions in Existing Buildings

The Seoul Metropolitan Government is proactively leading efforts to reduce greenhouse gas emissions in the building sector while actively **implementing greenhouse gas cap regulations for existing buildings**. As part of this initiative, the Greenhouse Gas Emissions Cap regulation will apply to public buildings over 1,000m² and non-residential buildings over 3,000m².

The city has categorized building types by use and established standard greenhouse gas emissions allowances per unit area for each type. These buildings are required **to reduce emissions by 15% by 2030 and 37% by 2035**, based on these benchmarks. Under this framework, Seoul will set goals for buildings through 2035, with incentives or penalties assessed in five-year evaluations to ensure compliance and encourage progress.

Greenhouse Gas Emission Targets per Square Meter by Building Type

					Standard Benchmark (Avg 2017-2019)		2025 Goal 15%↓		2030 Goal 37%↓
Retail	0.050	0.068	0.080		0.080	>>>	0.068	>>>	0.050
Office	0.038	0.051	0.060		0.060	>>>	0.051	>>>	0.038
Education and welfare	0.030	0.040	0.047		0.047	>>>	0.040	>>>	0.030
Cultural	0.041	0.055	0.065		0.065	>>>	0.055	>>>	0.041
Commercial Parking and Warehouse	0.029	0.039	0.046		0.046	>>>	0.039	>>>	0.029
Hospitality	0.059	0.079	0.093		0.093	>>>	0.079	>>>	0.059
Industrial	0.041	0.055	0.065		0.065	>>>	0.055	>>>	0.041
Hazardous Material	0.060	0.081	0.095		0.095	>>>	0.081	>>>	0.060
Healthcare	0.077	0.105	0.123		0.123	>>>	0.105	>>>	0.077
Tourism and Leisure	0.072	0.097	0.114		0.114	>>>	0.097	>>>	0.072
Religious	0.020	0.027	0.032		0.032	>>>	0.027	>>>	0.020

Source: Seoul Metropolitan Government

*Unit: tCO₂eq/m²

3. Koramco Milestones & Opportunities

The global landscape for ESG, climate and sustainability reporting has been changing at a quickening pace. On one hand, we hear of anti-ESG news that some States in the US have prohibited ESG objectives in the funds that they invest into. But, on the other hand, we see other countries **adopting laws to mandate ESG and climate reporting on major corporations** as well as **strengthening building codes to direct the built environment** onto net zero pathways.

At Koramco, we shall remain committed to pursue global best practices in ESG & sustainability to improve our approach to property investing in a socially responsible manner.

- 1. For our investors, we continue to link our sustainability initiatives to improve our financial performance.** We now strive to find better ways to drive down energy consumption at our buildings, aiming to lower energy bills, decrease operational costs, and ultimately increase NOI. Thereby, increase our annual profits and asset valuations for our investor clients.
- 2. For our tenants, we plan to improve our tenant engagement to help enhance “health & wellness” in our buildings.** We have already begun to sign up tenants on green leases to align our ESG objectives. But, at Koramco, we want to do more than this by reaching out to our key tenants to better understand their ESG-related needs. Some areas we will explore are:
 - (a) Improved indoor air quality and thermal comfort
 - (b) Biophilic design and renovations
 - (c) Amenities to fulfill tenants’ needs more conveniently to increase productivity in the workplace

ESG Committee spearheading organizational change. During our fiscal 2024 year, we have been successful convening our quarterly ESG Committee meetings on a consistent basis to spur meaningful dialogue on ESG at the senior level:

- Coordinating our quarterly agendas with support from multiple departments to provide the data analysis to measure our progress toward energy reduction targets and resultant financial performance improvements.
- Researching ESG topics in Korea and abroad to make sure that we stay on top of global best practices and rapidly changing regulations in ESG reporting and green building codes.
- Developing internal training programs to make sure our entire Koramco organization understands the importance of global ESG principles and trends.
- Participating in GRESB assessments, ULI Greenprint curated ESG and sustainability workshops and TCFD reporting.

Koramco Linking Sustainability to Enhanced Financial Performance

One of our biggest challenges is aligning ESG leadership principles to the execution of improved workflow processes and enhanced risk management. We have been successful on several fronts but there is much more to do in terms of making our buildings even more attractive to our investors and tenants and the overall community.

- Existing portfolio assets that we have already acquired
- Acquisition of new assets in the future
- New real estate developments

Linking sustainability to improved financial performance remains at the forefront of our efforts.

Our main focus on energy reductions in our buildings continued with more diligence. ESG Committee executives in charge of marketing and engineering departments played more active roles in managing our energy performance. Now going on our second year of targeted reductions, this is one of our ways to link sustainability (reduced energy consumption, reduced GHG emissions) to increased financial performance (increase in annual profits, increase in asset valuation).

Improved Energy Performance in 2023 helped achieve an increase in asset values of KRW 60.26 billion or US\$ 44.6 million equivalent compared to 2022. In our sub-portfolio of 44 buildings with total GFA of 2,091,400 m², we were about to achieve 4.2% reduction in total energy consumption (measured in kWh) which led to an increase in profits (reduction in energy bills) by KRW 2.43 billion or US\$ 1.8million equivalent; and, increased valuation of over KRW 60.26 billion or US\$ 44.6 million.



Energy Use Intensity Performance

EUI in 2022

159.9 kWh/m²

4.2%
Reduction

EUI in 2023

153.1 kWh/m²



Financial Performance of Assets

Increased
in profits

2.43 KRW billion

Increased
in asset values

60.26 KRW billion

Source: Koramco Internal Data

*Past financial conditions or business performance, if indicated, may not be indicative of future results and are subject to change at the time of this advertisement or in the future.

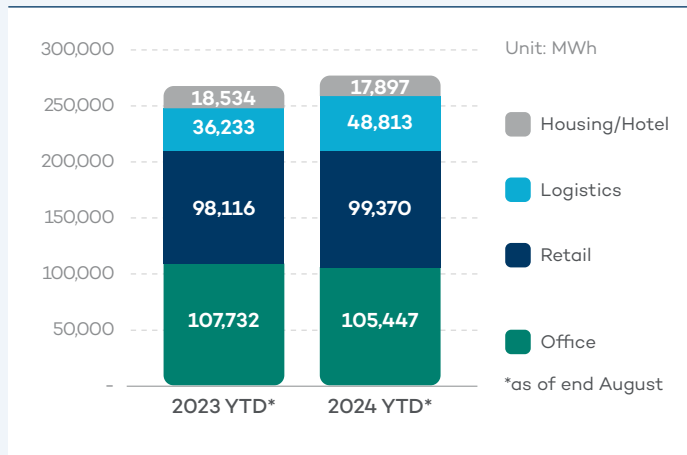
Koramco's 2024 Progress and Next Strategies for Enhancing Energy Efficiency in our Buildings

Improving Energy Performance in 2024 has been a bit more challenging to achieve overall savings. However, when we take a closer look at the performance of building types, it was the logistics buildings that had a large increase in energy consumption from an increase in tenant occupancy that was not foreseen when establishing the reduction targets. We actually did well in both the office and retail buildings.

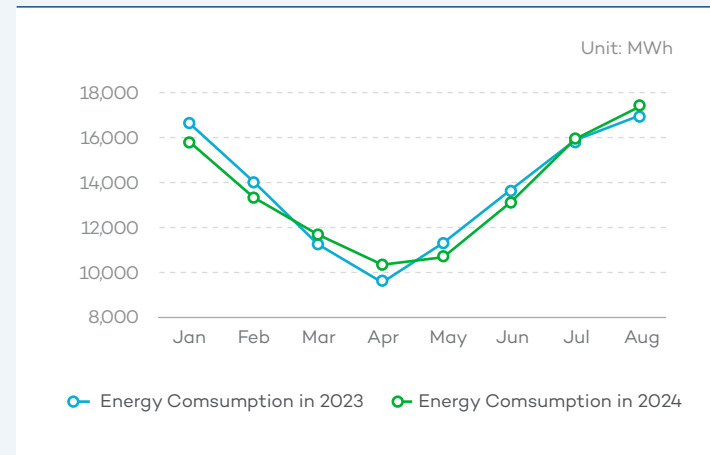
Going beyond monthly energy consumption data. We have been collecting monthly energy consumption and energy bills (electricity, gas) data for three years to gain valuable cost saving ideas. To improve our data insights, we are now experimenting with online, real time data collection of electricity consumption on 15-minute intervals to squeeze out additional energy efficiencies.

CAPEX budgeting for energy improvements expected in 2025. Most of our energy reductions were made with almost no CAPEX expenditures. To reap additional benefits, we are planning to work with investors to develop budgets to achieve both sustainability and financial benefits. For example, expenditures with less than 3 year paybacks are expected to increase overall profitability.

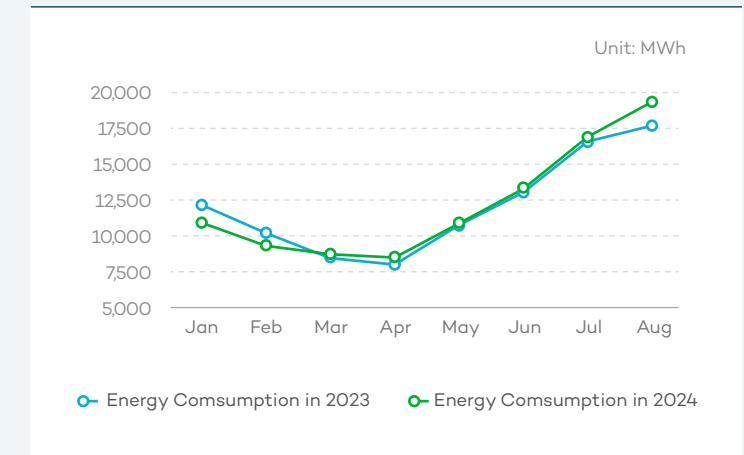
Total energy consumption increased by 4.2% compared to 2023 as of the end of August



Aggregated energy consumption in the office sector decreased by 1.4% compared to 2023



Aggregated energy consumption in the retail sector increased by 1.3% compared to 2023



Source: Koramco Internal Data

2024 GRESB Assessment: Achieving GRESB 5-Star Ratings and Global Leadership

At Koramco, we participate each year in GRESB assessments because it is a clear signal to potential investors (LPs) that GPs are capable of managing real estate assets with strong ESG and sustainability performance. We are very pleased to have achieved GRESB's top assessment of 5 Stars on several real estate assets as well as being recognized as **Asia Sector Leader in 2022 and Global Sector Leader in 2023**. In 2024, we are delighted to announce our achievement as **Global Sector Leader and Regional Sector Leader** in Technology and Science.



**Global Sector
Leader**

Development
2023, 2024



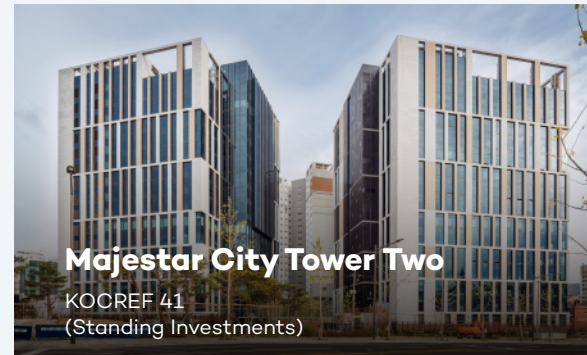
**Asia Sector
Leader**

Standing
2022, 2023



**Full Scored
AMC**

Management
2023, 2024



Majestar City Tower Two

KOCREF 41
(Standing Investments)



GRESB Rating

★★★★★ 2022/23/24

GFA

36,189.43m²

- Asia Sector Leader (2022, 2023)
- 1st Ranked in Korea (2022, 2023)



East Central Tower

KORAMCO Sustainable Growth Office No. 1-1
(Standing Investments)



GRESB Rating

★★★★★ 2023/24

GFA

100,422.77m²

- Green Star (2023, 2024)
- 2nd Ranked in Eastern Asia (2024)



TP Tower

KOCREF TP
(Development Investments)



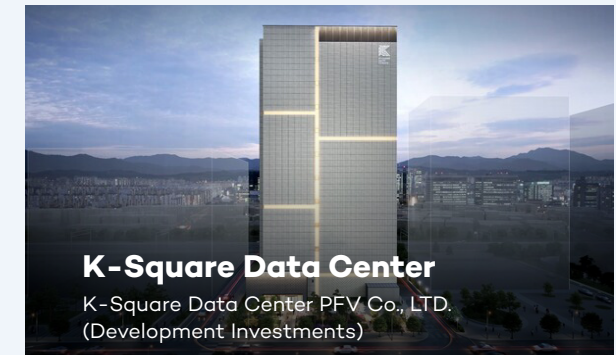
GRESB Rating

★★★★★ 2023

GFA

141,668.98m²

- Global Sector Leader (2023)
- 1st Ranked in Korea (2023)



K-Square Data Center

K-Square Data Center PFV Co., LTD.
(Development Investments)



GRESB Rating

★★★★★ 2024

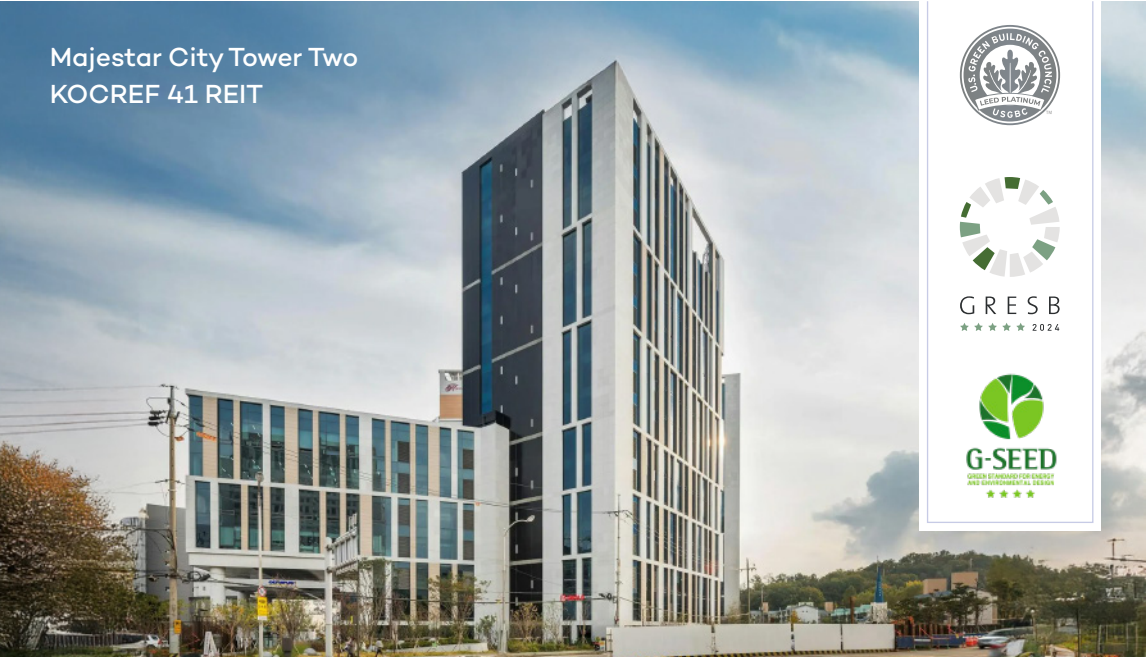
GFA

41,214.54m²

- Global Sector Leader (2024)
- 1st Ranked in Global (2024)

Case Study : Majestar City Tower Two

Achieved GRESB 5 Star Rating for 3 Consecutive Years



Property Description	• Address	12, Seocho-daero 38-gil, Seocho-gu, Seoul
	• Type	Office
	• Total GFA	36,190m²
	• Year Built	2017
	• Floors	17F/B7
Property Certifications	•	GRESB Asia Sector Leader (2022, 2023)
	•	GRESB 5 Star Rating (2022, 2023, 2024)
	•	LEED Platinum - Operations and Maintenance (2022)
	•	LEED Platinum - Building Design and Construction (2017)

Sustainability Strategies and Key Highlights

Sustainability in Action

Majestar City Tower Two consumed 4,500,000kWh in 2023 of which 14.2% was provided by renewable energy in the form of solar PV generating 94,697kWh and geothermal heat pumps generating 541,898kWh for heating and cooling.

- **EUI**125.3 kWh/m²
- **GHG Intensity**42.2 kgCO2eq/m²
- **Energy**14.2% of energy consumed from renewable energy
- **Water**64.8% of water is reused with a filtration system
- **Waste**85% of waste is diverted from landfills through a recycling program

2024 GRESB Results

Majestar City Tower Two has received the highest rating with 5 Stars from GRESB, with a total score of 92/100. It has achieved a perfect score in the management component of 30/30, highlighting excellence in corporate performance.

GRESB Assessment Categories	Maximum Score	Koramco Score
Management Component	30	30
Leadership, Policies, Reporting, Risk management, Stakeholder Engagement	30	30
Performance Component	70	62
Risk Assessment, Net zero Target Tenants & Community	22	22
Energy	14	10
GHG	7	5
Water	7	5
Waste	4	4
Data Monitoring, Building Certifications	16	16
Total	100	92

Source: Koramco Internal Data / GRESB Portal

Case Study : TP Tower

Achieved GRESB 5 Star Rating as a Global Sector Leader



The TP Tower, completed in February 2024, is a prime office development owned by the Teachers’ Pension Fund. It has received GRESB score of 100/100, becoming a Global Sector Leader along with a LEED Gold (Building Design and Construction) in 2024.

Property Description	• Address	96, Uisadang-daero, Yeongdeungpo-gu, Seoul
	• Type	Office
	• Total GFA	141,669m²
	• Year Built	2024
	• Floors	42F/B6
	• Major Tenants	Shinhan Bank, Kiwoom Securities, Woori Investment Securities

Sustainability Strategies and Key Highlights

A building for people, the planet, and the community

TP Tower is equipped with solar PV generating 727.15kW, geothermal heat pumps, and fuel cells, where renewable energy is projected to contribute 18% of total energy generation. Additionally, it is integrated with a Building Energy Management System (BEMS) to monitor and optimize energy consumption.

With direct access to the subway via an underground passageway and proximity to The Hyundai Seoul and IFC malls, the building ensures easy accessibility. It also offers amenities like green spaces on the rooftop and a lounge on the lower levels with high ceilings (3m) throughout the building to improve the quality of life for tenants and local residents.

2024 GRESB Results

TP Tower has received score of 100 out of 100 points for the GRESB assessment, designating the property as a Global Sector Leader with a 5 Star Rating.

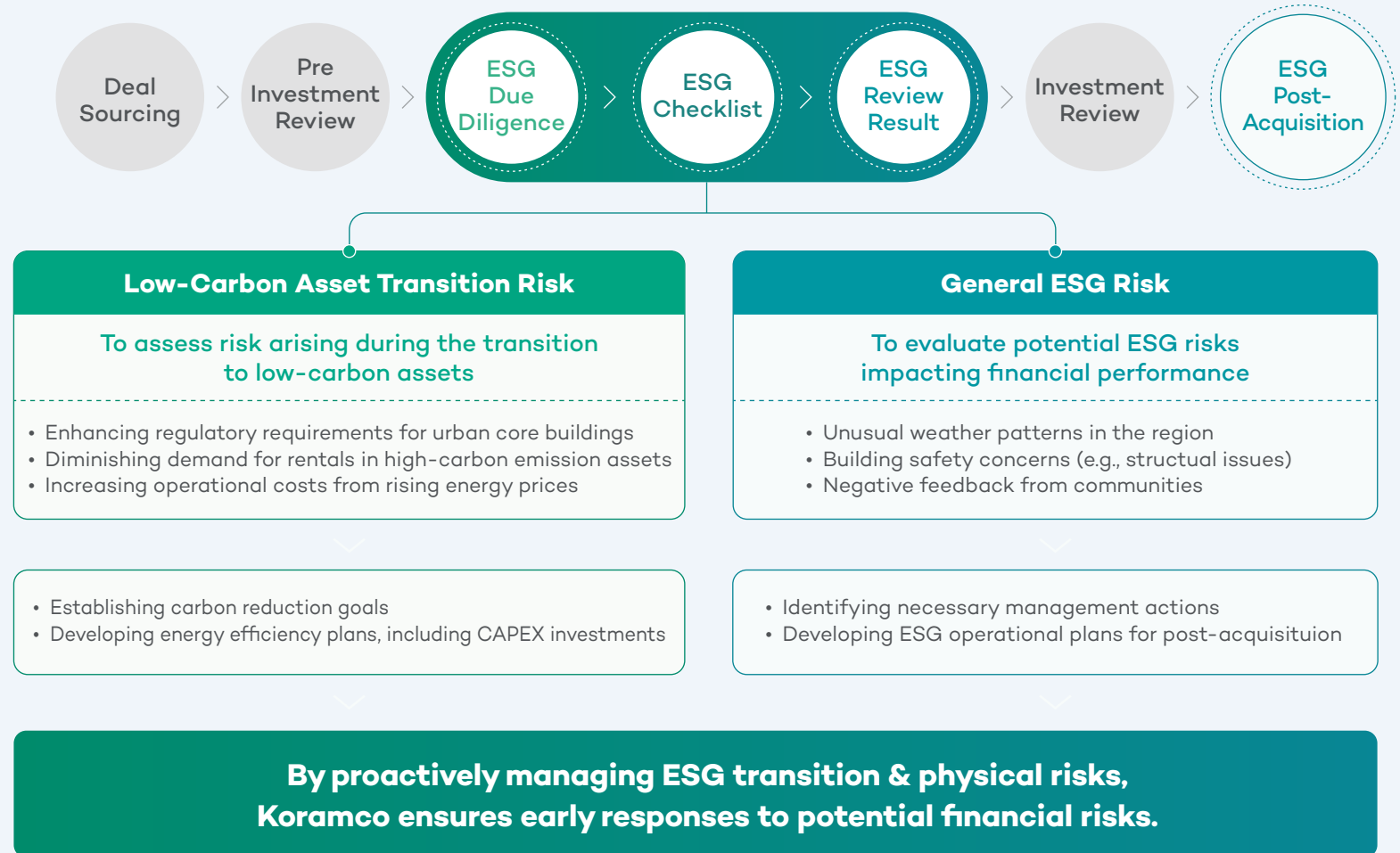
GRESB Assessment Categories	Maximum Score	Koramco Score
Management Component	30	30
Leadership, Policies, Reporting, Risk management, Stakeholder Engagement	30	30
Performance Component	70	70
ESG Requirement, Building Certification	25	25
Materials	6	6
Energy	14	14
Water	5	5
Waste	5	5
Stakeholder Engagement	15	15
Total	100	100

Source: Koramco Internal Data / GRESB Portal

Strengthening ESG Due Diligence

We have refined our investment due diligence process to evaluate ESG risks and opportunities before making investment decisions. By integrating ESG due diligence and ESG checklist based review reports, we can identify potential financial risks early on.

Koramco's ESG Risk Management Process



Source: Koramco Internal Data

Learning Global Best Practices by Leveraging ULI Greenprint Insights

At Koramco, we focus on linking sustainability to enhance financial performance. We became members of ULI Greenprint, so that we can learn global best practices to help stay ahead of global trends in ESG & sustainability. There is a lot to learn from the ULI Greenprint community with leading global real estate firms with aspirations to reduce carbon emissions by 50% by 2030 and carbon neutrality by 2050.

ULI's NET ZERO BY 2050 GOAL

TRACK 01

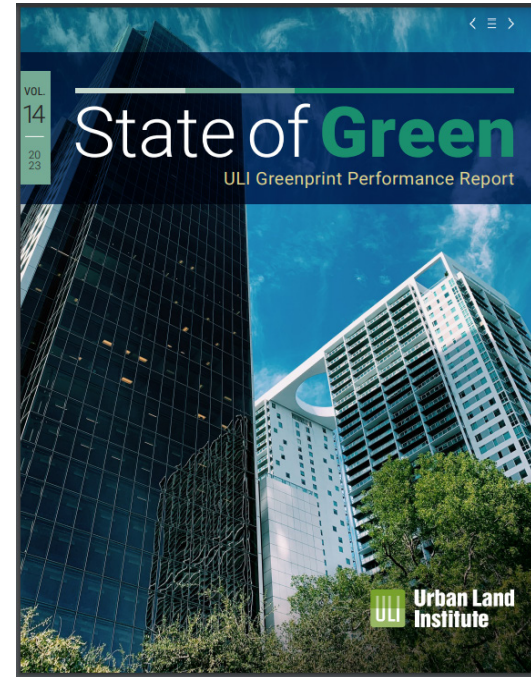
Landlord Spaces,
Operational
Carbon

TRACK 02

Whole Building,
Operational
Carbon

TRACK 03

Whole Building,
Life Cycle
Carbon



ESG Due Diligence List developed jointly the collective wisdom of Greenprint members by Koramco.

It is a checklist of questions to ask the Seller about **transition and physical risks**. The list also contains some valuable questions to ask to better understand what additional investments might need to be made. **We want to avoid unexpected outlays that would drag down investment returns** in keeping aligned with requirements by regulatory agencies, investors, tenants and other stakeholders.

ULI Greenprint is a community of 120+ member companies covering 16,500+ properties with the goal of reducing collective carbon emissions 50% by 2030 and Net Zero by 2050 Goal.

Urban Land Institute (ULI), based in Washington DC has a global mission priority of decarbonizing the real estate sector and accelerating our progress to net zero. With 45,000 members, ULI is the oldest and largest network of cross-disciplinary real estate and land use experts in the world, from private enterprise to public service.

Pre-acquisition analysis to look at opportunities to enhance returns by driving down energy after acquisition.

A simple look at total energy consumption of the target asset in discussion (kWh/m²a) can identify whether the asset is highly energy efficient or an energy hog with opportunities to improve financial performance. The help of an energy audit can detail out specifics of CAPEX and paybacks with higher annual income to determine how to make it accretive to investment IRRs.



Leading the Future of Sustainable Development

In new real estate developments, preparing Koramco to become the leading “sustainable developer” accelerating our Net Zero Future.

Koramco has multiple development projects under construction and has won several large mixed use development projects. With growing worldwide concern for accelerating carbon neutral communities and net zero cities, **Koramco's ESG Committee has begun to evaluate how we can play a stronger, more responsible role** in transforming communities with our real estate expertise and leadership.

We need to do things differently. We take the position that “Net Zero” is not only about “reducing carbon emissions”; it includes social, environmental and economic sustainability objectives.

First and foremost, we need to develop additional skill sets within Koramco to better understand how to achieve higher performance in our design, engineering and operation of our buildings. Taking the collective knowledge of the best sustainable design architects and engineers around the world, Koramco needs to develop design guidelines to minimize the increase in construction costs while achieving near net zero performance.

REIT Name
**KORAMCO Value
Investment No.3-3**



Asset Name
K-Square Magok

AUM
KRW 800billion
Type
Office
GFA
160,373 m²

K-Square Magok, completed in October 2024, has received the G-SEED certification — the highest green first rating Korean Green Standard for Energy and Environmental Design.

Source: Koramco Internal Data

REIT Name
**K-square
Data Center PFV**



Asset Name
**K-square
Data Center Gasan**

AUM
KRW 490billion
Type
Data Center
GFA
42,215 m²

The K-Square Data Center in Gasan participated in the 2024 GRESB assessment, scoring 100 out of 100, and was recognized as both a Global Sector Leader and a Regional Sector Leader for its outstanding ESG practices.

Koramco's Role in Sustainable Development: Accelerating positive Social, Environmental, and Economic Impact

What Should Koramco's role be?

Environmental Sustainability

Nature based solutions to achieve safe, healthy places for people and reduce impacts on climate change. Minimize energy consumption through sustainable design, energy efficient systems and clean, renewable energy. Minimize water usage and minimize waste through “reduce, recycle, re-use” and circular economy lifestyles. Working with its investors and stakeholders, how should Koramco help design, engineer and operate its newly constructed buildings?



Social Sustainability

Building communities with health & wellness at its core; delivering human-centered biophilic design. Placemaking to build a sense of community and belonging. Not just delivering real estate hardware but including on-going management of programs to evolve with changing needs.

Economic Sustainability

From construction of a new building or large mixed-use developments with many buildings, one of the key objectives should be to help drive local economic development. How does the design of the buildings impact what kind of businesses we can attract effectively? How do we attract the key anchor tenants necessary to drive economic development and innovation?



Leveraging ESG & Sustainability to Enhance Financial Performance

Should you have any questions, please feel free to contact us:

Jae Min Lee, Team Head
ESG Secretariat
jamlee@koramco.com

Min Han, General Manager
ESG Secretariat
mhhan@koramco.com

Disclaimer

- Investors are entitled to a detailed explanation of the trust agreement from the real estate trust company. Prior to investing, please carefully review the product prospectus and terms and conditions.
- The trust agreement may result in a loss of the principal investment, and such losses will be borne by the investor.