

Mastern Investment Management
Integrated Report 2023

Investment in Sustainability

Mastern



Investment in Sustainability

PART 1 | Corporate Report

Mastern Investment Management's Compliance Officer
Review No. 2024-06-03
(Validity period: 2024. 6. 19 ~ 2025. 6. 18)

Mastern

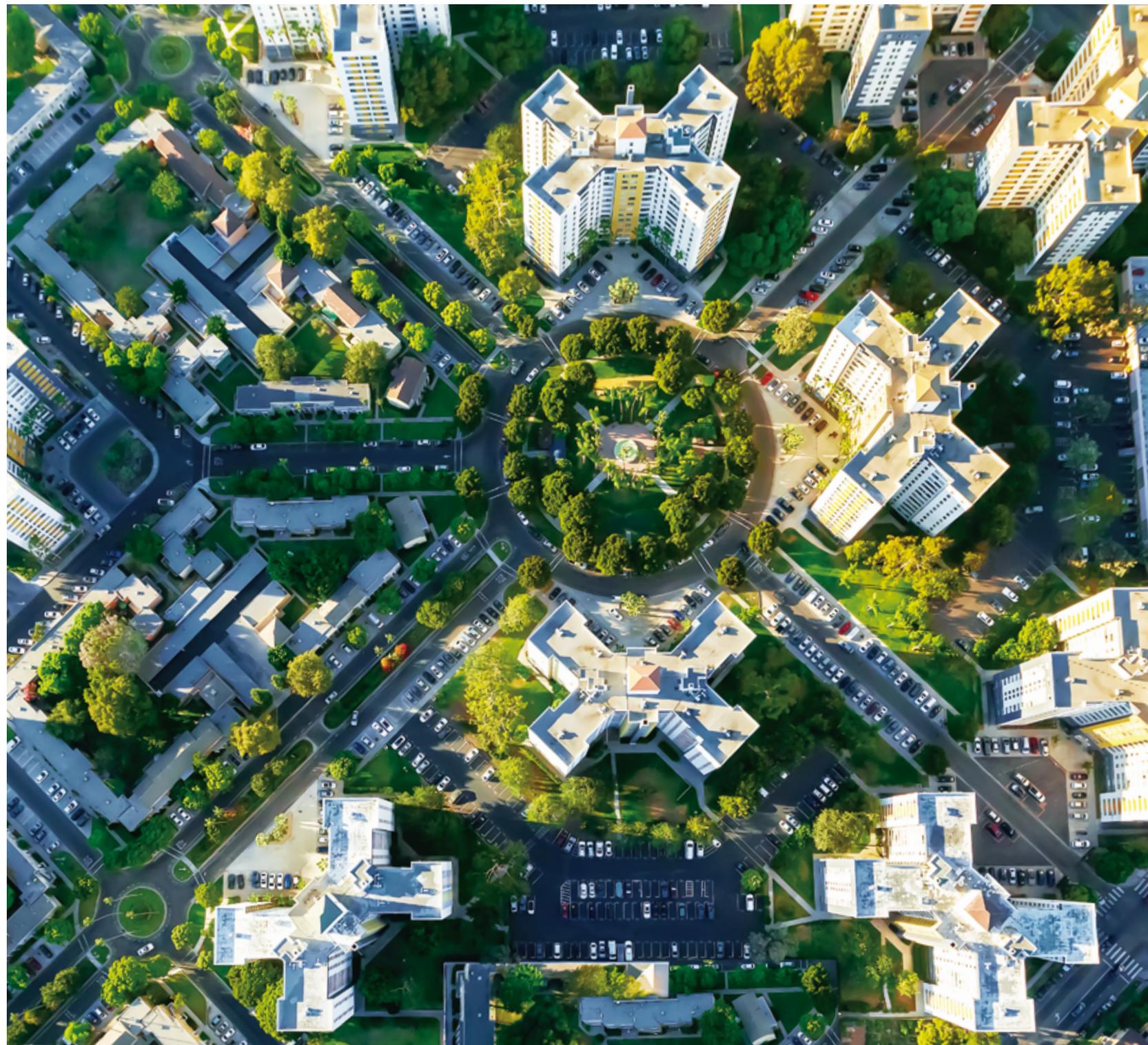




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Integrated report for web/mobile



Interactive User Guide

Mastern Investment Management's 2023 Integrated Report has been published in an interactive PDF format. This allows readers interested in specific topics to quickly navigate to the relevant pages and access the information.



Introduction

05 CEO Message

06 2023 Highlights

1

Our tasks are clear. We aspire to become a company trusted by both clients and society.

Client
First

Ethical
Governance in
Adherence to
Principles

Implementation
of Social
Responsibility



Our Company

Mastern Investment Management is a specialized alternative investment firm that delivers comprehensive financial solutions across real estate, infrastructure, hedge funds, private equity, credit, and publicly traded REITs. Our approach is tailored to address the evolving needs of our clients and communities in a rapidly changing financial landscape. Founded in 2009 as an asset management company focusing on REITs, Mastern became the first in the industry to go beyond REITs to offer a greater variety of investment opportunities through entering the development market. We have been consistent in showing our capabilities as managers of real estate development projects, proving ourselves through deals such as Donuimun D Tower and Doosan Tower. In addition, we boast an extensive network for deal sourcing that includes financial institutions, developers, construction firms, architectural firms, legal and accounting advisors, and other real estate-related service providers. This network enables rigorous risk management while consistently generating stable returns for our investors. Mastern Investment Management, leveraging its accumulated expertise and trust, has earned market recognition for its opportunistic, value-add, and perpetual strategies. Going forward, the company will continue to secure high-quality deals and further enhance its development and management expertise. We are also committed to fulfilling our social responsibility by placing ethics and transparency top priority and facilitating professional management system, systematic risk management, strict internal control, and advanced governance, thereby becoming a asset management company trusted by customers and society.

01

— 01
THE TWIN PEAKS(tentative name)

CEO Message

I extend my deepest gratitude to our employees who have dedicated themselves to the growth of Mastern Investment Management, and to our clients, investors, and stakeholders for their unwavering trust and support, despite tough conditions such as downturn in global economy, geopolitical issues, and rough back to normal life after COVID-19 pandemic.

Today, our society is facing an era of significant change. In response to the escalating environmental crisis caused by climate change, global society is uniting forces for climate change response efforts, and Korean government has also declared its commitment to combatting climate change to the world with the proclamation of carbon neutrality by 2050.

Mastern Investment Management is also aligning with these trends by prioritizing corporate social responsibility, including proactive responses to climate change and sustainable growth, as core values to contribute to creating a better world.

This report was published as an integrated report that encompasses both our management performances and ESG management achievements over the past year. True sustainability management is achieved when ESG strategies are integrated within the business value chain and social value is created through the essential business activities of the company.

Therefore, Mastern Investment Management has integrated key strategies and achievements in each ESG sector with its management activities.

In the environmental sector, aligned with the global trends, Mastern Investment Management has set a goal for carbon neutrality (net-zero) by 2050. To achieve this, the company has been carrying out various activities including renovating buildings to be more environmentally friendly and engaging in energy-saving measures and developing related technologies.

In the social sector, we have been continuing various activities to realize social values, including shared growth with partners, creating an environment that enhances the convenience of real asset users, and contributing to the development of local communities.

In the governance sector, we are securing the independence, expertise, and transparency of the Board of Directors to practice BOD-

centered management, while fulfilling legal and ethical responsibilities throughout all management activities. We are also systematically managing both financial and non-financial risks affecting our management activities to implement our responsibilities as an investment management company.

As a top-tier domestic alternative investment asset management company, Mastern Investment Management is committed to fulfilling its responsibilities and duties not only to bring happiness to our clients but also to take the lead in sharing positive financial impacts with society.

Once again, I would like to express my gratitude to all stakeholders for their continued trust and support in our company.

Thank you.

President & Chief Executive Officer

Hoon Namkoong



2023 Highlights

Key Investment Performances (summary)¹⁾

Cumulative AUM
(KRW in billions)

36,187.0

Cumulative Number of
Vehicles

204

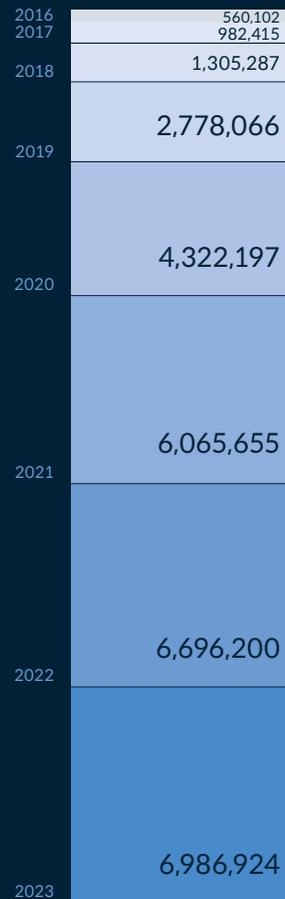
Cumulative Number of Assets²⁾

144

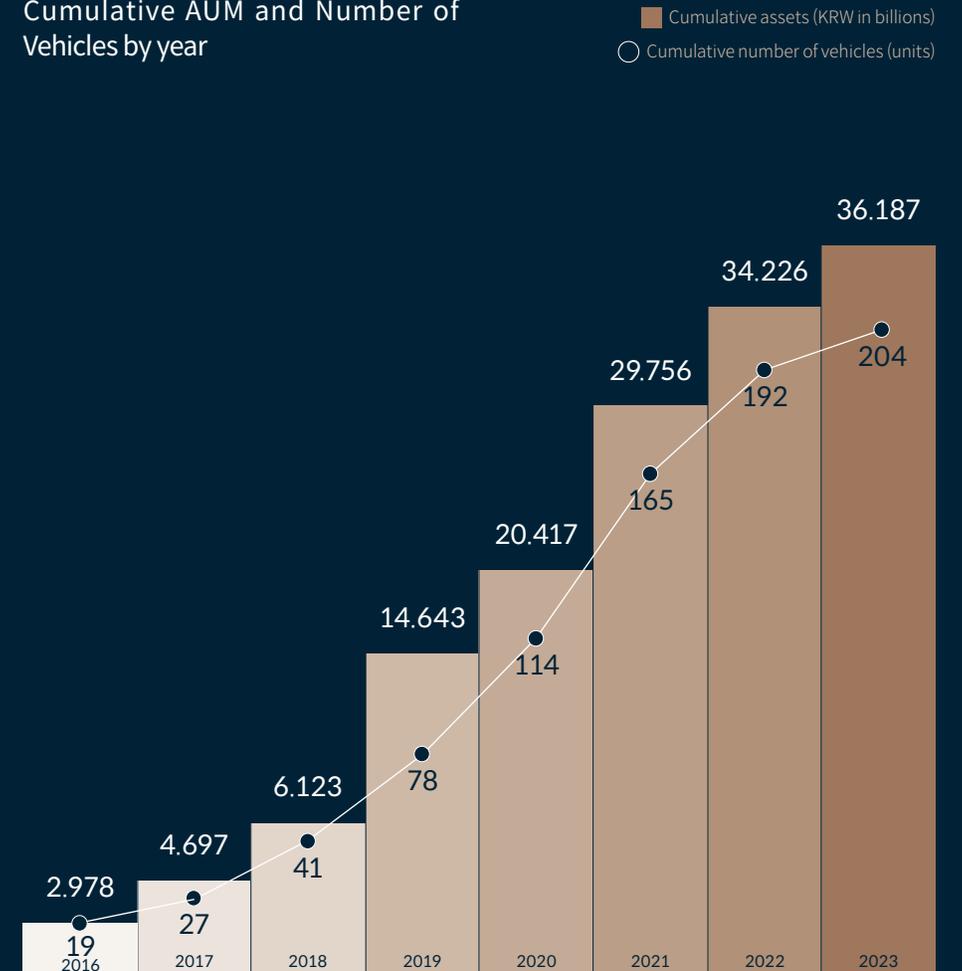
Cumulative
Gross Floor
Area (㎡)

6,986,924

Cumulative Floor Area
by Year (㎡)



Cumulative AUM and Number of
Vehicles by year

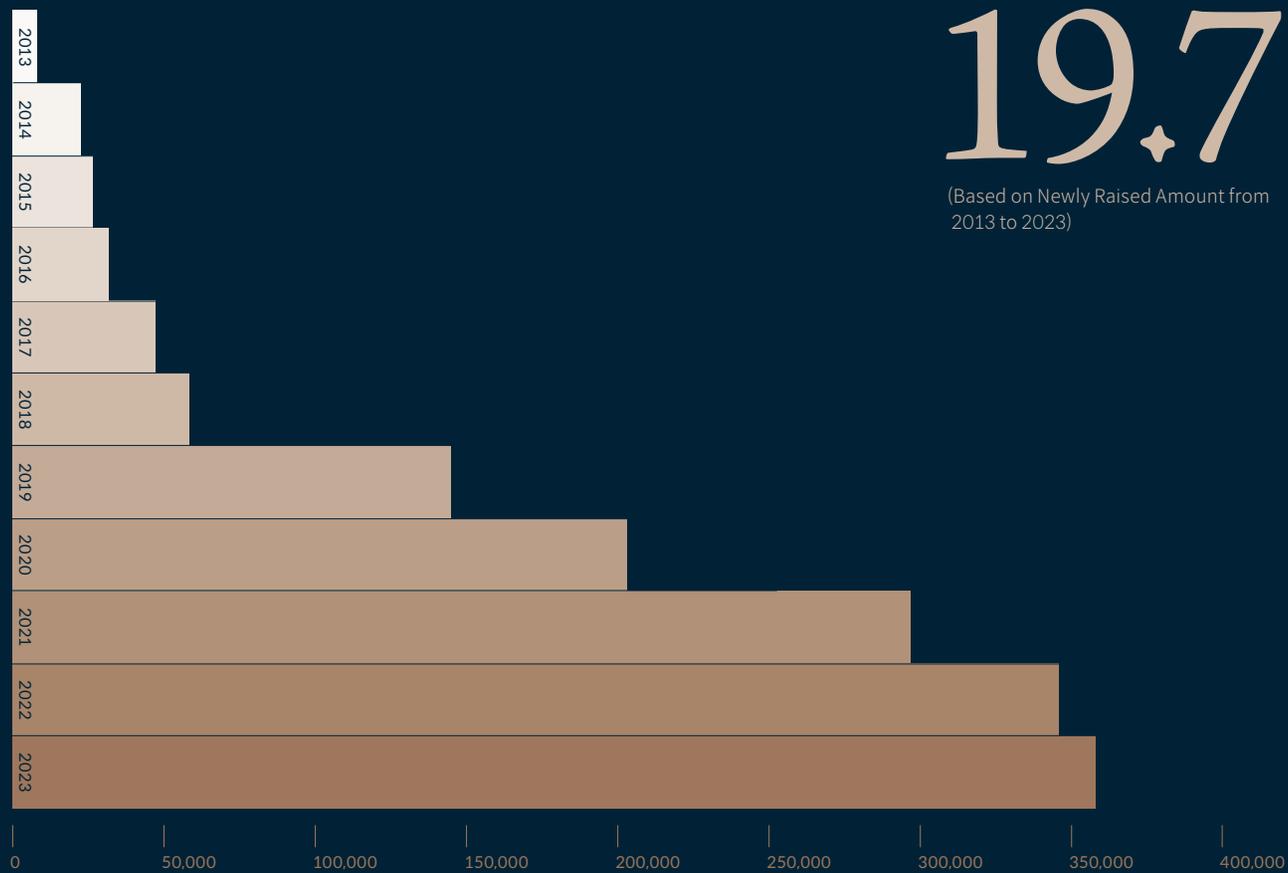


1) As of the end of December 2023

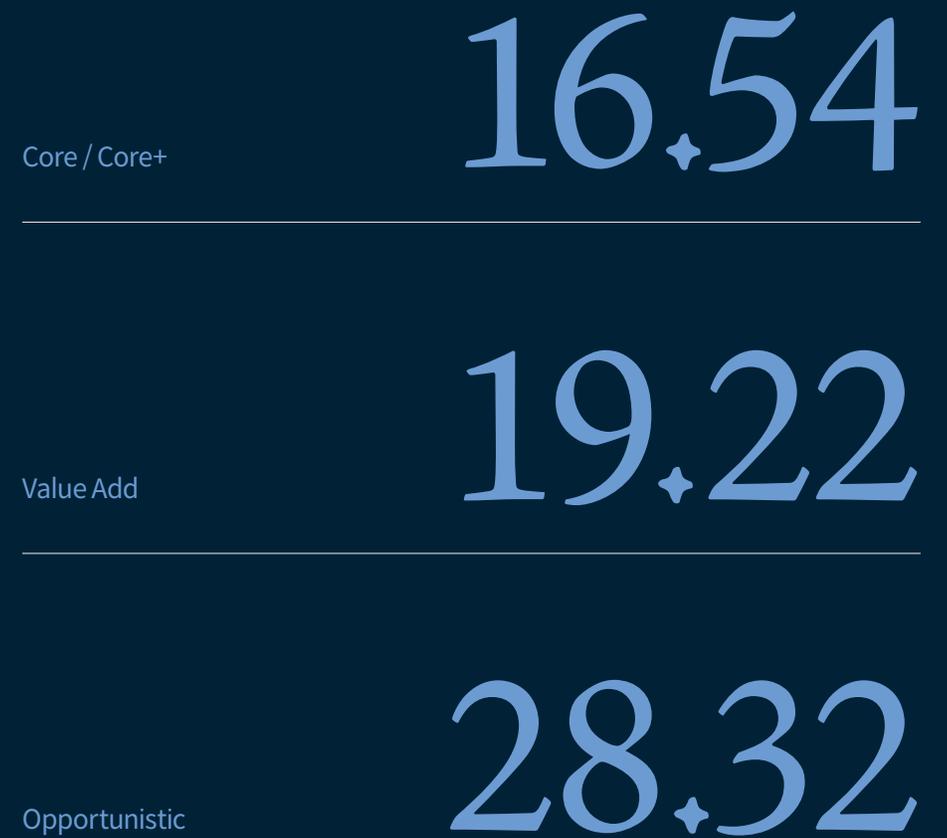
2) Based on individual project and real estate

Key Investment Performances (summary)

Annual Growth Rate in AUM (%)



Realized IRR by Investment Strategy (IRR, %)



Sustainable Management

2021

Jun. Established the ESG Committee and ESG policy

Issued ESG bonds worth KRW 20 billion for investment in green and social projects



2023

Mar. Introduced an eco-friendly lease agreement

Apr. Appointed the first female Independent director

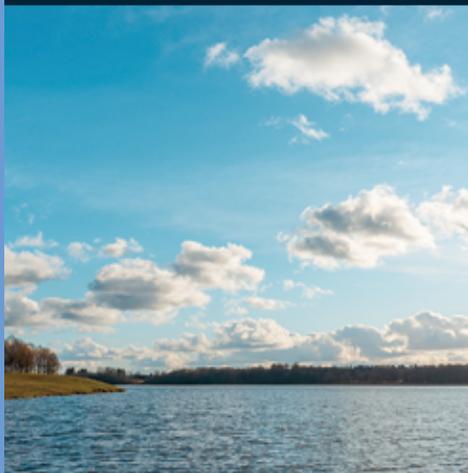
May Joined the TCFD Supporters

Jul. Introduced the GHG management system for management assets (Net Zero Tracker)

May Obtained certifications on safety & health and environmental management systems

Oct. Achieved GRESB 5 Star certification (D Tower Donuimun)

Dec. Achieved GRESB, LEED, and WELL HSR certifications (11 assets in Korea)



May Declared a goal to achieve net-zero by 2050

Established ESG investment guidelines

Jun. Joined the UN Global Compact



Jul. Launched the ESG LAB, a task force under the ESG Committee

Dec. Published the first ESG Report

Set ESG goals aligned with the UN SDGs

2022

Sustainable Performance

ESG Performances



Five Star

Scored 93 points in the 2023 GRESB assessment (D-Tower Donuimun)

Head office and some AUM obtained the certification



ISO 14001/ ISO 45001

Appointed a

female independent director

Conducted programs for DEI¹⁾ improvement

Women's Day / Day of Persons with Disabilities

Number of global eco-friendly certifications obtained²⁾



28

Introduced GHG management system for assets under management

Net Zero Tracker



27



Number of assets participated in ESG campaign

Preqin ESG Transparency KPI(%)³⁾



62

1) Diversity, Equity and Inclusion

2) Including GRESB, LEED, WELL-HSR, Eco Jardin Label, BREEAM, HQE, DGNB

3) As of August 2023

ESG Assessment Results and Certification Status

Number of domestic assets

11

Number of overseas assets

11

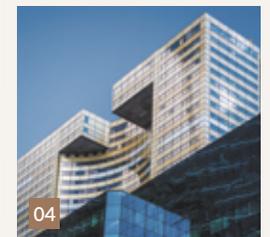


ESG Certification	Grade	Number of Assets Obtained	Asset Name
GRESB (Global Real Estate Sustainability Benchmark)	5 Star	1	· D-Tower Donuimun
LEED (Leadership in Energy and Environmental Design)	Platinum	1	· D-Tower Donuimun
	Gold	3	· Bundang M Tower · Musinsa Campus N1 · Concordian Building
	Certification	1	· Logisco Siheung Logistics Center
Well-HSR (Health-Safety Rating)	Certification	8	· D-Tower Donuimun · Logisco Siheung Logistics Center · Yongin Baekam Logistics Center · Wonjin Baekam Logistics Center · Wonsam Hanmi Logistics Center · Anseong Coupang Fresh Logistics Center · Incheon Dohwa Logistics Center · Yongin Plaza Logis
Eco Jardin Label	Certification	1	· Crystal Park Office (Paris, France)

01 D-Tower Donuimun 02 Musinsa Campus N1 03 Concordian Building 04 Yongin Baekam Logistics Center

ESG Assessment Results and Certification Status

ESG Certification	Grade	Number of Assets Obtained	Asset Name
BREEAM (Building Research Establishment Environmental Assessment Method)	Excellent	3	<ul style="list-style-type: none"> • CEDET Building (Warsaw, Poland) • LIXA Building (Warsaw, Poland) • Crystal Park Office (Paris, France)
	Very Good	6	<ul style="list-style-type: none"> • EQHO Building (Paris, France) • Kemper Logistics Center (Brittany, France) • Belfort Logistics Center (Bourgogne-Franche-Comté, France) • Pau Logistics Center (Nouvelle-Aquitaine, France) • Saint-Quentin Logistics Center (Hauts-de-France, France) • Calais Logistics Center (Hauts-de-France, France)
	Good	1	<ul style="list-style-type: none"> • Toulouse Logistics Center (Occitanie, France)
HQE (Haute Qualité Environnementale)	Very Good	2	<ul style="list-style-type: none"> • Crystal Park Office (Paris, France) • EQHO Building (Paris, France)
DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen)	Platinum	1	<ul style="list-style-type: none"> • Berlin Amazon Logistics Center (Berlin, Germany)



___01
Crystal Park Office (Paris, France)

___02
LIXA Building (Warsaw, Poland)

___03
Belfort Logistics Center (Bourgogne-Franche-Comté, France)

___04
EQHO Building (Paris, France)

Company Overview

- 13 Company Profile
- 25 Business Overview

2

Mastern Investment Management became the first to venture into the development market well ahead of other firms that remained hesitant. Furthermore, it was the first in the industry to manage REITs and funds simultaneously to create greater investment opportunities and the one to respond to market changes one step ahead with an organization dedicated to blind funds. These efforts have made it possible for us to always stay one step ahead of market changes.

We have also played a role as a game-changer in the real estate and alternative investment sectors for the last 14 years. Based on our unique DNA that does not fear challenges, we will continue to innovate and expand beyond the Korean market and emerge as a global top 10 alternative investment manager.



Company Profile

Change is inevitable, so there is no definitive answer to the question of investment. This means endless possibilities. Mastern Investment Management takes advantage of these possibilities with our exceptional team of industry experts who are always exploring new markets to expand our products and services.

Major Businesses



01 General equity fund management services as a collective investment business operator in accordance with the Financial Investment Services and Capital Markets Act

- Real estate (including development) and beneficiary certificates related to real estate rights, etc.
- Monetary claims from creditor financial institutions secured by real estate
- Shares of real estate investment companies (REITs) and ship investment companies, etc.
- Equity and debt securities related to infrastructure projects
- Equity securities of holding companies that own overseas real estate assets
- Loans issued with foreign real estate assets as collateral

02 Activities permitted by the Real Estate Investment Company Act and other laws, or activities approved by the Ministry of Land, Infrastructure, and Transport

- PFV asset management (Article 104-31, Restriction of Special Taxation Act)
- Acquisition, management, and sale of real estate entrusted by other legal entities
- Advisory services on the acquisition, management, liquidation, and development of real estate

03 Activities of a REIT asset management company entrusted with the investment and management of assets of a real estate investment company under the Real Estate Investment Company Act

- Acquisition, management, improvement, and removal of real estate, and development and leasing of real estate
- Acquisition, management and sale of rights of the use of real estate, such as the right of land use
- Acquisition, management, and sale of real estate trust beneficiary rights

Milestones

For Mastern Investment Management, the past decade has marked a transformative period of proactive leadership and accomplishments. Amidst unpredictable domestic and international investment landscapes, Mastern Investment Management will enhance its unique competitive edge and explore new areas, making a leap as a leading global GP (General Partner) in the investment market both domestically and internationally.

2009~2019

Feb. 2009

- Mastern Asset Management Co., Ltd. (REIT AMC) with a capital of KRW 7.05 billion

Dec. 2010

- Changed company name to Mastern Investment Management Co., Ltd.
- Shareholders, upper management, and asset management specialists replaced (approved by Ministry of Land, Infrastructure, and Transport)

Jun. 2011

- Launched Mastern 1 REIT

Mar. 2015

- Established Development and Investment Division 1

Sep. 2017

- Registered as a professional private equity collective investment business
- Established Investment and Development Division 2, Alternative Investment Group, and Overseas Investment Group

Aug. 2019

- Registered as an investment advisory and discretionary investment business
- Registered as a management participating private equity fund (PEF) business and general partner (GP)
- Established Funding and Finance Division

2020~2023

Mar. 2021

- Established Mastern America, a local subsidiary in the U.S.

Jun. 2021

- Established the ESG Committee and ESG policy

Oct. 2021

- Authorized as a collective investment business for real estate funds targeting general investors

May 2022

- Listed Mastern Premier REITs
- Established Mastern APAC
- Set up ESG investment guidelines

Jun. 2022

- Joined the UN Global Compact

Dec. 2022

- Published ESG Report

May 2023

- Established Mastern Europe
- Obtained ISO 45001 and ISO 14001 certifications

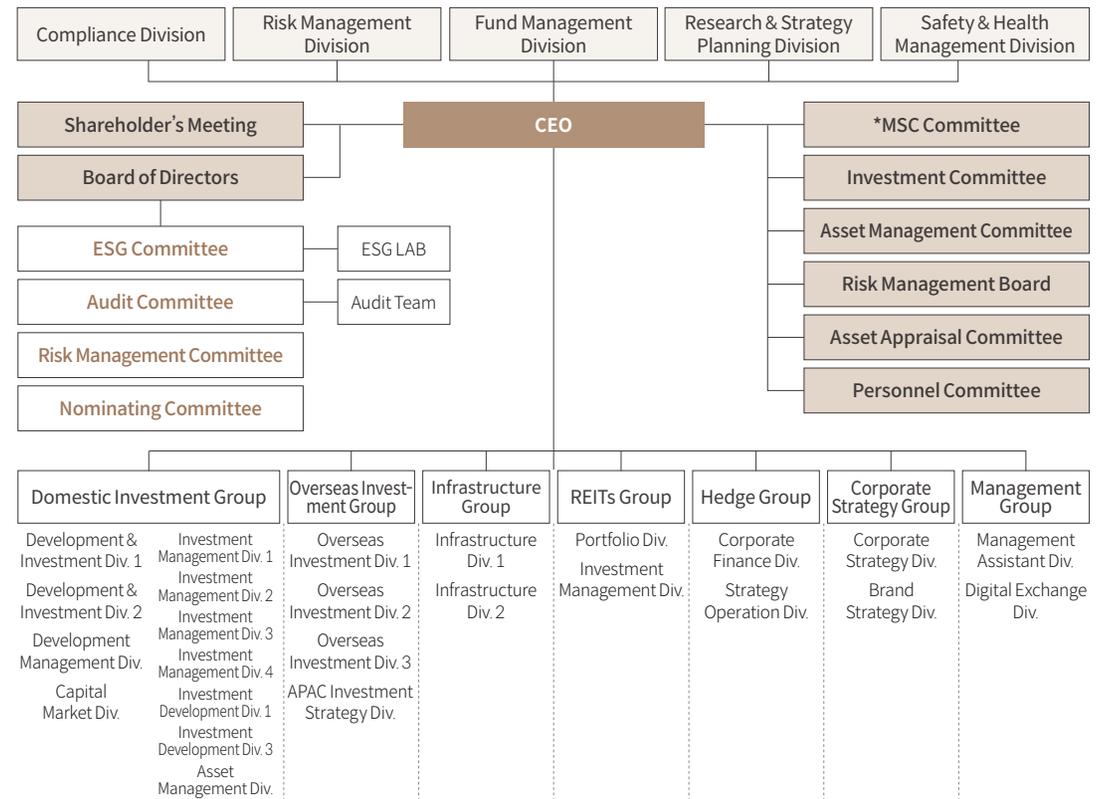
Oct. 2023

- Obtained GRESB 5 Star and LEED Platinum certifications (D Tower Donuimun)



Organization

* MSC (Mastern Super exCelle): Mastern Investment Management's supreme consultative body



Investment Performance

Cumulative AUM (KRW in billions)

36,187.0

Cumulative AUM by Vehicle Types (KRW in billions)

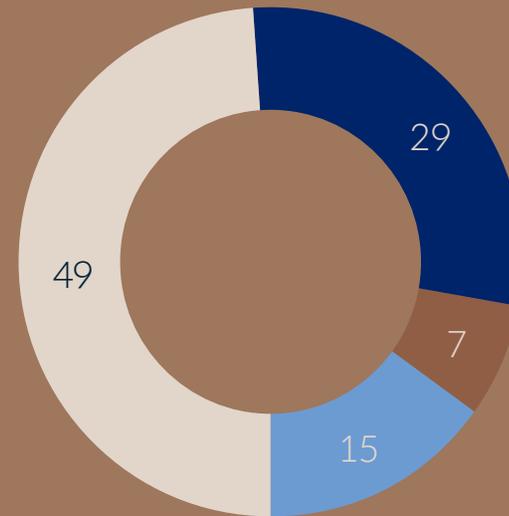
REF 19,510.3

PFV 14,413.6

REITs 2,263.1

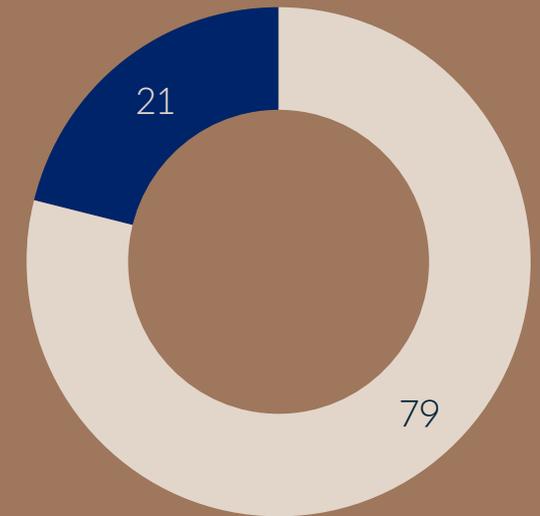
Investment Strategy (%)

- Opportunistic
- Core
- Core+
- Value Add



Investment Region (%)

- Domestic
- Overseas



Investment Sector Allocation (based on asset volume, %)



* As of December 31, 2023

Major Business Strategy

Key Tasks in 2024



Enhancement of blind pooled fund management system

In line with recent trends in the global commercial real estate market, leading global asset management companies have been operating numerous blind funds based on their goals and strategies. In response, Mastern Investment Management has also been pioneering the introduction of a blind funds management system at the level of advanced global asset management companies in the domestic commercial real estate market, successfully conducting related business.



Proactive response to environmental changes in the development projects and enhancement of competitiveness

We will further strengthen our competitiveness in the development projects through proactive responses to the rapidly changing domestic development market environment and thorough risk management. With the aim of emerging as a global asset management company, we are endeavoring to enhance capabilities in development projects, including real asset investment, and asset management as well as to establish a global-level operating system.



Cultivation of new businesses and expansion of global partnership

To enhance global competitiveness, Mastern Investment Management is working to cultivate various new businesses that align with global real estate business trends and to expand global partnerships.



Establishment of a global-level organizational culture based on our unique DNA

Mastern Investment Management is striving to establish an organizational culture that satisfies both employees and investors, based on its unique DNA and growth drivers, to leap forward as a global asset management company.

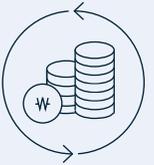


Fostering continuous investor collaboration and providing systematic information

Mastern Investment Management considers cooperation and consensus with investors as its top priority. To deliver the best performance to investors, we systematically share information and benefits with investors through expert reports and seminars.



Business Process



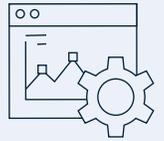
Investment Process

1 Target analysis	2 Due diligence	3 Investment committee approval	4 Asset acquisition
<ul style="list-style-type: none"> • Sourcing of investment targets • Feasibility analysis • Negotiation of key transaction terms and conditions • Transaction MOU execution <p>feasibility analysis based on existing investment management data and know-how</p>	<ul style="list-style-type: none"> • Detailed due diligence • Development of investment and funding structures <p>Detailed due diligence by external professional institutions in various fields such as design, construction, CM, legal, finance, and appraisal</p>	<ul style="list-style-type: none"> • Investment review by the Investment Committee <p>Investment decision by the committee comprised of responsible decision-makers, based on the results of due diligence and the final terms of transaction</p>	<ul style="list-style-type: none"> • Fund establishment • Sales and Purchase Agreement execution <p>Negotiation with the seller considering risk management factors and closing of sales contract</p>



Risk Management Process

Mastern Investment Management's risk management process consists of the 'Investment Risk Management Process' at the investment decision-making stage and the 'Operational Risk Management Process' after the investment is made.



1 Fund establishment	2 Fund management	3 Fund liquidation
Analyzing potential risks before making an investment <ul style="list-style-type: none"> Identifying potential risk factors in an investment proposal Formulation of risk mitigation strategies based on preliminary risk analysis Reporting the analysis outcomes to the Investment Committee and reflect them in final investment decisions 	Managing post-investment risks <ul style="list-style-type: none"> Setting key risk indicators on investments Monitoring risk indicators regularly by each investment Preparing countermeasures with related divisions when a risk arises Reporting major risk factors to the Risk Management Committee to make decisions on countermeasures 	Analyzing investment performances <ul style="list-style-type: none"> Analyzing factors related to investment performances Analyzing issues arisen in investment process and countermeasures and building database Improving risk management system and indicators based on previous investment cases and results

Investment Risk Management Process



Operation Risk Management Process





ESG Risk Management

ESG risk refers to environmental, social, and governance issues that can negatively impact the value of investment assets. In response to increasing impact of ESG risks on corporate and asset values, Mastern Investment Management is effectively identifying, measuring, managing, and reporting ESG risks based on its company-wide risk management system.

Key Risks in ESG Categories

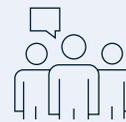
Environmental

Increasing damage due to climate risks, and regulations or legal liabilities concerning biodiversity and pollutants



Social

Decreased productivity due to employee dissatisfaction, health issues among employees due to the work environment, safety incident risks, litigation risks from human rights violations, interrupted operation from worker strikes, and impact on business due to issues with stakeholders



Governance

Corruption risk such as bribery, accounting transparency issue, inadequate fiduciary duties, and increased internal instability in companies due to conflicts among shareholders



Stakeholders

Stakeholder Communication



Mastern Investment Management defines its stakeholder groups that directly or indirectly influence and are influenced in business activities as investors, partners, tenants, employees, and local communities. We operate communication channels specific to each stakeholder group to respond to their diverse needs and collaborate for mutual growth.

Stakeholder	Definition	Communication Method	Communication Channel
Investors	Institutional and individual investors who have invested in our financial products such as private equity funds, development projects, and blind funds	<ul style="list-style-type: none"> Regular ESG performance reporting 	<ul style="list-style-type: none"> Shareholders' meeting and investor conference Business disclosure: business report, IR brochure, etc.
Partners	Firms engaging in development, engineering, construction, construction management, asset management, and facility management	<ul style="list-style-type: none"> Communication based on horizontal relationships for shared growth and win-win cooperation, and fair trade based on business ethics 	<ul style="list-style-type: none"> Surveys within the supply chain and monitoring
Tenants	Tenants of assets managed by Mastern Investment Management	<ul style="list-style-type: none"> Provision of spaces that consider the health, safety, and comfort of tenants Improvement of convenience in all aspects of living, working, and playing Creating eco-friendly spaces and managing facilities that consider the physical and emotional health of asset users 	<ul style="list-style-type: none"> Monitoring and communication programs for tenants' living environments: Real-time building greenhouse gas management platform, green lease, etc.
Employees	Employees who have a contractual relationship with Mastern Investment Management	<ul style="list-style-type: none"> Policies that value talented people Support for innovation and creativity through a horizontal corporate culture 	<ul style="list-style-type: none"> Regular survey on employee satisfaction A reporting system for directly conveying opinions to the CEO Employee communication programs: Internal bulletin board and club activities
Local communities	Residents and communities in the areas where assets managed by Mastern Investment Management are located	<ul style="list-style-type: none"> Support for local communities and solution of local issues through business activities Establishment of amicable relationships through social contribution activities 	<ul style="list-style-type: none"> Employees' volunteering activities and donations Education programs Press release, discussion meetings, councils, briefings, suggestions on investment and market trends



Affiliated Company

Mastern Partners



Mastern Partners is a private equity fund operator specializing in mid-market buyouts and growth capital investments, primarily for institutional clients. The Company demonstrates professionals with expertise in corporate investment and real asset investment at home and abroad. Mastern Partners focuses on selective investments in high-growth companies through partnerships with strategic investors, aiming to achieve more effective exit strategies and superior risk-adjusted returns.

Milestones

- 2020 2Q. Registered as a general partner (GP) for management participation-type private equity funds
- 2020 4Q. SIG Logistics Partners PEF: KRW 6.5 billion / Daehwa Logistics Co., Ltd.
- 2021 3Q. Mastern Life Partners PEF: KRW 55.0 billion / Preed Life Co., Ltd.
- 2021 3Q. Mastern Paju Partners PEF: KRW 12.2 billion / PMC & Company Inc.



Key Investment Strategies

- 1 Mid-Market Buyouts & Growth Investment**
 Buyout and growth capital investments targeting mid-sized companies with high growth potential or the ability to generate stable cash flows
- 2 Partnership with Strategic Investors**
 Pursuing effective enhancement of corporate value and smooth exit strategies through co-investment with strategic investors
- 3 Scalable Expansion**
 Raising sizable funds and actively expanding AUM through collaboration with co-general partners
- 4 Mastern Synergy Creation**
 Securing resources and creating added value through collaboration with Mastern affiliates when investing in or managing real assets of portfolio companies

Mastern Capital



Mastern Capital, as a specialized credit finance company, primarily offers installment and lease financing, along with major financial products and services such as corporate loans and secured loans for business owners. Mastern Capital is committed to leading financial innovation and providing specialized financial services to grow alongside its customers.



Major Businesses

1

Corporate loans

Offering loans to companies for business and facility operation based on real estate, credit, or stocks as collateral

2

Secured business loans

Providing loans to private businesses for business and facility operation based on real estate as collateral

3

Meat secured loans

Offering loans for business operation based on imported meat as collateral

4

Equipment lease

Financial service where capital companies purchase machinery and facilities and lease them for a contracted period

Milestones

- 2021 Dec. Mastern Investment Management, NH Investment & Securities and others agreed to form a capital company through a joint venture
- 2022 Oct. Approved as a specialized credit finance business by Financial Supervisory Service and started business
- 2022 Dec. Achieved KRW 12.5 billion in revenue
- 2023 Jun. Increased KRW 5 billion in paid-in capital (total KRW 25.0 billion)
- 2023 Dec. Achieved KRW 61.1 billion in revenue (KRW 43.0 billion in business assets)



Mastern America



Mastern America, located in Manhattan, New York, is enhancing its potential for quality deal sourcing through rapid and efficient local due diligence capabilities, expansion of local networks, and continuous asset management and development skills. Mastern America is building partnerships with Asian companies looking to enter the U.S. market, high-net-worth individuals from Asia, local operators, and various regional government agencies. Mastern America provides tailored investment solutions that meet investor needs by leveraging our deep understanding of U.S. market dynamics, extensive experience, and strong networks, offering strategic vision, investment, and development strategies to ensure successful and informed business decisions in the U.S. real estate market.



Key Investment Status

Telecommunication Tower Portfolio

ATC Europe

Sector: Infrastructure – Telecommunication tower
 Location: Germany, France, Spain, Poland
 Asset value: EUR 8.80 billion



New York Office Redevelopment Project

Madison Avenue Office

Sector: Office
 Location: Madison Avenue, New York
 Asset value: USD 2.23 billion



New York Multifamily Mezzanine Loan

Yorkshire & Lexington

Sector: Multifamily
 Location: Manhattan, New York
 Asset value: USD 80 million



Industrial Complex Development Project in Texas, USA

Texas Industrial Development Project

Sector: Industrial facility
 Location: Taylor, Texas
 Asset value: USD 500 million



US Logistics Center Joint Venture

CalSTRS JV

Sector: Logistics Location: Across United States Asset value: USD 510 million



Mastern APAC



Mastern APAC was established in Singapore in 2022 as a strategic base for entering the Asia-Pacific market. The company focuses on developing and attracting investment targets in domestic sectors with growth potential that meet the needs of global investors. Through continuous networking and partnerships, it is laying the groundwork necessary for expanding investments in the Asia-Pacific region. Furthermore, by securing independent asset management capabilities, Mastern APAC is setting the stage for Mastern Investment Management to leap forward as a global asset management company.



Mastern Europe



Established in 2023, Mastern Europe aims to develop a real estate and infrastructure investment and management platform focused on the UK and European markets, in collaboration with leading strategic financial partners. Leveraging long-standing relationships with global investment institutions located in key cities worldwide, Mastern Europe plans to raise investment funds globally and establish investment platforms in the U.S. and Europe. Additionally, Mastern Europe is providing advisory services related to investments and management in the renewable energy and energy transition sectors to major institutions in the infrastructure field. Utilizing its longstanding relationships with leading strategic, industrial, and financial partners, Mastern Europe aims to develop investment platforms that yield long-term profitability.

Business Overview

Introduction to Assets under Management

Mastern Investment Management seeks to provide stable returns to investors by effectively managing domestic and overseas assets.

Domestic Investment Group

Realized return (%)

20.64

Average occupancy rate (%)

90.30

Cumulative number of vehicles (units)

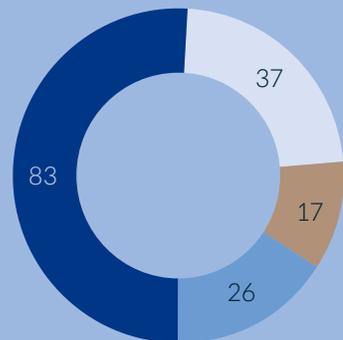
163

Cumulative AUM (KRW in billions)

28,697.3

Cumulative Number of Vehicles by Investment Strategy (KRW in billions / units)

Opportunistic	16.716 / 83
Core	6.172 / 37
Core+	1.319 / 17
Value Add	4.489 / 26



Cumulative Investment Assets by Region (units)

Seoul

Gangnam Business District (GBD), Yeouido Business District (YBD), Central Business District (CBD), Seongsu Business District, etc.

Gyeonggi

Pangyo Business District (PBD), Gimpo, Siheung, Yongin, Yeosu

Incheon

Gangwon

Chungcheong

Daejeon

Daegu

Gwangju

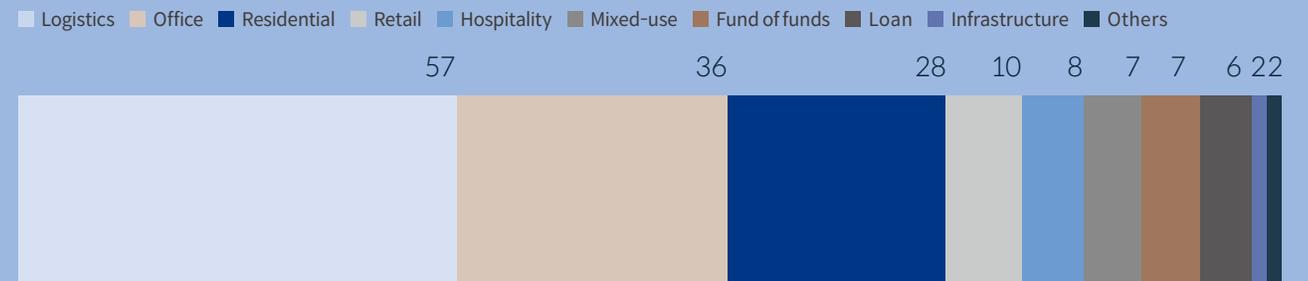
Gyeongsang

Busan

Jeju



Cumulative Number of Vehicles (units)



* As of December 31, 2023

Introduction to Major Domestic Assets

Major Real Assets



01

___ 01 Doosan Tower
 Mastern Private Real Estate Investment Trust No. 98

Location
 Jung-gu, Seoul

Sector
 Mixed-use

GFA (Gross Floor Area)
 122,587m²



02

___ 02 Yongin Baekam Logistics Center
 Mastern Private Real Estate Investment Company No. 70

Location
 Yongin-si, Gyeonggi-do

Sector
 Logistics

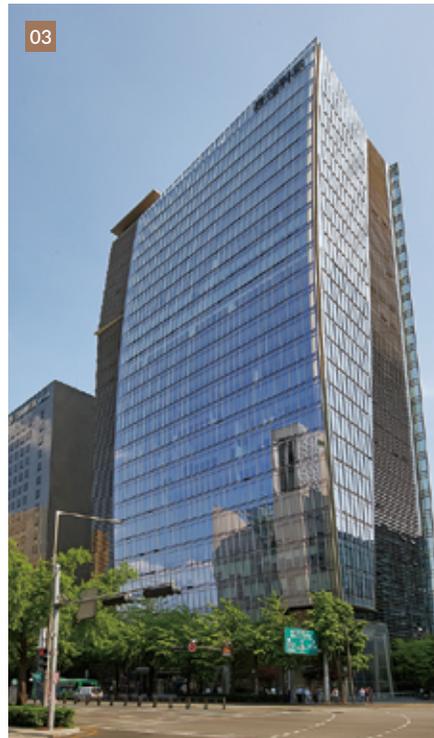
GFA (Gross Floor Area)
 99,089m²

___ 03 Concordian Building
 Mastern Private Real Estate Investment Trust No. 178

Location
 Jongno-gu, Seoul

Sector
 Office

GFA (Gross Floor Area)
 60,695.5m²



03

___ 04 D Tower Donuimun
 Mastern Private Real Estate Investment Trust No. 79

Location
 Jongno-gu, Seoul

Sector
 Office

GFA (Gross Floor Area)
 86,224m²



04

___ 05 L7 Hotels Gangnam Tower
 Mastern Private Real Estate Investment Trust No. 29

Location
 Gangnam-gu, Seoul

Sector
 Mixed-use

GFA (Gross Floor Area)
 33,584m²



05

Major Development Projects

___ 01 The Twin Peaks (tentative name) development project

Mastern No. 116 Gangnam Premier PFV Co., Ltd.

Location
Gangnam-gu, Seoul

Sector
Mixed-use

GFA (Gross Floor Area)
158,561m²



___ 02 Luca 831 Officetel Development Project

Mastern No. 116 Gangnam PFV Co., Ltd.

Location
Gangnam-gu, Seoul

Sector
Residential

GFA (Gross Floor Area)
47,731m²

___ 03 Centre Point Gangnam Development Project

Mastern No. 99 PFV Co., Ltd.

Location
Gangnam-gu, Seoul

Sector
Office

GFA (Gross Floor Area)
27,025m²



___ 04 Youth Housing in Yeomni-dong, Mapo-gu

Mastern REIT 146 Co., Ltd.

Location
Mapo-gu, Seoul

Sector
Residential

GFA (Gross Floor Area)
38,444m²

___ 05 Logisco Siheung Logistics Center

Mastern Private Real Estate Investment Trust No. 30

Location
Siheung-si, Gyeonggi-do

Sector
Logistics

GFA (Gross Floor Area)
158,629m²

Overseas Investment Group

Realized Return (IRR, %)

11.22

Average occupancy rate (%)

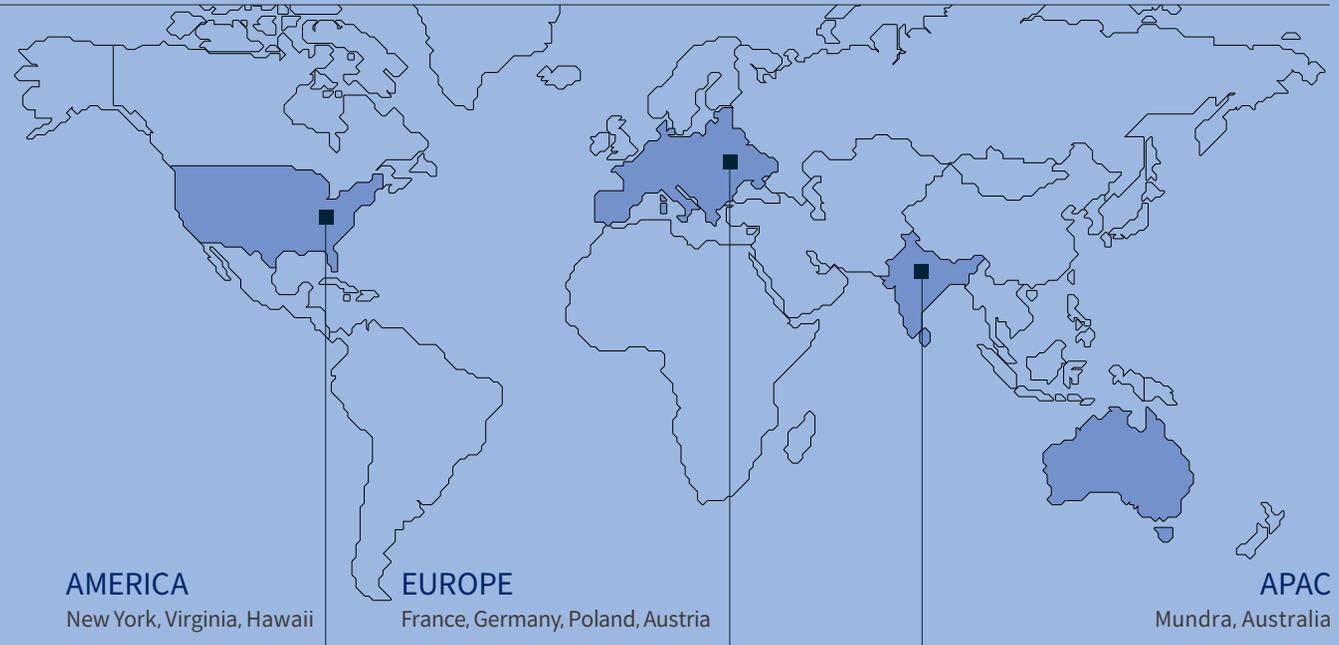
98.31

Cumulative number of vehicles (units)

41

Cumulative AUM (KRW in billions)

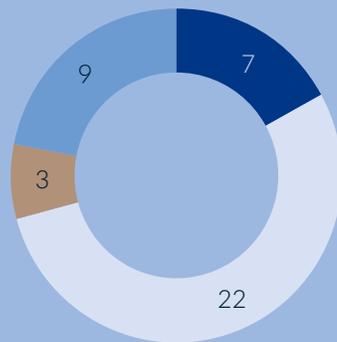
7,489.8



Cumulative Vehicles by Investment Strategy

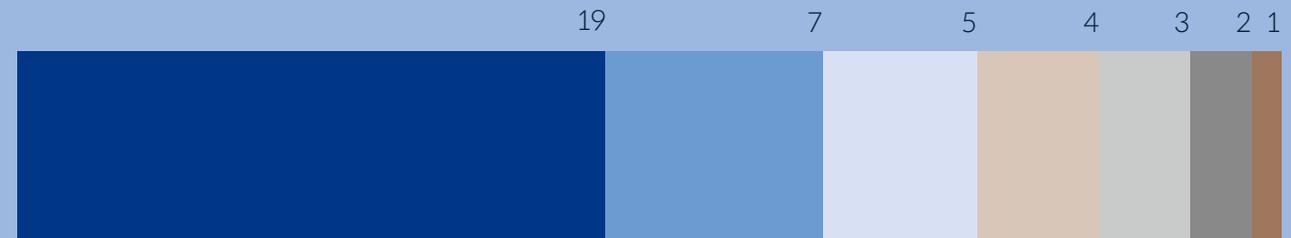
(KRW in billions / units)

Opportunistic	1.181 / 7
Core	4.190 / 22
Core+	1.159 / 3
Value Add	0.961 / 9



Cumulative Number of Vehicles (units)

Fund of funds Office Logistics Infrastructure Others Hospitality Residential



* As of December 31, 2023

Introduction to Major Overseas Assets

Office & Residential Projects

___ 01 One Madison Avenue Redevelopment Project JV Equity Investment

Mastern America Private Real Estate Investment Trust No. 42

Location
Manhattan, New York

Sector
Office

GFA (Gross Floor Area)
128,077m²



___ 02 **Crystal Park**
Mastern Europe Private Real Estate Investment Trust No. 9

Location
Paris, France

Sector
Office

GFA (Gross Floor Area)
44,944m²

___ 03 **CEDET Building**
Mastern Europe Private Real Estate Investment Trust No. 2

Location
Warsaw, Poland

Sector
Office

GFA (Gross Floor Area)
23,779m²



___ 04 **Vienna Hilton Hotel**
Mastern Europe Private Real Estate Investment Trust No. 5

Location
Vienna, Austria

Sector
Hospitality

GFA (Gross Floor Area)
53,301m²



___ 05 **City-West Office**
Mastern Europe Private Real Estate Investment Trust No. 55

Location
Berlin, Germany

Sector
Office

GFA (Gross Floor Area)
47,368m²

Industrial Projects



01

01 Last Mile Logistics Center Portfolio (6)

Mastern Europe Private Real Estate Investment Trust No. 30

Location
Across France

Sector
Logistics

GFA (Gross Floor Area)
54,951m²



02

02 Berlin Amazon Logistics Center

Mastern Europe Private Real Estate Investment Trust No. 7

Location
Berlin, Germany

Sector
Logistics

GFA (Gross Floor Area)
34,420m²

03 Quimper Logistics Center

Mastern Europe Private Real Estate Investment Trust No. 44

Location
Bretagne, France

Sector
Logistics

GFA (Gross Floor Area)
9,315m²



03

04 JV Equity Investment in Virginia Data Center Development Project

Mastern US Private Real Estate Investment Trust No. 52

Location
Virginia, USA

Sector
Data Center

GFA (Gross Floor Area)
418,820m²



04

REITs

Mastern PREMIER

Leveraging its expertise in domestic and international real estate management, Mastern Investment Management listed Mastern Premier REITs in May 2022. It is comprised of overseas office buildings and domestic and overseas logistics centers, and aims to invest in various sectors to become a listed REITs representing Korea.



01

01
Crystal Park

01

Crystal Park

Crystal Park is an office property located in the western part of Paris CBD (Central Business District), boasting an optimal location with easy access via Metro Line 3. The building is fully leased by leading global companies such as PwC, IFF, and Estee Lauder. It includes a park area of around 19,800 square meters and has achieved various eco-friendly certifications (Excellent rating in BREEAM, Very Good rating in HQE, EcoJardin), making it a representative green asset in Paris from an ESG perspective.

Eco-friendly certifications

BREEAM **Excellent** rating



02

02
Terrace at Crystal Park

02

Incheon Hangdong Smart Logistics Center

Incheon Hangdong Smart Logistics Center is located at Seohae Intersection in Hangdong, Incheon, offering easy highway access via the nearby Neunghae IC, and is within 30 minutes of Incheon Port and Incheon International Airport. A global e-commerce platform operator Coupang has been using the entire logistics center since its completion in April 2021, under a five-year lease agreement. A large-scale investment in its facilities are underway, ensuring stable operations for up to 15 years if the option to extend the lease for an additional 10 years is exercised. Incheon Hangdong Smart Logistics Center is equipped with the latest cold storage facilities and systems to enable sustainable deliveries. These features allow for direct purchasing and delivery, simplifying the distribution process to a significant extent. Moreover, the highly efficient warehousing system minimizes carbon emissions during the packaging and transportation of products.

Establishment of a sustainable delivery system

Minimize carbon emissions



01 Incheon Hangdong Smart Logistics Center



02 Amazon Logistics Centers in Caen, France

03

Amazon Logistics Center in France

Amazon Logistics Centers in France, strategically chosen by a global e-commerce platform company Amazon, are located in Caen in the northwest and Perpignan in the south. Both facilities are located near highways and national roads, facilitating quick delivery to consumers in nearby major cities. Since their completion in April 2022, Amazon has been utilizing the entire facilities under a 12-year lease agreement. Additionally, the solar power generation facilities on the rooftops enable the use of green electricity, enhancing asset value and contributing to ESG performance by reducing greenhouse gas emissions.

Green power generation

Solar panels on the rooftops

Infrastructure

Our Infrastructure Group has a team with expertise in development, management, project finance, and structured finance for domestic and international infrastructure. Mastern Investment Management has amassed extensive investment experience through various projects, including traditional energy (transportation and storage), renewable energy, roads, railways, ports, airports, and telecommunications. The scope of our infrastructure sector even covers infrastructure finance, including the acquisition, management, and disposal of assets.

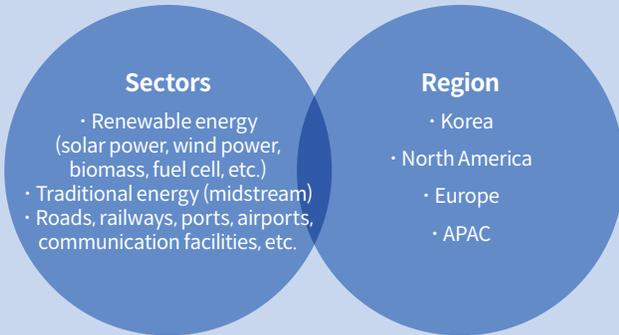


01 Wind Power Generation Complex in Yeongyang



02 Solar Power Generation Complex in Imja-do, Sinan

Major Investment Coverage



Representative AUM/Project

Fund Name	Investment Target	Sector	Remarks
Mastern Infrastructure Private Special Asset Investment Trust No. 4	Subordinate loans for solar power generation complex in Imja-do, Sinan	Solar power plant development in Korea	<ul style="list-style-type: none"> Solar power plant with 99MW class power generation Commendable power generation efficiency with an average power generation time of 3.62 hours, and improved local acceptance by issuing resident participation bonds in the financing process
Mastern Private Special Asset Investment Trust No. 54	Senior loans for Yeongyang Wind Power	Wind power plant in Korea	<ul style="list-style-type: none"> 2nd largest onshore wind power generation complex in Korea (61.5MW class) Excellent efficiency among domestic wind power plants, with an average utilization rate of 37.4% in 2022 and 34.9% in 2023
Gwangyang Biomass Financial Advisory and Arrangement Project	Senior loans for Gwangyang Green Energy	Biomass power plant development in Korea	<ul style="list-style-type: none"> Advisory and financial arrangement for Korea's largest pure lignocellulosic biomass power plant project with a capacity of 220MW
Mastern Infrastructure Private Special Asset Investment Trust No. 1	Senior bonds issued by NQXT Port Pty Ltd.	Queensland Export Terminal in Australia	<ul style="list-style-type: none"> One of three key export terminals located near Bowen, a major mining region in Queensland, Australia.
Mastern Infrastructure Private Special Asset Investment Trust No. 5	Beneficiary certificates of Korea Investment Global Core Infrastructure Trust No.1		<ul style="list-style-type: none"> Restructuring fund of beneficiary certificates of Korea Investment Global Core Infrastructure Trust No.1 invested in senior bonds issued by NQXT Port Pty Ltd.

Hedge

Mastern Investment Management’s hedging group is manned by experts that have an outstanding investment track record in numerous domestic listed and unlisted securities funds as well as REIT funds in Korea and overseas. They have deep management know-how and understanding of REITs as well as public and private securities. The rate of return of the public stock fund managed by this division during the operating period has ranked at the top, and the REIT funds have also delivered excellent absolute returns versus benchmarks. In addition, the global and listed domestic REITs managed by the division earned funding from OCIOs and mutual aid associations, demonstrating their competitiveness and operational stability.

Business Areas



Representative Funds Managed

Asset Class	Fund Name	Investment Target	Investment Strategy
Global REIT	Mastern Global Private Real Estate Investment Trust No. 24	Global listed and unlisted REITS, CMBS	Opportunistic
Global REIT	Mastern Global REIT SMA Private Real Estate Investment Trust No. 3	Global listed REITs	Long only active
Securities	Mastern IPO Stock Private Investment Trust No. 1	Domestic stocks	IPO stocks
Securities	Mastern IPO Stock High-yield Private Investment Trust No. 2	Domestic stocks, High-yield bonds	IPO stocks
Securities	Mastern KOSDAQ Venture Private Investment Trust No. 4	Domestic stocks, etc.	KOSDAQ venture companies
Domestic REIT	Mastern Core Income REIT Private Investment Trust No. 5	Domestic listed REITs	Long only active
Domestic REIT	Mastern Core Income REIT Private Investment Trust No. 6	Domestic listed REITs	Long only active
Domestic REIT	Mastern Prime REIT Private Real Estate Investment Trust No. 7	Domestic listed/pre-IPO REITs	Pre-IPO/ Long only active
Securities	Mastern Entrusted IPO Stocks	Domestic stocks	Domestic stocks



Value Creation

Mastern Investment Management shares the value created with various stakeholders and practices responsible management activities throughout its entire business process, generating positive changes for society and the environment.

CAPITAL INPUT	Mastern Core Competitiveness	CAPITAL OUTPUT
<p>FINANCIAL CAPITAL * As of the end of Dec. 2023</p> <ul style="list-style-type: none"> Total assets: KRW 268.9 billion Liabilities: KRW 98.7 billion Equity: KRW 170.2 billion 	<div style="text-align: center;"> <h2>Mastern Core Competitiveness</h2> </div>	<p>FINANCIAL CAPITAL * As of the end of Dec. 2023</p> <ul style="list-style-type: none"> Net profit: KRW 15.7 billion Corporate tax: KRW 3.4 billion Operating revenue: KRW 103.9 billion Operating profit: KRW 21.7 billion
<p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> Employees: 241 persons (as of May 2024) New hires: 37 persons Time spent on employee training: 133,080 minutes R&D expenditure: KRW 3.1 billion Obtained the ISO 45001 (Safety & Health Management System) certification 		<p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> Occupational accident rate (HQ): 0% Percentage of female employees: 22.7% Employee compensation: KRW 34.1 billion Employee satisfaction: 74.8%
<p>SOCIAL CAPITAL</p> <ul style="list-style-type: none"> Became the first asset management company to join the UN Global Compact in Korea Increased public value through collaboration with local communities, government, clients, and NFOs Improved the quality of life for social members through safe buildings 		<p>SOCIAL CAPITAL</p> <ul style="list-style-type: none"> Set 8 detailed goals linked with UN SDGs and expanded ESG activities Established transparent governance system and enhanced risk management for AUM
<p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> Investments in renewable energy and energy saving: KRW 54.6 billion Issue of sustainability bonds: KRW 20 billion Established ESG investment principles for sustainable investment Obtained the ISO 14001 (Environmental Management System) certification 		<p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> Number of global sustainability certifications acquired: 28 Promoted energy efficiency project for AUM Percentage of total issued sustainability bonds invested in green building construction projects: 93.5%

Investment in Sustainability

PART 2 | ESG Report

Mastern Investment Management's Compliance Officer
Review No. 2024-06-03
(Validity period: 2024. 6. 19 ~ 2025. 6. 18)

Mastern





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PART 2 ESG Report



Integrated report for web/mobile



Interactive User Guide

Mastern Investment Management's 2023 Integrated Report has been published in an interactive PDF format. This allows readers interested in specific topics to quickly navigate to the relevant pages and access the information.

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- 40 ESG Vision
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Sustainable Management



39 Message from the
ESG Committee Chairman

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51 ESG Investment Performances

1

Mastern Investment Management aspires a sustainable future. We are committed to conducting ESG investments tailored to the characteristics of the real estate sector to contribute to the environment and society and secure sustainable future competitiveness. We are also dedicated to creating a corporate culture where employees can work happily and is actively considering management practices that enable growth and development alongside investors, partners, tenants, and the local community. We will endeavor not only to generate stable profits, but also to build a responsible investment culture for a sustainable future for the next generation with a commitment as a global asset management company.

Message from the ESG Committee Chairman

Transparent and accurate disclosure is the infrastructure of a sustainable economy.

Recently, the hottest topic related to ESG management is disclosure. It was triggered by the EU's mandate for large-scale listed companies to disclose their ESG practices. However, transparently and rigorously disclosing the outcomes of ESG management is not as easy as it might seem. There are still many unresolved issues regarding what should be disclosed and how it should be measured.

The reasons that make transparent ESG disclosure challenging cannot be found solely within the company itself. For a transparent ESG disclosure, it is essential to gather comprehensive ESG information on all products and services a company uses. However, if partners do not properly disclose their ESG information, it becomes difficult for the company to provide transparent and accurate disclosures at the corporate level. Therefore, ESG disclosure is not just an issue for individual companies but a concern for the entire value chain.

Mastern Investment Management, as a financial company, is committed to implementing ESG disclosures that meet global standards. Moreover, we strive to provide the users of assets we manage and the fund investors with a prompt and accurate delivery of information for ESG disclosure. This effort is based on the belief that such activities form the foundational infrastructure for ensuring the sustainability of our economy.

This report is a consolidated outcome of our efforts and activities aimed at achieving transparent and rigorous ESG disclosure. Although it still has room for improvement, we have focused on the following two aspects to become a best-in-class example of ESG disclosure:

Firstly, we have endeavored to broadly comply with global standards for ESG disclosure. By applying major standards such as GRI, SASB, and TCFD for ESG disclosure, we aim to effectively respond to future mandatory disclosure requirements from financial authorities. Additionally, the report's contents have undergone verification by independent assurance institutions to ensure reliability.

Furthermore, we prepared the report as an integrated format that encompasses both the company's financial performances and ESG achievements. The global society no longer views ESG management solely as non-financial activities. ESG performance is now widely acknowledged to directly affect a company's financial performance, making it appropriate to disclose both concurrently. This report aims to meet the demand for such integrated disclosure.

The purpose of disclosure is to provide accurate information to a company's stakeholders. Accurate information disclosure becomes truly valuable when it aids stakeholders' decision-making and serves as a basis for improving company management. We at Mastern Investment Management seek your ongoing interest and advice to help us realize this value.

Thank you.



ESG Committee Chairman of Mastern Investment Management
Sung-hoon Min

ESG Vision

ESG Vision and Directions

The mission of Mastern Investment Management is to become a global alternative asset management company esteemed by clients and society. The company has established an ESG vision that aims to lead the healthy development of the real asset investment market by creating social and environmental value as well as economic value simultaneously. Detailed action tasks linked with key performance indicators (KPIs) are operating to achieve the vision.

Mission
ESG Vision
ESG Goals
ESG Strategy
Action Tasks (KPIs)

A Global Alternative Asset Management Company Esteemed by Clients And Society

Pioneer the sustainable development of the real asset investment market by simultaneously creating social, environmental, and economic value



Well-being / Soft Power	Net Zero	ESG Investment Process	ESG Disclosure
<ul style="list-style-type: none"> 1 Management of well-being KPIs 2 Tenant satisfaction survey 3 Elimination of inconveniences for tenants and visitors 4 Branding of asset culture 5 Social activities by each asset 6 Asset renovation program 	<ul style="list-style-type: none"> 1 Acquiring ESG certification (LEED, WELL, etc.) 2 Measurement of GHG emissions 3 Setup of Net-Zero goals and energy efficiency projects 4 Purchase of renewable energy 5 Setup and monitoring of annual reduction KPIs by asset 6 Setup of a portfolio reduction path by asset 	<ul style="list-style-type: none"> 1 Establishment of ESG investment policy 2 Introduction of ESG due diligence 3 Application of ESG for investment review 4 Introduction of ESG checklist 5 Application of ESG KPI to investment assets 6 Measurement of ESG KPIs 7 ESG performance evaluation of investment results 	<ul style="list-style-type: none"> 1 Establishment of ESG policies and goals 2 Materiality assessment and stakeholder analysis 3 Report on fund ESG 4 Disclosure according to ISSB 5 ESG disclosure of affiliates 6 Financial linkage of ESG performance and risk 7 Creation and management of ESG data 8 Analysis of ESG opportunities and risks

UN SDGs Linked Goals

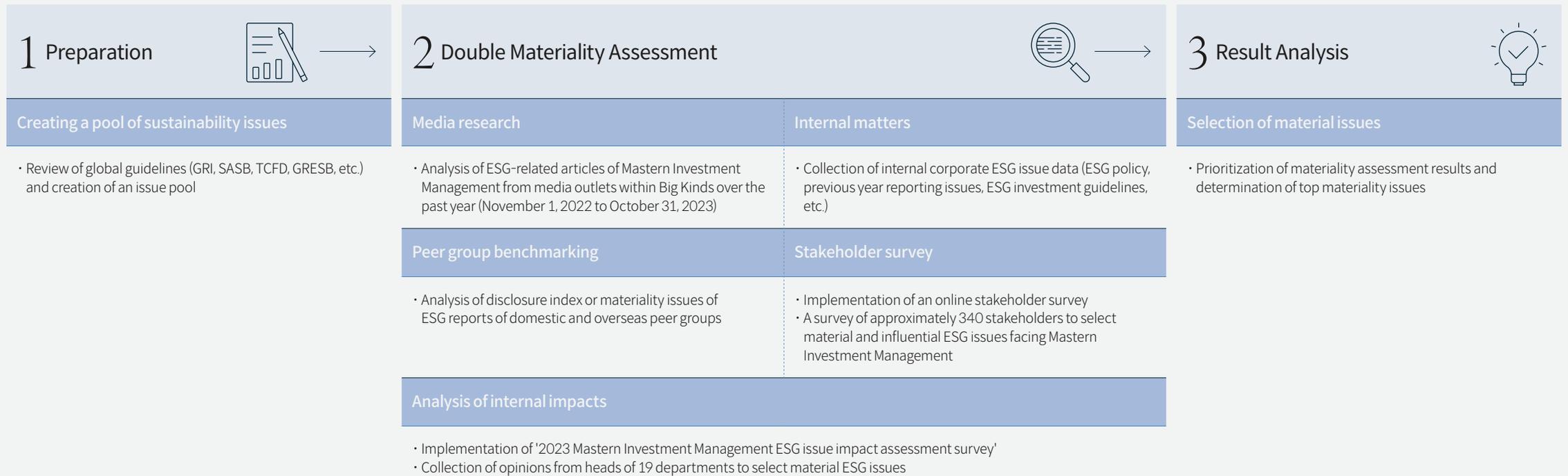
Mastern Investment Management is committed to contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs) to engage in solving global issues. To this end, the company has established key goals closely related to business areas to pursue them in conjunction with detailed ESG policies.

ISSUES	Creation of a sustainable financial environment	Response to climate crisis and Net-Zero strategy	Social contribution of real estate investment business
UN SDGS			
AMBITION	<ul style="list-style-type: none"> Improving inclusion and diversity (5.5) Complying with anti-corruption and anti-money laundering principles (16.5, 16.6, 16.7, 16.b) 	<ul style="list-style-type: none"> Utilizing renewable energy (7.2, 7.a, 7.3) Adapting to climate change (13.1) 	<ul style="list-style-type: none"> Expanding green mobility related facilities (9.1, 9.4) Purchasing sustainable materials and resources (11.6) Managing waste resources (11.c)
2023 PROGRESS	<ul style="list-style-type: none"> Conference on Women's Day Mentoring for students at Sungshin Women's University by the Vice representative of Strategic Planning Group Special lecture by co-representative of Women's Environmental Solidarity Education to improve awareness of the disabled on the International Day of Persons with Disabilities Training on information exchange blocking, credit information protection, anti-money laundering, and prohibition of solicitation for all employees 	<ul style="list-style-type: none"> Investing in solar and wind energy development projects Installing solar panels and BIPV on development assets Establishing climate risk management system and continuous monitoring Enhancing asset energy efficiency and climate adaptability 	<ul style="list-style-type: none"> Installing electric vehicle charging stations Building waste data inventory
Detailed policies	<p>Inclusion and diversity</p> <ul style="list-style-type: none"> Expanding employment of people with disabilities and pursuing employment and promotion without discrimination based on education, gender, religion, region of origin, marital status, nationality, or race Conducting preferential treatment for SMEs and women-owned businesses when bidding <p>Anti-corruption principle</p> <ul style="list-style-type: none"> Eliminating all forms of corruption, including bribery, fraud, embezzlement, and breach of trust The BOD establishes internal control standards, and the Compliance Officer checks and controls compliance with the internal control standards in advance to prevent corruption incidents. <p>Anti-money laundering principle</p> <ul style="list-style-type: none"> Zero tolerance for concealing or disguising profits obtained from crime and prohibiting the use of accounts under borrowed or false names when entrusting investor fund. Operation of procedures and guidelines to prevent money laundering and a system to evaluate and manage the money laundering risks inherent in financial transactions 	<p>Utilization of renewable energy</p> <ul style="list-style-type: none"> Increasing the installation rate of renewable energy facilities in newly developed and acquired buildings to 5% by 2030 <p>Adaptation to climate change</p> <ul style="list-style-type: none"> Establishing a system that can comprehensively manage climate risks in a systematic and consistent manner Identifying physical risks among climate risks for portfolio assets and preparing a system for effective response measures (flood prevention facilities, windbreak facilities, etc.) 	<p>Expanding green mobility related facilities</p> <ul style="list-style-type: none"> Selecting locations with easy accessibility to public transportation and environmentally-friendly mobility and providing facilities Expanding parking zones and charging facilities for EVs in consideration of asset management period and speed of EVs distribution <p>Purchasing sustainable materials and resources</p> <ul style="list-style-type: none"> Recommending the use of sustainable, low-carbon, resource-cycling, and low-hazardous materials for newly developed buildings, and promoting LCA and third-party verification on buildings in the mid to long term Reducing total amount within a reasonable period and scope when purchasing materials necessary for business operation, considering eco-friendliness when purchasing consumable materials, and assessing the ESG performance when selecting partners <p>Managing waste resources</p> <ul style="list-style-type: none"> Treating waste according to whether it is hazardous and complying with relevant laws and regulations if hazardous waste is generated Minimizing waste generation during business process, recycling and reusing generated waste resources as much as possible, and considering relevant laws, licenses, and ESG policies when selecting waste handling firms

Double Materiality Assessment

Mastern Investment Management has identified 40 potential ESG issues through an internal and external environmental analysis based on global ESG disclosure and assessment standards, and measured their environmental, social, and financial impacts. Internally, an analysis of the company's ESG issues and strategies was conducted, along with an impact analysis of ESG issues on employees. Externally, the analysis included media research on our company, an assessment of peer group's ESG issues, and stakeholder survey. Our material ESG issues were selected based on the results derived from these processes.

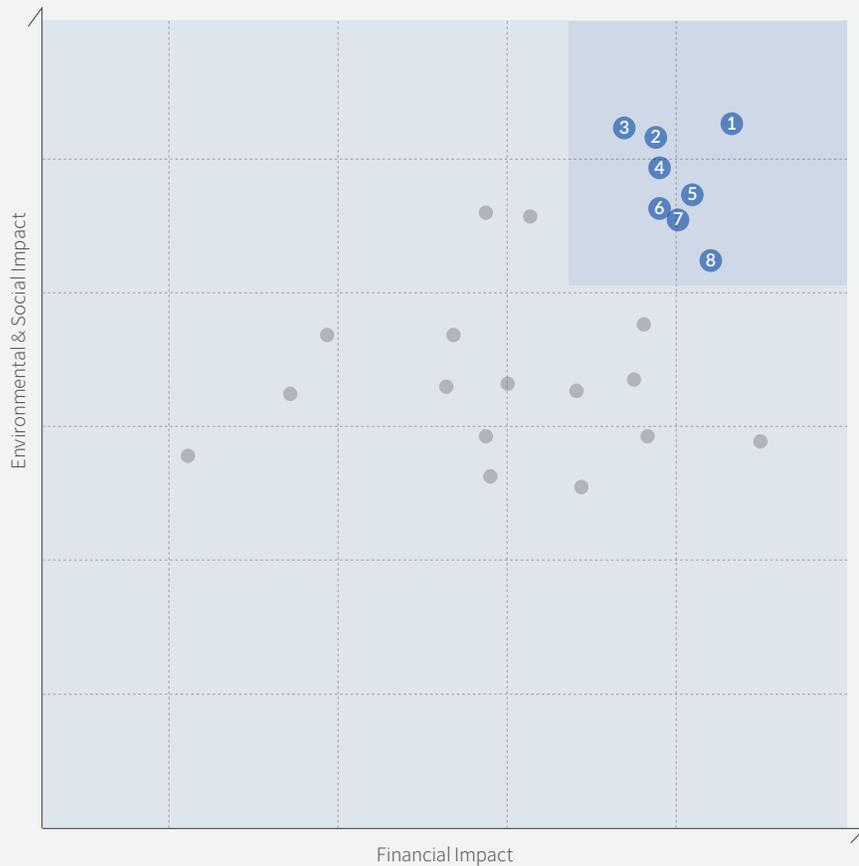
Double Materiality Assessment Process



Materiality Assessment Results

The key material issues identified as a result of the materiality assessment were eco-friendly investment, local communities, and ESG information disclosure. This report was prepared centered on the top eight key issues identified.

Material Issue Matrix



Material Issue Pool

Classification	Key Issue	Activities and Results by Issue	Impact		Stakeholders		Location (page)
			Environmental/Social	Financial	Internal	External	
1 Environmental	Investment in and management of green assets	<ul style="list-style-type: none"> Expanded the use of renewable energy in management assets 	High	High	High	High	51~58
2 Social	Healthy buildings and communities	<ul style="list-style-type: none"> Obtained LEED, WELL HSR certifications Social contribution activities 	High	High	Moderate	Moderate	81
3 Governance	Maximization of shareholder value through ESG information disclosure	<ul style="list-style-type: none"> Disclosed ESG information through integrated reports, responsible investment reports, DART, and corporate website, etc. 	High	Moderate	Moderate	High	66
4 Environmental	Energy savings and efficiency management	<ul style="list-style-type: none"> Conducted building energy efficiency projects Patent for high-efficiency refrigeration system 	High	High	Moderate	Moderate	73
5 Governance	Company-wide ESG management system	<ul style="list-style-type: none"> Established the ESG Committee Established ESG LAB, a consultative body for ESG 	Moderate	High	Moderate	High	61, 62
6 Environmental	Management and reduction of GHG emissions	<ul style="list-style-type: none"> Built a GHG monitoring system Established GHG reduction strategy 	Moderate	High	Moderate	Moderate	72, 73
7 Environmental	Response to climate risks	<ul style="list-style-type: none"> Prepared climate risk identification and response measures Introduced climate risk dashboard 	Moderate	High	Moderate	High	68~72
8 Social	Safety and health management for tenants and stakeholders	<ul style="list-style-type: none"> Operated a safety and health management system Completed ISO 45001 certification 	Moderate	High	Moderate	Moderate	48-49

High Moderate Low

ESG Priorities

ESG Investment Principles

Mastern Investment Management focuses on strict risk management, long-term value enhancement, and achievement of stable returns by considering ESG factors that can have significant impacts on the value of investment assets when managing client assets. To this end, we pursue effective integrated ESG management that reflect ESG-related regulations, guidelines, standards, checklists, and considerations in a balanced way throughout the investment process.

Special Features of ESG Investment in Real Estate

Unlike other asset categories, ESG investment in real estate is highly influenced by local factors. Because the materiality of real estate-related ESG issues can be different based on geographic factors such as abnormal weather conditions, water shortage, community connectivity, and construction regulations. Additionally, due to the nature of real estate investments, where the significance and management effectiveness of ESG issues become clearer over longer evaluation periods, maintaining a long-term investment horizon is crucial. This approach can help mitigate risks of property value decline and contribute to stable asset value enhancement.

Our ESG Investment Strategy

Mastern Investment Management emphasizes "ESG Integration" and "Positive Screening" that utilize certifications for green buildings to address climate crisis and achieve carbon neutrality as core strategies in investment decision-making. Additionally, "Sustainable Theme-based Investments" is considered in accordance with building users' preference to well-being as a satellite strategy. Our ESG investment strategy considers the characteristics of investment assets (use and location, etc.) and the type of real estate investment strategy (Core, Value Add, Opportunistic). Mastern Investment Management plans to expand the ESG investment approach across all managed portfolios by 2030.

ESG Investment Strategy	ESG integration and positive screening
Satellite Strategy	Sustainable theme-based investments
Considerations	<ol style="list-style-type: none"> 1. Nature of investment assets 2. Features of real estate investment strategy
Investment Goal	Application of ESG investment strategy to all portfolio assets by 2030

ESG Investment Process

4-stage Process of Real Estate ESG Investment



1) Deal Sourcing

During the initial stage of selecting potential investment targets, we use a negative screening approach that considers ESG factors to identify significant negative ESG issues. Due diligence is conducted on ESG risk factors that could negatively impact asset value, such as "uncertain costs for remediation of contaminated land" or "tenants whose businesses are antisocial or extremely carbon intensive."

2) Investment Decision

ESG risk factors identified during the ESG due diligence process are analyzed, quantified, and assessed for potential improvements, and the results are documented in the investment review report. The Investment Committee, the highest decision-making body regarding investment decisions, meticulously reviews these ESG risk factors. If an asset is deemed to have high potential ESG risks, it is excluded from investment consideration.

3) Ownership Phase

Management of owned assets: After asset acquisition, ESG goals and performance criteria according to the investment period, such as reduction of energy and water use and carbon emissions, are set based on the final ESG due diligence results, and improvement work is carried out to achieve the criteria. Moreover, ESG performance data is monitored and reported to stakeholders on a regular basis, and an action plan for improving ESG performance for each asset is derived and periodically reviewed and supplemented.

Collaboration with external asset managers: We select external asset managers to control ESG issues more effectively. ESG-related works are delegated to selected external asset managers and ESG issues are routinely managed in collaboration with them.

Involvement in tenants: We conduct involvement activities in various ways including sharing ESG data specific to each building, distributing newsletters, conducting ESG campaigns, incorporating ESG clauses in lease agreements, and conducting tenant satisfaction surveys.

4) Sale

In the process of asset disposal, achieving the ESG performance improvement goals drives an increase in asset value. Mastern Investment Management presents the ESG performance data and documentation managed during the ownership period in negotiations or due diligence processes, thereby gaining recognition for its capacity to create additional value.

ESG Certification Policy

Improving Post-investment Performance with ESG Certification

Mastern Investment Management actively utilizes green building certifications in real estate investments to address climate change and achieve carbon neutrality. Moreover, the company incorporates domestic and overseas green building certification guidelines into the design and construction of its development projects.

1) Around 1,000 households

Classification		Residential				Warehouse & Factory		
		Residential Facility ¹⁾	Office	Sale	Accommodation	Logistics	Factory	Data Center
Domestic certifications	Green building	Excellent grade or higher (Green Grade 2)				Legal obligations applied <Office and support facilities over 3,000m ² > Ordinary or higher (Green Grade 4)		
	Energy efficiency grade	1+ or higher				Legal obligations applied <Office and support facilities over 3,000m ² > Grade 2 or higher		
	Zero energy building grade	ZEB 5 grade or higher (Building energy efficiency rating 1++ or higher)				-		
Overseas certifications	LEED minimum criteria	Silver	Gold	Silver	* 5-star: Gold * 3~4 stars: Silver	Silver	Differential application by use (Gold or higher for semiconductor factories)	Certified

Environmental Management

Environmental Management Promotion System

Mastern Investment Management pursues environmental value as its top priority for a sustainable future. With the recognition that the real estate business we operate has a significant impact on environment, we expect assets that can create environmental value to ensure higher asset value in the long term. We have been introducing an environmental management system to our business and investment activities to minimize negative impacts and create positive impacts.

Environmental Management System (EMS)

Environmental Management System (EMS) is a systematic framework for managing the environmental impacts, risks, and opportunities of a business. It encompasses the establishment, management, and improvement of governance, ensuring compliance with environmental regulations and enabling more efficient management of environmental factors. Our headquarters and key business locations have obtained the ISO 14001:2015 certification, operating an EMS that aligns with international standards.

Mastern's Environmental Management System

Mastern Investment Management has established an environmental management policy and applied it to all members within the headquarters and all business locations, including partners

Environmental Management Policy

Mastern Investment Management is committed to environmental protection and improvement for its employees, partners, and local communities. To create environmentally-friendly business environments, the company implements the following policies:

- ① We contribute to the company's sustainable growth by establishing an environmental management process and continuously inspecting, improving, and operating it.
- ② We comply with domestic and overseas environmental laws and agreements and transparently disclose environmental management performance.
- ③ All members of the company recognize the importance of the global environment and actively participate in environmental management activities.
- ④ We share this policy with stakeholders and establish a communication system.

Environmental Management Governance

At Mastern Investment Management, environmental management is generally managed by the ESG Committee. The ESG Committee approves environmental management plans and strategies, and monitors the entire process from implementation to performance outcomes. The ESG team, as an execution body, collects environmental data, analyzes risks, and sets environmental goals aligned with the company's overall objectives. And then, the team conducts a due diligence to assess the environmental management status and goal achievement at each business location. The ESG team's environmental management activities are reported to the ESG Committee at least once a year.

Environmental Management Goals

Our environmental management covers both the headquarters and all business locations, focusing on creating a safe and comfortable working environment for employees and managing environmental risks within the workplace. The core environmental goals for each business location include achieving "zero violations of environmental regulations" and "reducing greenhouse gas emissions." Specific projects such as improving water usage efficiency, enhancing recycling rates, and securing waste management data are implemented for each asset. Additionally, we share our environmental management policies and goals with our partners to pursue enhanced environmental value for our assets.

Obtained Environmental Management System (ISO 14001) Certification

Mastern Investment Management has obtained the ISO 14001 certification, a global standard for environmental management systems. This certification forms the basis for managing environmental risks and meeting the needs of stakeholders. We will also continue to expand assets that comply with the ISO 14001 standards.

ISO 14001 Requirements and Mastern Investment Management's Environmental Management System

Classification	ISO Requirements	Our Response
Plan	Establishment of environmental goals and plans, risk assessment, and opportunity identification	<ul style="list-style-type: none"> • Declaration of environmental management policy and introduction of safety, health and environment management manual • Implementation of risk and opportunity assessments for the headquarters and management assets • Establishment of environmental management goals and implementation plans by period • Environmental aspect survey and preparation of impact assessment list
Do	Operational actions, emergency response, and incident management	<ul style="list-style-type: none"> • Creation of a list to check implementation at workplace
Check	Performance monitoring, internal audit, etc.	<ul style="list-style-type: none"> • Monitoring, measurement, and management of performance evaluation results • Creation of an internal audit checklist
Act	Actions on non-compliance and system improvement	<ul style="list-style-type: none"> • Operation of corrective action control document
Review	Management review and external audit	<ul style="list-style-type: none"> • Improvement of the issues identified during the ISO assessment process

Safety and Health

Safety and Health Policy

Mastern Investment Management has established a safety and health management policy to convey the CEO's commitment to safety and health management to internal and external stakeholders. We are dedicated to providing a safe workplace for both our employees and those of partners.

Safety and Health Management Policy

Mastern Investment Management prioritizes the safety and health of employees, partners, and local communities. To foster a safe and healthy workplace, the company implements the following policies:

- ① We prioritize safety and health in all our business activities.
- ② We comply with safety and health-related laws and establish and operate safety and health regulations.
- ③ All members of the company are fully understand their roles and responsibilities and actively participate in safety and health activities.
- ④ We create a safe and comfortable working environment and establish and operate an emergency plan in preparation for accidents.
- ⑤ We share this policy with stakeholders and establish a communication system.

Safety and Health Management System

The Safety and Health Management Division oversees all safety and health-related matters at Mastern Investment Management. The division established the safety and health management regulation consisting of 11 chapters in January 2022 and since then, has created six types of guidelines and various standards and procedures to complete the development of a safety and health management system. The division applies and implements safety and health policies based on the PDCA (Plan-Do-Check-Act) cycle, ensuring continuous improvement in workplace safety and health. We conduct biannual safety and health inspections at all operational and development sites. Any risks or deficiencies identified during these inspections are promptly addressed to ensure that tenants, suppliers, and visitors can safely use the facilities. Additionally, regular safety and health training and emergency evacuation drills are conducted for our employees to maintain and enhance workplace safety.

Obtainment of ISO 45001 Certification

In May 2023, Mastern Investment Management became the first asset management company in Korea to obtain the ISO 45001 certification, an international standard for occupational health and safety management system established by the International Organization for Standardization (ISO). This certification is awarded to organizations that comply with the standards for preventing industrial accidents and creating a pleasant working environment. The achievement of the ISO 45001 proves that Mastern Investment Management places the safety and health of its employees and stakeholders first and has an excellent safety and health management system ensuring a safe working environment.

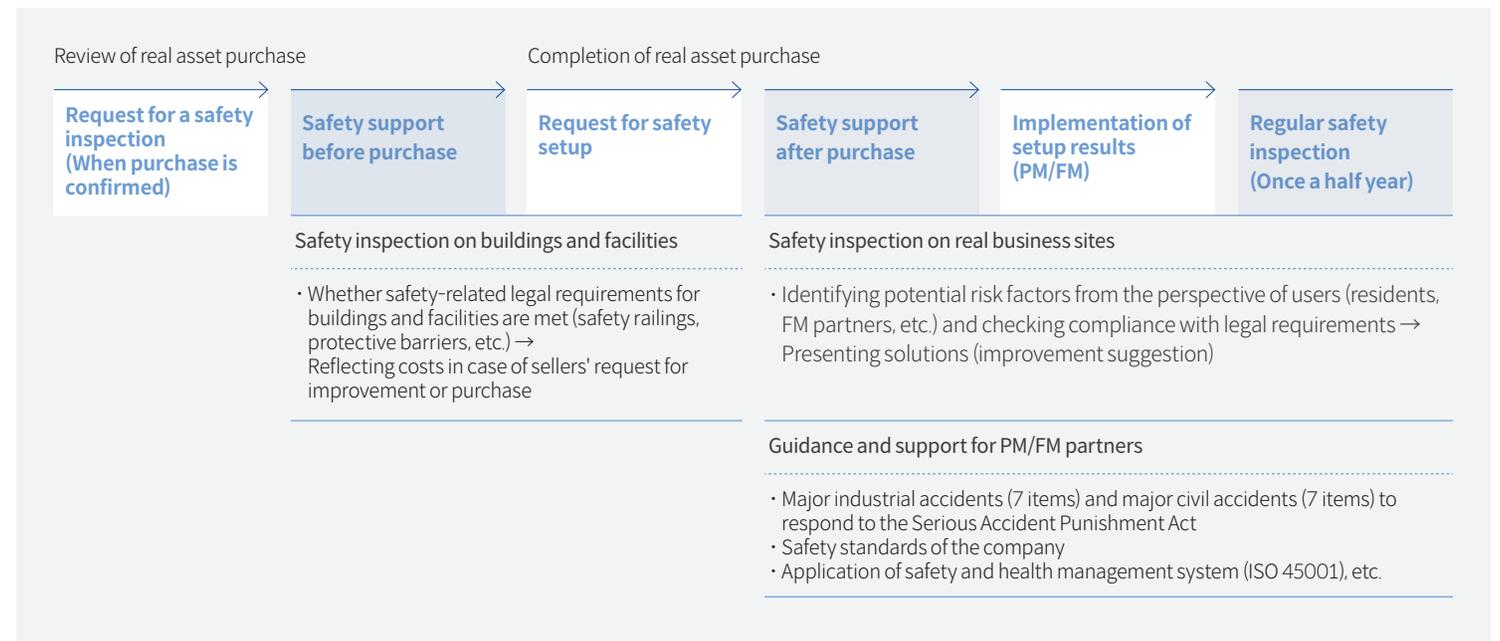
* All employees at our headquarters are subject to the safety and health management system.



Safety Setup System

Mastern Investment Management's Safety Setup system is designed to proactively check and improve potential risk factors in assets that are currently managed or planned for management, ensuring that tenants and visitors can live in a safe environment. The system consists of building safety inspections and provision of safety guidance to property management and facility management (PM & FM) partners. It takes into account all potential scenarios that could lead to safety incidents from the perspective of building users, checks for potential risk factors, and based on these inspections, provides solutions to PM & FM partners for any non-compliance issues.

Safety Setup System Operation Process



□ Management Department ■ Safety and Health Management Division

Local Communities (Asset-centric Social Contribution Activities)

Creating a space to support UNICEF



Mastern Investment Management has collaborated with the Korean Committee for UNICEF to create an exhibition and sponsorship space at the Concordian Building, one of its flagship management assets, dedicated to supporting children in developing countries. The space provides tenants and visitors with a variety of experiential areas and souvenirs, and they can also participate in donations through an electronic fundraising box located within the booth.



Used mobile phone donation campaign



In December 2023, the company conducted a used mobile phone donation campaign at the Bundang M Tower, one of its management assets, to contribute to resource recycling. A total of 48 used mobile phones and batteries were collected and sent to the Metropolitan Resource Recycling Center. The proceeds generated from this process were donated to ChildFund Korea, a social welfare corporation.



Environmental protection campaign



“Giant Panda Sculpture Exhibition” Campaign

Mastern Investment Management conducted an exhibition campaign featuring giant panda sculptures in partnership with the World Wildlife Fund (WWF). This campaign is part of WWF's ongoing project aimed at protecting giant pandas and conveying a message about environmental conservation. We received several donations of panda sculptures from WWF Korea and have hosted the campaign across the idle spaces of three office assets four times since 2022.



Joined the WWF's Earth Hour Campaign

Mastern Investment Management participated in Earth Hour that turns off lights at buildings, a global campaign aimed at raising awareness about the severity of climate change and the need for response actions. A total of nine representative assets of the company, including office assets such as D Tower Donuimun, Concordian Building, Doosan Tower, as well as Yongin Baekam Logistics Center, joined the campaign.



ESG Investment Performance

D Tower Donuimun

D Tower Donuimun, a prime office building located near Seodaemun Station, demonstrates the largest in its vicinity. The building's design, which is a modern reinterpretation of traditional architecture, harmonizes with the surrounding historical and cultural environment.



D Tower Donuimun
(Mastern Private Real Estate Investment Trust No. 79)

Location: 134, Tongil-ro, Jongno-gu, Seoul

Completed: 2020

Gross Floor Area: 86,224.32m²

Number of Stories: 26F/B7F

GRESB Certification

D Tower Donuimun achieved a score of 92 in the 2023 GRESB assessment, earning a 5-star rating awarded to the top 20% of participants. The asset is ranked at top 5 of unlisted office assets in Asia.

Sustainability Performance

Environmental Performance

Environmental Certification

D Tower Donuimun has been rated "Excellent" in a green building certification that assesses the environmental impact across the entire lifecycle of the structure. The building has also achieved the "1st Class" energy efficiency rating, reflecting its high level of environmental friendliness. In 2023, it obtained the highest "Platinum" rating under the global green building certification system, LEED (O+M). Additionally, it received the Green Star rating with an Energy Star score of 97.

Environmental Management

The building has set specific electricity usage targets and is minimizing inefficient energy consumption by implementing a power data management system and following the guidance of building facility managers. Environmental operation of this building is integrated into Mastern Investment Management's environmental management system. It also obtained ISO 14001 certification, an international standard for environmental management, to ensure more systematic control of environmental impacts from building operation.

Renewable Energy

The building is equipped with solar panels and geothermal heat pumps to produce and consume renewable energy. In 2023, a total of 73,550 kWh of renewable energy was generated and used.

Waste

At D Tower Donuimun, all waste generated is processed either through recycling or converted into energy. In 2023, the building generated 77,600 kg of waste, and 108,560 kg of waste was utilized as energy.

Water Intake

In 2023, water intake increased by 15.5% compared to the previous year. To reduce water consumption, aerators were installed on the faucets in the restrooms, and submeters were added for the cooling towers and recycled water.

Social Performance

The building is equipped with a health and safety management system for tenants, including hygiene management procedures and emergency preparedness programs. In November 2022, it achieved the WELL Health-Safety Rating, a global certification for health and safety. We identify areas for improvement through third-party tenant satisfaction surveys and enhance the communal value of the building and tenant awareness of ESG through tenant ESG participation programs. Additionally, D Tower Donuimun has been participating in annual energy conservation campaigns since 2022.

Year	Electricity (Kwh)	Gas (m ³)	Water (m ³)	GHG emissions (tCO ₂ eq)	Solar power generation (Kwh)	Waste(kg) ¹⁾		
						General waste	Reuse	Subtotal
2022	7,766,725	219,636	69,945	4,048	96,070	65,000	102,450	167,450
2023	8,510,803	205,160	80,767	4,525	73,550	77,400	107,620	185,020

1) Excluding Styrofoam emissions

ESG Investment Performance in Development Projects

CASE_01 Seongsu-dong Project

Sustainability is a key consideration in Mastern Investment Management's development project in Seongsu-dong. Seongdong-gu Office, the authority having jurisdiction, manages its own ESG metrics and is planning to build an ESG startup valley as a financial hub.



Fund Name	Asset	Sector	Gross Floor Area	Number of Stories
Mastern Value Add Private Real Estate Investment Trust No. 126	Musinsa Campus N1	Office	19,005m ²	B4/10F
Mastern Private Real Estate Investment Trust No. 189	Musinsa Campus E1	Office	10,533m ²	B4/10F
Seongsu Yojin & Mastern No. 1 PFV Co., Ltd.	Center Point Seongsu	Office	9,944m ²	B5/14F
Mastern No. 172 Seongsu Office Project Finance Investment Corp.	Seongsu-dong business facility development project	Office	20,878m ²	B5/9F
Mastern Private Real Estate Investment Trust No. 186	Pre-purchase of Seongsu-dong 2-ga office	Office	36,219m ²	B7/11F

Musinsa Campus N1: A Sustainable Development Case

Musinsa Campus N1, located in Seongsu-dong 2-ga, is an office building with 4 underground floors and 10 above-ground floors that was completed in 2022. It is a representative Grade A office asset in the area, expecting to increase in asset value due to additional floor area ratio, as it belongs to the "Seongsu IT District Unit Plan" area. Marston Investment Management has improved the environmental performance of this office building and obtained LEED (CD+C) Gold certification in December 2022. The building has reduced water usage by more than 45% through water-saving sanitary appliances, and has contributed to the eco-friendly life and convenience of users by providing eight eco-friendly parking spaces, and charging stations and parking spaces accommodating three EVs. To improve indoor environmental quality, we have applied dust mats at entrances and MERV13 filters in ventilation units, and conducted Environmental Site Assessment (ESA) Phase 1 to create a sustainable site, thereby maximizing both economic efficiency and ESG effects.

CASE_02 Introduction of Renewable Energy

Need to Introduce Renewable Energy

The introduction of renewable energy in development assets not only reduces the burden on the power grid by consuming self-produced energy, but also allows for additional revenue generation through the sale of produced energy. The phased mandatory practice of Zero-Energy Building (ZEB) certification is also expected to accelerate the introduction of renewable energy and increase the possibility of creating related opportunities. Currently, the minimum energy self-sufficiency requirement for the lowest level of ZEB certification, Level 5, is between 20% and 40%. It will be increased in the future. According to the Ministry of Land, Infrastructure and Transport's 2050 Carbon Neutrality Roadmap, the mandatory obtainment of ZEB certification will be progressively strengthened. The roadmap aims for all buildings to achieve Level 1 (100% self-sufficiency) by 2050.

Examples of Renewable Energy Introduction

Dosan 150_ Located in Nonhyeon-dong, Gangnam-gu, Seoul, the office facility "Dosan 150," covering a land area of 1,879 square meters with 5 underground and 9 above-ground floors, has been developed to achieve the highest energy efficiency rating of 1+-. It incorporates various renewable energy technologies such as photovoltaic (PV) systems, building-integrated photovoltaics (BIPV), and fuel cells. As a result, its greenhouse gas emissions per unit area are 23.4 kCO₂/m², demonstrating superior performance compared to similar building types.

* Emission standards (average from 2017 to 2019) in Seoul: 80kCO₂/m² for type 1 and 2 neighborhood living facilities and retail facilities, and 60kCO₂/m² for business facilities.

CO ₂ emissions per unit area (kCO ₂ /m ²)	Energy requirement (kWh/m ²)	Energy consumption (kWh/m ²)	Renewable energy generation (kWh/m ²)	Percentage of renewable energy supply(%)	Application rate of low-carbon building materials(%)
23.4	66.2	50.12	10.12	12.80	5.01

Haeundae Udong Officetel_ The Haeundae U-dong officetel, located on the beachfront, is a neighborhood living facility with a total floor area of 40,151 square meters. This building incorporates louvre-type light collecting daylighting systems to maximize the use of natural light, and it is also equipped with photovoltaic (PV) solar power generation facilities. It has achieved an energy efficiency rating of 1+-, and its greenhouse gas emissions per unit area are 22.2 kCO₂/m².

* Emission standards (average from 2017 to 2019) in Seoul: 93kCO₂/m² for accommodations

CO ₂ emissions per unit area (kCO ₂ /m ²)	Energy requirement (kWh/m ²)	Energy consumption (kWh/m ²)	Renewable energy generation (kWh/m ²)	Percentage of renewable energy supply(%)	Application rate of low-carbon building materials(%)
22.2	80.5	59.5	16.7	10.24	4.24

ESG at Management Assets

CASE_01 Energy efficiency project at Alpharium Tower

Located in Seongnam-si, Gyeonggi-do, Alpharium Tower was completed in 2015 and consists of two buildings with 3 underground floors and 13 above-ground floors. It is adjacent to Pangyo Station on the Shinbundang Line/ Gyeonggang Line, making it a trophy asset representing the Pangyo area with the highest concentration of tenants in the area.



Alpharium Tower (Mastern Private Real Estate Investment Trust No. 150)

Sector: Office, retail

Location: 530 & 531, Baekhyeon-dong, Bundang-gu, Seongnam-si, Gyeonggi-do

Completed: Dec. 24, 2015

Number of Stories: 13F/B3

Gross floor area: 112,253m²

Major tenants: NC Soft, Samsung SDS, Kakao, Naver, Krafton

GHG emissions: 10,569tCO₂eq

Energy Efficiency Project

Mastern Investment Management collaborated with Korea East-West Power, a public power corporation, to conduct a physical inspection of Alpharium Tower and analyze its energy usage patterns with the aim of improving energy efficiency. As a result of implementing the identified improvement measures, the tower achieved a 7.8% reduction in electricity usage compared to the past three years (2019-2022) as of October 2023.

Energy Efficiency Analysis and Efficiency Design

Given that the majority of tenants at Alpharium Tower are IT companies with frequent nighttime operations and high electronic device usage, it is challenging to uniformly control lighting and heating at the building management level. In response, Mastern Investment Management has implemented energy-efficient designs including the introduction of high-efficiency LED lighting. Furthermore, the building employs smart energy meters to monitor electricity usage by different loads throughout the facility. Real-time power consumption monitoring also facilitates data collection and peak-time management.



Energy usage pattern analysis dashboard at Alpharium Tower

Energy Efficiency Analysis and Efficiency Design at Alpharium Tower



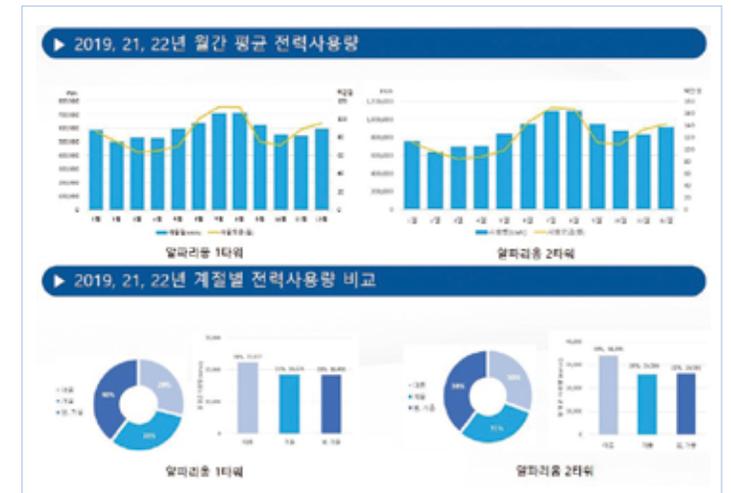
Energy Efficiency Analysis

- Limited control over heating and lighting as most tenants are IT companies with frequent nighttime operations and high electronic device usage
- Limited control over heating due to the use of district heating system
- Limited replacement of high-efficiency facilities due to the short lifespan of equipment



Energy Efficiency Design

- Optimizing lighting efficiency by replacing general lighting (fluorescent lights, etc.) with LED bulbs
- Monitoring power usage by load through smart energy meter
- Eliminating inefficiency factors through real-time data collection and peak time management through real-time power usage monitoring



Power consumption at Alpharium Tower

CASE_02 ESG Performance at Bundang M Tower

Bundang M Tower is an A-grade office building with a total floor area of 46,125 square meters, recognized as a competitive asset in the Bundang/Pangyo BBD area. Additionally, the building is conveniently located within walking distance to Ori and Dongcheon stations and is adjacent to the walking paths along Dongmakcheon and Tancheon, offering pleasant conditions in terms of both transportation and environment.



**Bundang M Tower
(Mastern Private Real Estate Investment Trust No. 156)**

Sector: Office
 Location: 8, Gumi-ro, Bundang-gu, Seongnam-si, Gyeonggi-do
 Completed: Jun. 26, 2009
 Number of Stories: B4F~8F
 Gross floor area: 46,125m²
 GHG emissions: 2,653tCO₂eq

Sustainability Performance at Bundang M Tower

Bundang M Tower obtained LEED (O+M) Gold certification in March 2023.

Water Efficiency	Installation of meters on landscaping water controller and cooling towers and aerators on faucets	Indoor Environmental Quality	Installation of mats at entrances, introduction of eco-friendly quarantine and beautification products and management measures
Materials and Resources	Purchase of sustainable products and encourage tenants to purchase eco-friendly products and waste recycle	Innovation	Replacement of all lights with LED lights

Approximately 90% of tenants at Bundang M Tower have agreed to Mastern Investment Management's green lease agreement. The company strives to enhance social ties among tenants and local communities through various tenant-participation ESG programs, supporting the building's positive role within the community.

CASE_03 ESG Performance at Yongin Baekam Logistics Center

Yongin Baekam Logistics Center, located in Baekam-myeon, Cheoin-gu, Yongin-si, covers an area of 99,089 square meters and is a rare 100% ambient temperature logistics center in the region. It boasts excellent specifications including a wide floor area and natural slope ramps, along with an optimal location that allows quick access to major cities in the metropolitan area. Thanks to these location benefits, the center is fully leased to top-tier tenants, including leading domestic e-commerce company Coupang, and various other businesses.



**Yongin Baekam Logistics Center
(Mastern Private Real Estate Investment Trust No. 156)**

Sector: Logistics
 Location: 488, Baekbong-ri, Baekam-myeon, Cheoin-gu, Yongin-si, Gyeonggi-do
 Completed: Mar. 15, 2019
 Number of Stories: B2F~4F
 Gross floor area: 99,088.68m²
 Major tenants: Coupang, ABLE C&C, B&F Logistics

Sustainability Performance at Yongin Baekam Logistics Center

Yongin Baekam Logistics Center achieved the BREEAM (Good) certification that assesses building's energy and utility usage, pollution management, health and safety as well as response to climate change in September 2023. The center received high marks in the aspects of energy consumption control, climate response-related emergency plans, and hardware measures such as alarm system. Moreover, Yongin Baekam Logistics Center earned the WELL Health-Safety Rating (HSR¹⁾ from the International WELL Building Institute (IWBI) in both 2022 and 2023. In May 2023, the center also obtained the ISO 45001 certification for occupational health and safety management system.

1) Health and safety certification that evaluates the ability of assets to respond to infectious diseases and disasters developed by the International WELL Building Institute (IWBI) in the United States.

CASE_04 R&D for Energy Saving and Patents

Amid expanding demand for combined refrigeration and freezing logistics systems, most cold storage facilities in Korea still suffer from low compression efficiency and high power consumption. Leveraging its experience and expertise from various logistics technology development projects, Mastern Investment Management has applied a patent for a combined refrigeration and freezing system suitable for logistics centers that enables high energy-efficient cold storage operation across a wide temperature range.

A combined refrigeration and freezing system suitable for logistics centers that enables high energy-efficient cold storage operation across a wide temperature range (Registered Patent No. 10-2410819)

Patent overview

- Providing a combined refrigeration and freezing system capable of high-efficiency operation across a wide temperature range by using a two-stage compressor
- Extending the life of equipment including compressors and reducing maintenance costs through stable refrigeration cycle operation

Back-ground of review

- Most refrigerants currently used in cold storage facilities are substances that emit GHG, and refrigeration and freezing facilities account for more than 70% of the electricity used for cold storage facilities.
- This patented technology can reduce GHG substances (refrigerant) and effectively save power consumption.

Features of the system

- Reducing power costs
 - High efficiency combined refrigeration and freezing system
 - Saving power costs (30% reduction compared to single-stage compressor)
- Optimal evaporation temperature control
 - Low frost generation in refrigeration and freezing operation (reducing frost formation in unit cooler)
 - Shortened defrost cycle and time (1 defrost operation per day)
 - No-arrival operation at loading/unloading area
- Stable temperature conversion
 - Satisfying the needs of tenants during operation with stable temperature conversion for both refrigeration and freezing
- Replacement of refrigerant and minimization of refrigerant usage
 - Adopting eco-friendly refrigerant with low global warming potential (GWP) in the future
 - Contributing to eco-friendliness by minimizing injection volume through dry direct expansion method

Compressor Comparison



[Existing] Single stage compressor: low efficiency and high power consumption

- High power consumption due to low compression efficiency
- Increase of power consumption due to low pressure operation caused by unbalanced freezing cycle during refrigeration and freezing operation
- Frequent suspension of refrigerator operation due to poor circulation of refrigerating oil and high-temperature discharge
- Occurrence of tenant complaints due to high power and outage



[Patent] Two-stage compressor: High-efficiency refrigeration and freezing system

- Efficiency increase by 165% to 200% during refrigeration and freezing operation
- Providing high-efficiency cooling operation by minimizing frost in the evaporator
- Maintaining stable refrigerator operation by adjusting the suction pressure of the compressor
- Maintaining stable freezer operation and providing a system to improve refrigeration capacity

ESG at Overseas Investment Assets

As ESG regulations in the global real estate market are tightening, value differentiation by asset is also accelerating. In the U.S., each state and local government is establishing carbon emission reduction standards for buildings and imposing penalties and incentives, while in Europe, each country is establishing and regulating ESG evaluation systems. Accordingly, green buildings are expected to receive a rental premium of approximately 8% and a sales premium of approximately 31%¹⁾.

1) Source: National Association of REITs (NAREIT), as of the 3Q 2023

ESG Management in Overseas Investment

To strengthen ESG management in overseas investments, Mastern Investment Management actively monitors the ESG policies of local asset management firms throughout the investment and management stages. Currently, all local asset management firms involved in fund of funds and equity investments comply with ESG policies. Furthermore, through continuous efforts to obtain ESG certifications for investment assets, the proportion of managed assets with ESG certification currently stands at 85%. Plans are also in place or underway to secure certifications for the remaining assets.

ESG Certifications in Overseas Investment

Certification	Grade	Number of Assets Obtained
BREEAM	Excellent	3
	Very Good	6
	Good	1
HQE	Very Good	2
DGNB	Platinum	1
Eco Jardin Label		1

ESG at REITs

Mastern Premier REITs considers a variety of ESG criteria when incorporating assets into its portfolio. Additionally, it will prioritize ESG criteria when promoting the diversification of investment sectors in the future.

Green REIT Assets

Green REIT assets are a crucial element in real estate investment to contribute to sustainable investment and environmental protection. Representative green REIT assets managed by Mastern Premier REITs include Crystal Park, Incheon Hangdong Logistics Center, and logistics centers in France. Crystal Park, located in Paris, exemplifies an eco-friendly asset that has achieved Excellent grade from BREEAM, Very Good grade of HQE, and EcoJardin certification. Incheon Hangdong Smart Logistics Center is a state-of-the-art cold storage facility equipped with a sustainable delivery system. This center is designed to facilitate direct purchasing and shipping, significantly reducing the distribution steps. It features an optimized loading and unloading system that maximizes efficiency, thereby minimizing the carbon emissions associated with product packaging and transportation. Amazon Logistics Center in France has solar panels on its rooftops, enabling the production and consumption of green electricity. It significantly contributes to reducing greenhouse gas emissions by harnessing renewable energy to power the facility's operations.



Amazon Logistics Center

Premier REITs Investment Asset “Crystal Park”

Crystal Park is a global core office asset with a total floor area of 44,944 square meters. It has obtained "Excellent" ratings from both the BREEAM certification and HQE (Haute Qualité Environnementale) association for green buildings in France, along with the "EcoJardin" certification which evaluates ecological management standards. Mastern Investment Management is committed to minimizing the negative environmental and health impacts of the building by expanding the use of renewable energy sources and environmentally-friendly materials and creating efficient spaces and ecosystems within the building.



Crystal Park

Location: 62/64 Victor Hugo, Neuilly-sur-Seine, France

Completed: Year 2003 (Renovated in 2018)

Number of Stories: 7F/B2F

Gross floor area: 44,944m²

ESG at Infrastructure

Investment in Renewable Energy

Mastern Investment Management is developing investment strategies to participate in achieving the carbon reduction targets set by the 2015 Paris Agreement. Global research institutions predict a continuous increase in the share of renewable energy, and accordingly, expect an expansion in various energy transition projects and investment opportunities. Specifically, Mastern Investment Management plans to focus on investments that enhance the use of renewable energy, improve energy efficiency, and strengthen international cooperation in clean energy. This aligns with the seventh United Nations Sustainable Development Goal (UN SDG 7), which aims to ensure access to affordable and clean energy.

Promotion of Renewable Energy Projects

Mastern Investment Management is focusing on investments that create value from an ESG perspective within the infrastructure sector, particularly in environmental infrastructure and smart farming. As the era of energy transition progresses, the company is actively pursuing projects related to renewable energy.

Renewable Energy Investment Case

Mastern Infrastructure Private Special Asset Investment Trust No. 4

Sinan Imjado Solar Power Plant is a sustainable solar power project led by SK E&S, which aligns with the Renewable Portfolio Standard (RPS), a mandatory system for renewable energy supply. Mastern Investment Management has invested in the construction and operation of this solar power plant on a 1,056,000 square meter former salt farm. The project generates revenue through the sale of electricity and Renewable Energy Certificates (RECs).



Investment target	Subordinate loan for Sinan Imjado Solar Power Plant
Investment region	Sinan-gun, Jeollanam-do
Sector	Solar power development project
Performance	<ul style="list-style-type: none"> Investing in subordinated loans for the Sinan Imjado solar power plant, the largest in Korea (99MW class) Presenting excellent performances with an average power generation time of 3.62 hours and promoting high resident acceptance by utilizing resident participation bonds during financing

Mastern Private Special Asset Investment Trust No. 54

Wind power is valued as an investment asset capable of utilizing widespread alternative energy sources, which enables efficient power generation, sustainability of assets, and stable operational income. The senior loan project for Yeongyang Wind Power Corporation, in which Mastern Investment Management has invested, currently demonstrates an exceptionally high average capacity factor of 39%, which is among the best in Korea. The project generates revenue through the sale of the electricity produced and benefits from the Feed-in Tariff (FIT) support during the applicable period.



Investment target	Senior loan for Yeongyang Wind Power Corporation
Investment region	Yeongyang-gun, Gyeongsangbuk-do
Sector	Onshore wind power plant
Performance	<ul style="list-style-type: none"> Korea's second-largest onshore wind power complex (61.5MW) Achieved the highest utilization rate in the country (about 39% on average) due to excellent location conditions with high-speed wind resources Average utilization rate of 37.4% in 2022 and 34.9% in 2023

Issuance of Sustainability Bonds and Investments Related to UN SDGs

Issuance of Sustainability Bonds

Mastern Investment Management issued KRW 20 billion worth of sustainability bonds to invest in ESG projects that are evaluated as compliant with the International Capital Market Association's¹⁾ GBP²⁾, SBP³⁾, SBG⁴⁾, and the Ministry of Environment's Green Bond Guidelines in Korea. This bond received the highest rating of ST1 from Korea Ratings, indicating that a significant portion of the proceeds was used for eligible projects, and it is excellent in project evaluation, selection procedure, and fundraising management system.

- 1) ICMA: International Capital Market Association
- 2) GBP: Green Bond Principles
- 3) SBP: Social Bond Principles
- 4) SBG: Sustainability Bond Guideline

Environment_ Investment in Green Building Construction Projects

Mastern Investment Management allocated approximately KRW 18.7 billion, which represents 93.5% of the proceeds from its sustainable bond issuance, to invest in a total of 13 green construction projects for sustainable buildings. It is included in the category of Green Buildings according to the International Capital Market Association's (ICMA) Green Bond Principles (GBP), specifically aligning with the environmental goals of "mitigating climate change" and "conserving natural resources" outlined by the ICMA. Additionally, these projects correspond to the UN SDGs related to building sustainable cities and communities and detailed targets¹⁾.

- 1) SDGs 11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

Representative Green Buildings Invested through Sustainability Bonds

- 1) Gangnam Station office development project (office and neighborhood living facilities)
- 2) Busan Seomyeon residential development project (residential facilities and neighborhood living facilities)
- 3) Busan Haeundae-gu living accommodation development project (accommodation and neighborhood living facilities)
- 4) Pre-purchase of a complex building in Seongsu-dong (office and neighborhood living facilities)
- 5) Yeoksam-dong residential facility development project (residential and neighborhood living facilities)
- 6) Guro knowledge industry center development project (factory, knowledge industry center and support facilities)
- 7) Guui Station rental housing development project (residential and neighborhood living facilities)
- 8) Mapo rental housing development project (residential and neighborhood living facilities)

Society_ Investment in Youth Rental Housing Construction Project

Mastern Investment Management invested approximately KRW 1.3 billion, which is 6.5% of the funds raised through its issuance of sustainability bonds, in a youth rental housing project. This project aligns with the Affordable Housing target under the International Capital Market Association's Social Bond Principles (SBP). Additionally, it supports the UN SDGs, specifically Goal 11¹⁾, which focuses on making cities and human settlements inclusive, safe, resilient, and sustainable.

The youth housing development project generates significant economic benefits by enabling young people to enjoy housing welfare at rental rates lower than the surrounding market prices. The social impact calculated from the youth housing development project near Guui Station is estimated that approximately KRW 880 million in rental costs is saved annually.

- 1) SDGs 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

ESG Material Issues

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67 Environmental

75 Social

2

Mastern Investment Management is committed to identifying and efficiently managing issues related to the environmental (E), social (S), and governance (G) aspects, aiming to create long-term value. This report is strategically focused on the key material ESG issues selected based on the results of our materiality assessment.



Governance

We pursue a high level of business ethics and transparency.

Transparent and ethical business operations enhance a company's credibility and strengthen financial soundness, contributing to sustainable growth and development. Mastern Investment Management emphasizes compliance, ethical integrity, and transparency. We have established a governance structure based on high standards of business ethics and transparency and is committed to practicing responsible management by ensuring the diversity and professionalism of the Board of Directors.

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ESG Management System

BOD Composition and Governance

Mastern Investment Management recognizes that sound governance is essential for making correct decisions and building trust with stakeholders including shareholders. Accordingly, the company is operating the Board of Directors (BOD) with expertise to ensure transparent and responsible management.

Organization Chart



Committees under the BOD

Under the BOD at Mastern Investment Management, four committees operate: the ESG Committee, Audit Committee, Risk Management Committee, and Nominating Committee. The ESG Committee was established in 2021.

Classification	Role and Activity	Composition	Name
ESG Committee	<ul style="list-style-type: none"> Establishing company-wide ESG policy, strategy system, and risk management system Establishing mid- to long-term ESG tasks and monitoring their implementation, etc. 	<ul style="list-style-type: none"> Chairperson: One independent director Member: Three CEOs, three independent directors Secretary: Head of Fund Management Office 	<ul style="list-style-type: none"> Sang-do Lee (CEO), Sung-hyuk Hong (CEO), Sung-hoon Min, Yu-mi Seo, Yoon-gon Choi, Kyung-sun Yeo (secretary)
Audit Committee	<ul style="list-style-type: none"> Supervising the work of directors and management Performing audit of the adequacy of the internal control system, accounting and business operations, and other accompanying tasks 	<ul style="list-style-type: none"> Chairperson: One independent director (Accountant) Member: Three independent directors Secretary: Compliance Officer 	<ul style="list-style-type: none"> Yu-mi Seo, Hyun Kang, Sung-hoon Min, Seong-jun Chang (secretary)
Risk Management Committee	<ul style="list-style-type: none"> Managing risks inherent in overall management and maintaining the soundness of the company Establishing basic risk management policy Determining manageable risk levels Approving appropriate investment and loss limit Setting and modifying risk management standards 	<ul style="list-style-type: none"> Chairperson: One independent director Member: One CEO, three independent directors Secretary: Risk Management Officer 	<ul style="list-style-type: none"> Hoon Namkoong (CEO), Hyun Kang, Yu-mi Seo, Sung-hoon Min, Chang-jin Lee (secretary)
Nominating Committee	<ul style="list-style-type: none"> Recommending candidates for executives (CEO, independent directors, and Audit Committee members) Verifying and managing candidates 	<ul style="list-style-type: none"> Chairperson: One independent director Member: One CEO, three independent directors Secretary: Head of Human Resources & Administration Team 	<ul style="list-style-type: none"> Hoon Namkoong (CEO), Yoon-gon Choi, Hyun Kang, Chan-ho Ahn (secretary)

BOD Operation

The Board of Directors at Mastern Investment Management convenes regularly or temporarily, and the meeting is called by the CEO or the director if there is a director designated by the BOD. The BOD meeting is constituted with the attendance of more than half of its members, and resolutions require a majority vote of the attendees. Directors with a conflict of interest in any resolution are not allowed to vote. In 2023, the Board held 19 meetings and passed a total of 38 resolutions. The average attendance rate of directors was approximately 97%. The company notifies directors and auditors of the meeting 7 days in advance, providing necessary materials to ensure thorough review of the agenda items beforehand. The BOD discusses various matters including approvals of financial statements and business reports, convention of the annual general meeting, and agendas to be brought before shareholders.

Professionalism and Independence of the BOD

As of the first half of 2024, Mastern Investment Management's Board of Directors is composed of four independent directors and four executive directors. The BOD members are well-versed in fields such as finance, management, real estate, accounting and auditing, law, and information technology, bringing a wealth of practical experience and specialized knowledge to their roles. To ensure independence, independent directors are not allowed to hold concurrent positions as independent directors, non-standing directors, or non-standing auditors in more than two other listed companies during their tenure.

Diversity of the BOD

Despite an unlisted company that is not required to appoint female independent directors, Mastern Investment Management appointed Yu-mi Seo, a certified accountant from Woori Accounting Corporation, as a new independent director as part of improvement of the governance. Her high expertise in accounting and auditing is expected to contribute significantly to strengthening diversity within the BOD. Looking forward, Mastern Investment Management will continue to expand the diversity in terms of gender and expertise within the BOD to ensure that the perspectives of various stakeholders are reflected in business decision-making.

BOD Compensation System

The compensation system for executives at Mastern Investment Management consists of salary, performance-based bonus, and severance pay. Individual salary is set by the BOD within the limit approved by the shareholders' meeting, based on the previous year's amounts and reflecting job performance. Performance-based bonus is determined by the BOD's resolution, based on the achievements of the respective year, while severance pay is governed by the company's severance pay regulations. For positions requiring operational independence, such as the Compliance Officer and risk management officer, the company ensures their independence by setting compensation and evaluation criteria that are not linked to the company's financial performance.

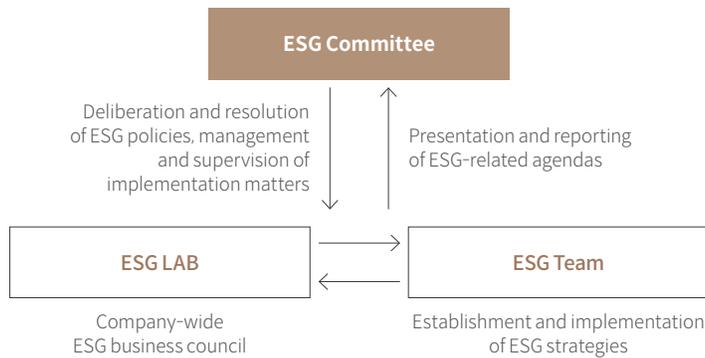
Classification	Name	Career	Tenure	Category						Others	
				Finance	Real Estate	Accounting/Audit	IT	Law	ESG	Gender	Age
Executive Director	Hoon Namkoong	Division Head at Shinhan Financial Investment, CEO of Shinhan REITs Management	Jan. 19, 2024~Date of general shareholders' meeting in 2026	●	●					Male	61
	Sang-do Lee	Samsung Life Insurance, SAMS, DB Property Advisors, DWS Asset Management	Jul. 4, 2022~Date of general shareholders' meeting in 2025	●	●					Male	54
	Sung-hyuk Hong	Construction Group at Samsung C&T, Cushman&Wakefield Korea, KORAMCO Asset Trust	Jul. 4, 2022~Date of general shareholders' meeting in 2025	●	●					Male	51
	Yong-min Cho	Samsung Life Insurance, Hana UBS Asset Management, Hyundai Investment Asset Management	Aug. 10, 2023~Date of general shareholders' meeting in 2026	●	●			●		Male	50
Independent director	Sung-hoon Min (BOD Chairman)	Head of Investment Division at Nomura Asset Management, Professor, Department of Architecture, Urban and Real Estate at Suwon University	Mar. 29, 2023~Date of general shareholders' meeting in 2026	●	●				●	Male	53
	Hyun Kang	Member of National Pension Service Alternative Investment Committee, BAE, KIM & LEE LLC	Mar. 25, 2022~Date of general shareholders' meeting in 2025		●			●		Male	59
	Yu-mi Seo	Samil Accounting Corporation, Woori Accounting Corporation	Mar. 29, 2023~Date of general shareholders' meeting in 2026			●	●			Female	45
	Yoon-gon Choi	Director of the Capital Market Research Bureau of the Financial Supervisory Service, Professor of Financial Education at the Financial Education Bureau of the Financial Supervisory Service	Mar. 29, 2024~Date of general shareholders' meeting in 2027	●		●			●	Male	60

* As of May 2024

ESG Organization and Activities

Mastern Investment Management launched the ESG Committee and ESG LAB within the Board of Directors in 2021 to build a comprehensive ESG governance structure. The ESG Committee serves as the supreme decision-making body for ESG management, overseeing and supervising ESG policies and strategies. Meanwhile, the ESG LAB and the ESG Team are responsible for handling the practical aspects of ESG-related tasks.

Organization Chart



ESG Committee

The ESG Committee oversees entire ESG factors across the company to ensure sustainable growth from a long-term perspective. The committee deliberates and decides on company-wide ESG policies, mid- to long-term ESG initiatives, and discusses agendas related to the ESG strategy system, risk management system, issuance of sustainability bonds, and ESG disclosure. The committee also supervises the implementation of ESG LAB and ESG Team.

ESG LAB

ESG LAB, as a core organization for ESG management, is comprised of working staff from ESG-related departments and full-time researchers. ESG LAB discusses and implements tasks such as establishing and managing ESG policies and systems, joining and monitoring initiatives, preparing eco-friendly building certification, and conducting tenant social contribution activities. In addition, it monitors ESG trends and related research and shares the results internally and externally.

ESG DNA Culture

Mastern Investment Management is embedding ESG into its organizational DNA by combining top-down and bottom-up approaches to enhance employees' understanding of ESG and cultivate an ESG-centric culture.

ESG Award

To disseminate ESG DNA culture across the company, we have been conducting ESG Awards since 2022. "ESG Excellent Participation Award" is given to the department that has been most actively involved in ESG activities, and the "ESG Merit Award" is presented to executives who have significantly contributed to the internalization of ESG management. We also award ESG Contribution Plaque to partners in asset management that have actively participated in our ESG activities.

Criteria for the 2023 Excellent Participation Award Winner (Bundang M Tower)

Evaluation Item	Bundang M Tower
① Participation in ESG evaluation / ESG certification	• LEED Gold certification (completed on Mar. 27, 2023)
② Introduction of investment ESG	• Introduction of green lease agreement
③ Asset ESG activities	• Recycled paper panda exhibition to protect endangered species (February 2023) • Participation in lights-off events to save energy (twice)
④ Contribution to local communities	• Plogging and ecological exploration activities around Tancheon (May 22, 2023)

In-house ESG Education Programs

The company operates the ESG Academy to establish a company-wide ESG culture and enhance employees' understanding of ESG principles. At the ESG Academy, practical education programs are provided, covering topics such as ESG disclosure regulatory trends and ESG evaluation trends for real estate assets.

Activities of ESG LAB

- ① May 2024: Mentoring on corporate finance to college students (special lecture by Ja-kyung Yoon, Vice President of Strategic Planning Group)
- ② May 2024: Seminar on social economy and ESG topics
- ③ Jan. 2024: Workshop on ESG disclosure trends/ESG talk concert with college students "BEYOND INVESTMENT"
- ④ Dec. 2023: "ESG meeting" invited to joint university societies in the field of sustainable management
- ⑤ Nov. 2023: Workshop on real asset ESG evaluation trends
- ⑥ Oct. to Dec. 2023: ESG Forum with the theme of ESG investment and social impact
- ⑦ Mar. 2023: ESG reading campaign for employees (ESG Committee Chairman Sung-hoon, Min, donation of 100 books "Future Investment ESG")
- ⑧ Jan. 2023: Special lecture on ESG trends for the new year
- ⑨ Sep. to Dec. 2022: "Talk on Sustainable Finance" (co-hosted by ESG LAB and Suwon University Department of Urban Real Estate)

Ethical Management

Mastern Investment Management is committed to establishing an ethical corporate culture based on its code of ethics and internal control standards. Moreover, all employees are required to submit an ethics pledge, and if any unethical behavior or violations of the ethics regulations are discovered, the audit department conducts investigation and takes appropriate actions. Moreover, cases of ethics management violations are shared company-wide to reinforce ethical awareness among employees and ensure that they perform their duties responsibly.

Anti-Money Laundering

Mastern Investment Management enforces guidelines for anti-money laundering (AML) and counter-terrorism financing (CTF) in its operations. We conduct risk assessments of potential money laundering activities during financial transactions by identifying, analyzing, and evaluating risks, subsequently establishing customer due diligence (KYC, Know Your Customer) and transaction monitoring procedures based on the assessed risk levels. This approach ensures meticulous attention to the origins of investor funds and business transactions to prevent money laundering in advance.

Additionally, the company conducts annual training programs for employees to enhance their understanding and awareness of money laundering activities. Internal audits focusing on anti-money laundering are conducted regularly and the results are reported to the Board of Directors.

Information Security and Privacy Protection

Mastern Investment Management requires all employees to sign an agreement on information security regarding computer equipment use. Annual training on personal information protection, a legal requirement, is outsourced to external training institutions under the supervision of Human Resources & Administration Team. In the first half of 2024, information security training was conducted for all employees, strengthening prevention against the misuse of undisclosed information for personal gain, and the use, disclosure, and leakage of confidential information of the company and its clients. This training will be conducted on a regular basis.

Fair Trade and Anti-corruption

Mastern Investment Management strictly prohibits any form of corruption or unethical behavior by its employees that could compromise fairness or deviate from generally accepted social norms during the performance of their duties.

The company also ensures that all contracts with partners are negotiated on mutually equitable terms, pursuing fair and rational transactions through ample discussions. Specifically, to foster fair trade relationships, we have established contract management regulations for investment organization. It mandates competitive bidding as a principle when the organization signs contracts with partners. They are also required to submit a commitment to compliance with fair trade practices.

Conflict of Interest Control and Prohibition of Unhealthy Business Practices

Conflict of Interest Control

We strive to prevent conflicts of interest before they arise in transactions between the company and various stakeholders. To assess the possibility of conflicts of interest, the Conflict of Interest Management Committee operates within the company. If there is a concern regarding a conflict of interest, the responsible person must report the details of the transaction and the type of conflict to the head of their department and notify the Compliance Officer before proceeding with the transaction.

Through this process, we discuss the level of potential conflict, mitigation strategies, and whether or not to proceed with the transaction. Transaction is only possible when the possibility of conflict of interest is reduced to a level that does not cause problems for investor protection, and if not, transactions are prohibited.

Prohibition of Unhealthy Business Practices

Mastern Investment Management strictly prohibits its employees from using undisclosed internal information obtained during their duties to gain illicit profits. Additionally, it is forbidden to manage the assets of investment company, collective investment assets, or proprietary assets in violation of relevant laws, investment contracts including collective investment agreements, investment-related contracts, proposals, or the company's investment criteria. The company and all employees are committed to acting as prudent managers in performing their duties and prioritizing the protection of investors' interests. Any behavior that harms the interests of investors for the benefit of any person or third party without justifiable cause is strictly prohibited. The compliance department conducts training for all employees to prevent unethical business practices proactively.

Financial Accident Cases (KRW)



* Total monetary losses incurred as a result of fraud, internal transactions, anti-trust or anti-competitive conducts, market manipulation, negligence, or other financial industry laws and legal proceedings

** Financial accidents reported to the Financial Supervisory Service

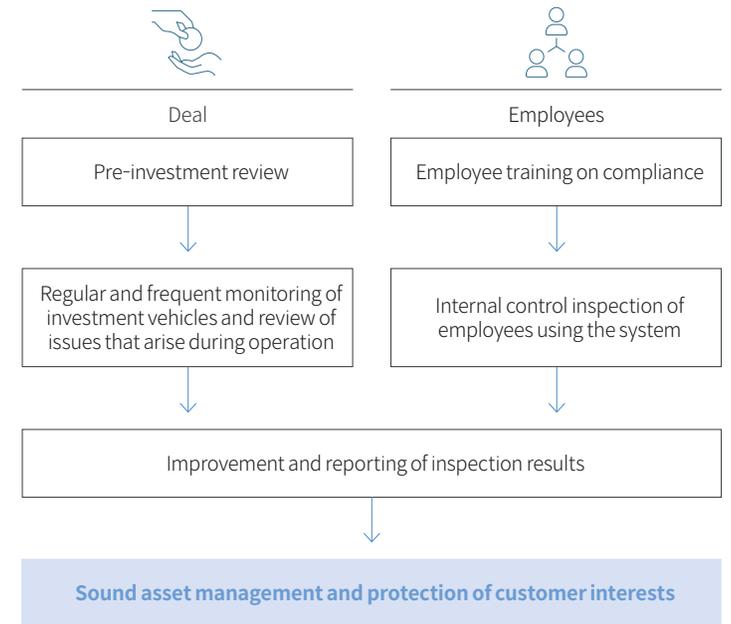
Compliance

To allow the Compliance Department to perform its duties impartially and without interference and ensure the operational independence of the department, Mastern Investment Management operates the department under the CEO who oversees general management. The Compliance Department has established and is maintaining a compliance monitoring system that checks compliance with laws and regulations as employees carry out their responsibilities.

Major Compliance Tasks

- 1 Establishment, implementation, and revision of internal control policy and system
- 2 Monitoring, regular inspection, and reporting of employees' compliance with relevant laws and internal control standards
- 3 Confirmation and review of compliance with relevant laws and regulations regarding matters discussed by the BOD and subcommittees
- 4 Analysis of the impact of laws and regulations related to various business activities, including asset management, and establishment and management of compliance programs
- 5 Enactment and amendment of articles of incorporation, company regulations, etc.
- 6 Review of compliance with relevant laws and regulations for major tasks
- 7 Training and advice on employee compliance with laws and regulations
- 8 Response, cooperation, and support for inspections by related organizations such as the Financial Services Commission and the Ministry of Land, Infrastructure and Transport

Compliance Process



Information Disclosure

Mastern Investment Management provides stakeholders with diverse information in a transparent manner through multiple communication channels.

Expanding ESG Information Disclosure and Accessibility

Mastern Investment Management discloses financial performance, legal disclosure, result of shareholders' meeting, and appointment of independent auditors on its website. In addition to regular disclosures, information that can significantly impact corporate value is provided to all investors and clients frequently.

Business report, audit report, and result of shareholders' meeting are provided through the DART of Financial Supervisory Service as well as corporate website.

The notice of shareholders' meeting are posted on the DART two weeks prior to the meeting, and electronic voting is conducted to ensure shareholders' rights to vote.

Mastern Investment Management pursues transparent management practices by frequently organizing briefings and discussion sessions for shareholders to gather and incorporate their opinions.

During asset management period, the company ensures that investors and stakeholders are provided with ESG-related information. This practice not only fosters trust with them but also contributes to enhancing the value of investment assets.

As for material issues, it is recommended to be reported to the ESG Committee at least once a year as agenda items. External stakeholders are provided with ESG information through integrated report or ESG report on the corporate website.

ESG Reporting

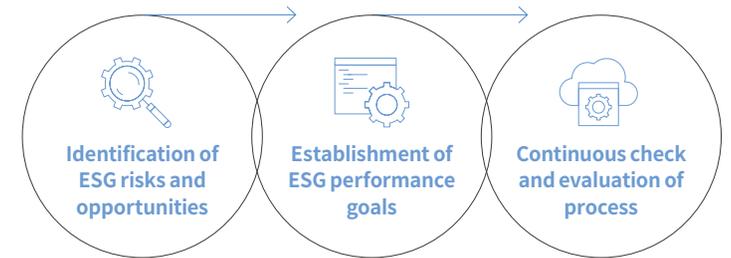
Our ESG reporting is conducted in three categories of ESG fundamentals, portfolio, and ESG events.

- ❶ **ESG Fundamentals:** This category addresses company-wide ESG policies, responsible organization and personnel dedicated to ESG, and ESG investment procedures. If there is any significant information related to specific investment activities, it will be reported.
- ❷ **Portfolio:** Descriptions of ESG factors of products or funds, ESG risks and opportunities for investment assets within the fund, and response strategies and measures for these are reported.
- ❸ **ESG Events:** "ESG events" refers to events that have a significant negative impact on investment targets or stakeholders, including investors, in areas such as public health, the environment, and business ethics. If an ESG event that could have a negative impact from a reputational or financial perspective occurs, the fact that the ESG issue occurred, detailed ESG issue and status, and response measures must be reported without delay.

ESG Monitoring

The company continuously monitors and evaluates ESG-related information on management assets required by investors and stakeholders.

ESG Monitoring Process





Environmental

Mastern Investment Management's efforts to care for the earth, with the goal of achieving carbon neutrality by 2050 (Net Zero by 2050)

Mastern Investment Management has positioned the achievement of carbon neutrality as a top strategic priority in response to the climate crisis, aligning with the 2050 net-zero targets set by the Paris Agreement. This commitment is not only a participation in addressing global challenges that require international cooperation but also a proactive measure in anticipation of domestic greenhouse gas reduction regulations led by the government and changes in market conditions. To achieve the goal of Net Zero by 2050, the company has established a climate risk management system and is diligently working to enhance the energy efficiency of its assets.

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Response to Climate Change

Mastern Investment Management has established a climate risk management system and is endeavoring to enhance the energy efficiency of assets to realize the 2050 net-zero goal.

Climate Change Response Strategy

Mastern Investment Management defines and identifies major risks and opportunities associated with climate change, analyzes financial impacts and establishes action plans in a systematic way by adhering to the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB) IFRS S2.

Climate Change Impact on Our Business

Climate change is expected to have direct and indirect effects on our management and business activities through various channels. Abnormal weather caused by rising global average temperatures not only threatens the health and safety of employees, but can also lead to changes in market and consumer needs, strengthened environmental regulations, increased operating costs, and fluctuations in raw material prices and asset values. In particular, our company is highly exposed to climate change due to the nature of its business, which specializes in real estate investment. Accordingly, we are systematically identifying climate change risks and opportunities based on the TCFD recommendations and qualitatively analyzing potential financial impacts to establish response strategies. We plan to further enhance this through quantitative analysis applying various scenarios in the future.

Climate Risk Identification, Impact Analysis and Response Strategy

Defining and Identifying Climate Risks

Climate risks can be divided into physical risks arising from the increase in abnormal weather phenomena and changes in long-term climate patterns, and transition risks for economic and social changes due to climate change.

	Classification	Risk Factors	Potential Financial Impact	Response Strategy
 <p>Physical risks</p>	Acute risk	<ul style="list-style-type: none"> Extratropical storms and tsunamis Flash floods and river flooding Hail and tropical cyclones, etc. 	<ul style="list-style-type: none"> Recovery costs due to physical damage to buildings and workplaces Decline in real estate values due to suspension of business and community operations 	<ul style="list-style-type: none"> Monitoring of potential disaster areas in advance Derivation and application of response strategies for assets in high-risk areas
	Chronic risk	<ul style="list-style-type: none"> Floods in coastal areas due to sea level rise Increase in droughts and floods due to changes in precipitation and climate patterns Increases in maximum temperature and number of high temperature days Land subsidence and increase in forest fires 	<ul style="list-style-type: none"> Increase in insurance premiums or failure to insure Increase in operating costs due to growing demand for cooling from rise in average temperature Increase in operating costs due to rising energy costs Reduction in durability of buildings and equipment 	<ul style="list-style-type: none"> Reduction of energy costs by improving heating and cooling efficiency Replacement of energy demand by introducing alternative energy Expansion of durability through establishment of building operation and maintenance manuals, etc.
 <p>Transition risks</p>	Policy and legal risks	<ul style="list-style-type: none"> Increase in building-related regulations and obligations Obligation to disclose GHG emissions and environmental performance Rising GHG prices Exposure to legal disputes (greenwashing, disputes with investors in stranded asset, disputes with tenants affected by climate crisis, etc.) 	<ul style="list-style-type: none"> Capital cost to meet policy requirements Penalty in case of non-compliance with policy requirements Operating costs to fulfill disclosure obligations Increase in indirect emission costs across supply chain due to rising carbon prices Costs in case of legal dispute 	<ul style="list-style-type: none"> Preemptive response to expected policy changes Reduction of indirect emissions costs through introduction of alternative materials and efficient waste disposal, etc.
	Market risk	<ul style="list-style-type: none"> Changes in investor preferences Increase in operating costs (lighting, waste disposal, remodeling, etc.) Increase in material and facility costs due to expansion of eco-friendly buildings Increase in Insurance premiums 	<ul style="list-style-type: none"> Economic slowdown due to climate change and resulting decline in asset values Decrease in the value of low-energy-efficiency assets (Brown discount) 	<ul style="list-style-type: none"> Introduction of competitive energy-efficient assets
	Technical risk	<ul style="list-style-type: none"> Devaluation of technology applied to assets Technology costs due to the emergence of low-carbon technology and alternative materials Failure to invest in new businesses and new technologies 	<ul style="list-style-type: none"> Devaluation of technology applied to assets Costs for introducing and applying new technology 	<ul style="list-style-type: none"> Capital investment considering the expected shelf life of the technology Improvement of outdated facilities
	Reputation risk	<ul style="list-style-type: none"> Deterioration of social reputation due to poor response to climate change Increasing pressure from stakeholders to respond to climate change 	<ul style="list-style-type: none"> Decrease in profits due to weakening demand Reduction of capital availability 	<ul style="list-style-type: none"> Preemptive response to climate change and transparent communication with stakeholders

Opportunities from Climate Change and Response Strategies

Classification	Opportunities	Potential Financial Impact	Response Strategy
Product and service	<ul style="list-style-type: none"> Management of green assets 	<ul style="list-style-type: none"> Increase in management asset value and expansion of promotional effects Decrease in vacancy rate due to increase in brand value 	<ul style="list-style-type: none"> Expansion of environmental certification of assets
Market	<ul style="list-style-type: none"> Increasing preference for sustainable and energy-efficient assets 	<ul style="list-style-type: none"> Decrease in vacancy rate and increase in asset value due to preference for green assets Reduction of capital financing costs due to expansion of sustainable investment market such as green bonds 	<ul style="list-style-type: none"> Expansion of the proportion of green assets Expansion of eco-friendly design and use of sustainable raw materials, and active reduction of embodied carbon
Resource efficiency	<ul style="list-style-type: none"> Expansion of high-efficiency and recycling technology trends 	<ul style="list-style-type: none"> Improvement of resource efficiency and cost reduction through circular economy such as recycling and waste management Reduction of operating costs through technological innovation 	<ul style="list-style-type: none"> Expansion of the proportion of high-efficiency assets R&D for energy saving (patent application for high-efficiency refrigeration system, etc.)
Energy resource	<ul style="list-style-type: none"> Expansion and stabilization of renewable energy introduction 	<ul style="list-style-type: none"> Reduction of energy costs and asset management costs Less exposure to fossil fuel price increases 	<ul style="list-style-type: none"> Improvement of renewable energy proportion and building energy self-sufficiency rate
Resilience	<ul style="list-style-type: none"> Expansion of climate change response trends in management assets and supply chains 	<ul style="list-style-type: none"> Securing the stability of assets and supply chain by strengthening climate resilience 	<ul style="list-style-type: none"> Participating in climate change initiatives and enhancement of climate resilience

Climate Risk Management

Climate Risk Management System

The Risk Management Committee and ESG Committee under the Board of Directors manage company-wide climate risks, and the ESG Team conducts climate risk measurement and evaluation.

Risk Management Committee

Climate risks are managed by being integrated within existing risk management processes. The entire risk management system is overseen by the Risk Management Committee under the Board of Directors, which sets the company's risk management policy and manageable risk levels.

ESG Committee

Considering the characteristics of climate risk, which are distinct from existing traditional types of risks, the ESG Committee develops or reviews related policies and procedures.

- ① Development of climate-related transition risk management policies and procedures considering business goals and strategies
- ② Review of the adequacy of climate-related transition risk management policies and procedures
- ③ Review of climate-related transition risk management status
- ④ Response to key climate-related transition risk issues
- ⑤ Review of the company's manageable levels of climate-related transition risks

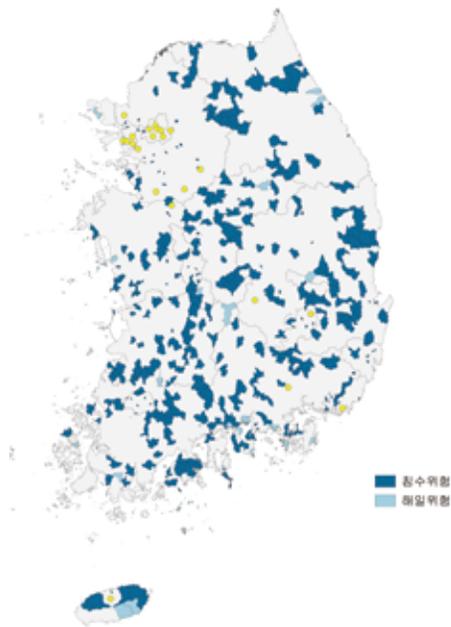
ESG Team

The ESG Team is responsible for identifying, measuring, and regularly evaluating climate-related risks, and the results are regularly reported to the Risk Management Committee and ESG Committee.

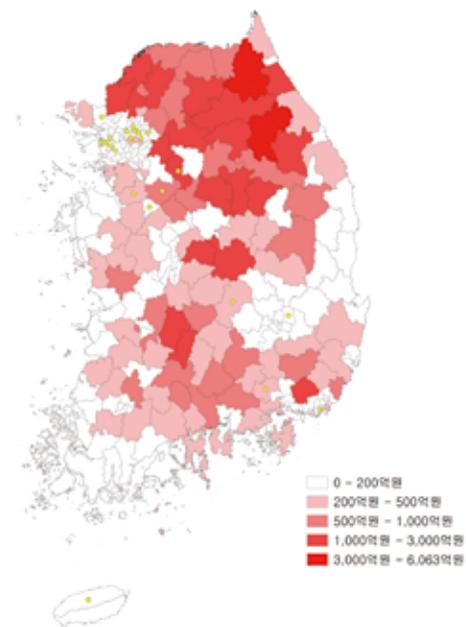
Climate Risk Management Methods

Mastern Investment Management monitors, measures, and evaluates physical and transition risks of all assets it manages on a regular basis. When reviewing an investment, climate risks are reviewed through an ESG checklist, and a management plan including a long-term capital expenditure is established in consideration of climate risks in the area where the assets are located. In addition, we calculate the GHG emission risk for each asset and manage the target reduction amount.

Distribution Map of Nationwide Disaster Risk Areas (flooding, tsunami) and Location of Mastern's Assets



Regional Status of Nationwide Heavy Rain Damage Amount and Location of Mastern's Assets



Evaluation and Monitoring of Physical Risks

- Selecting and evaluating physical risk factors considering domestic geographical characteristics
- Checking whether investment and management assets are located in disaster risk areas, applying evaluation items such as low sea level areas and cumulative damage from heavy rains by region, and especially considering domestic climate factors with high flood and storm damage.
- Evaluating physical risk of existing investment and management assets on a regular basis, and confirming the level of disclosure to physical risks by each manager in charge of investment before making investment decisions through ESG check list
- Introducing a climate risk monitoring dashboard to actively respond to possible asset losses due to physical risks
- Checking and sharing the physical risk exposure status of the asset portfolio under management and identifying potential risks of assets subject to new investment review through regional information

Process for Improving Climate Risk Resilience of Assets

- 1 Identifying climate risks of assets
- 2 Evaluating identified risk factors (possibility of loss, expected amount of loss, etc.)
- 3 Deriving climate risk response methods
- 4 Deciding priority considering asset use, development stage, CAPEX plan, etc.
- 5 Implementing climate risk response

Evaluation and Monitoring of Transition Risks

Mastern Investment Management considers policy risk as the most important factor among transition risks in the short term. To this end, we are deriving response scenarios by setting Seoul City's building GHG cap system, which is considered the most stringent among domestic policies, as the basic scenario, and monitoring and evaluating transition risks. In addition, the company has established a dashboard in its internal system to regularly monitor GHG emissions and energy consumption of real assets. Through this, we confirm the amount of reduction needed and the degree of goal achievement according to the policy scenario for each asset and use the results for investment evaluation process to respond to transition risks.

Seoul City's GHG Emissions Cap Based Scenario

Risk evaluation	Classifying into "buildings subject to priority management" and "buildings subject to intensive management" based on the emission ratio compared to the standard for each asset sector.
Risk monitoring	Greenhouse gas emissions calculation and real-time analysis system "Reable Net Zero Tracker"

Indicators and Goals

Long-term GHG Reduction Goal_ Net Zero by 2050

Mastern Investment Management has set "Net Zero by 2050" as its top priority in the environmental field and is establishing detailed strategies to achieve it. The National Determined Contribution (NDC) requires a reduction in net GHG emissions to 40% of the level in 2018 by 2030, with the building sector targeting a 32.8% reduction. In consideration of this, the company has been establishing and implementing execution guidelines and asset-specific ESG integration strategies.

GHG Boundary and Scope of Net Zero Goal

Mastern Investment Management establishes organizational boundaries in accordance with the operational control approach suggested by the GHG Protocol and calculates Scope 1, 2, and 3 GHG emissions. Additionally, in setting the net-zero goal, the company includes the total emissions from buildings in accordance with the recommendations of PCAF, CREEM, and GRESB.

Measurement of GHG Emissions

Introduction of Real-time GHG Measurement System

- Achieving the net-zero goal starts with an accurate measurement of current carbon emissions. Mastern Investment Management is collecting building energy data and calculating GHG emissions to achieve the Net Zero by 2050 goal. The results are compared with benchmarks and Key Performance Indicators (KPIs) using the "Reable Net Zero Tracker" system, which provides real-time analysis and measures emissions across all assets.
- Mastern Investment Management establishes a mid- to long-term carbon neutrality operation strategy based on the real-time analysis results provided by the Reable Net Zero Tracker and continuously reducing carbon emissions.



Reable Net Zero Tracker

GHG Reduction Methods

Types of Building GHG Emissions

GHG emissions at Mastern Investment Management primarily occur from real estate development and management processes. Building carbon emissions are divided into two categories: embodied carbon, which arises from the production and transportation of construction materials, building construction, and disposal, and operational carbon, which is emitted during building management. For our assets, operational carbon accounts for 78% and production stage for 21%, although there are differences between sectors. For logistics facilities, operational carbon is only 40%, lower compared to 56% in the production stage.

Building GHG Reduction Strategy

- Mastern Investment Management has established a checklist for energy saving by building type and is implementing energy efficiency and renewable energy projects for pilot assets. By considering the investment period and conditions, durability of equipment, and life cycle of buildings, the company is making the most efficient capital investments to practice its GHG reduction strategy.
- Mastern Investment Management analyzes and compares the emission levels and target emission levels of each asset within its investment portfolio, prioritizing its response accordingly. We are prioritizing assets that require efforts to meet target emission levels as "buildings subject to intensive management", while assets that are likely to exceed their target emission levels compared to the target emissions scenarios as "buildings subject to priority management" to address external policies.

Building GHG Reduction Strategy

Embodied Carbon



- Using sustainable materials
- Optimizing construction processes and strengthening waste management
- Cooperating with partners (construction companies) to reduce GHG emissions

Operational Carbon



- Improving outdated facilities (lights, boilers, air conditioners, etc.)
- Inspecting machine performance regularly and preparing building operation and maintenance manuals
- Introducing and automatizing building energy management system
- Introducing renewable energy
- Encouraging tenants to save energy (green lease agreement, awareness campaign, etc.)
- Applying design to minimize building energy use during development

Greenhouse Gas Inventory in 2023

Classification		Unit	Scope 1	Scope 2	Scope 3
Mastern Investment Management Head Office	Mobile combustion	tCO ₂ eq	111.97	-	-
	Electricity	tCO ₂ eq	-	26.21	-
	Subtotal	tCO ₂ eq	111.97	26.21	-
Real assets under management	Gas	tCO ₂ eq	1,492	-	4,291
	Fuel cell	tCO ₂ eq	5	-	5
	Electricity	tCO ₂ eq	-	14,216	38,665
	District heating	tCO ₂ eq	-	753	826
Subtotal		tCO ₂ eq	1,497	14,969	43,787
Total		tCO ₂ eq	1,609	14,995	43,787
Intensity		tCO ₂ eq/m ²	0.006	0.057	0.06

* For the emissions intensity calculation, Scope 1 and Scope 2 apply the output of the Mastern Investment Management's head office and common use areas of the assets. Scope 3 applies the output of the dedicated area that is actually occupied.

Energy Inventory in 2023

Classification		Unit	Data
Common use areas at Mastern's head office and assets under management	Consumption	GJ	44,290
	Intensity	GJ/m ²	0.168
Dedicated areas for tenants at assets under management	Consumption	GJ	98,128
	Intensity	GJ/m ²	0.135

* Including only general energy resources (excluding renewable energy from the boundary)

Environmental Management

Major Environmental Performances

Mastern Investment Management collects and manages environmental data from assets under management. Collected data are regularly monitored for the reduction of GHG emissions, energy consumption, water intake, and waste generation from each asset. We implement risk management strategies that prioritize environmental impacts when reviewing current assets under management and considering future investment opportunities. Additionally, we are establishing environmental management plans tailored to the characteristics of each asset to explore detailed management actions.

GHG Emissions by Asset Sector

Classification	Emissions (tCO ₂ eq)				Gross Floor Area (m ²)	Intensity per Square Meters (tCO ₂ eq/m ²)
	Scope 1	Scope 2	Scope 3	Total		
Office	2,102	12,840	16,139	31,082	475,829	0.07
Hotel	32	120	641	792	3,848	0.21
Logistics	3	694	12,701	13,398	324,812	0.04
Mixed-use	114	562	14,306	14,981	182,539	0.08
AUM	2,250	14,216	43,787	60,253	987,028	0.06

* GHG emissions (Scope 1, 2 & 3) from an asset are calculated in two categories: those from common use areas and dedicated areas to tenants. When calculating emissions intensity, Scope 1 and Scope 2 data cover the common use areas of the head office and each asset, and Scope 3 data is applied to the actually occupied dedicated areas.

GHG Emissions by Asset Sector (Excluding Master-leased Assets)



* Including only general energy resources (excluding renewable energy from the boundary)

Environmental Data at Mastern Premier REIT Asset in 2023



Crystal Park (Paris, France)



GHG emissions (tCO₂eq)
(30% coverage)

505



Energy consumption (Mwh)
(100% coverage)

29,622



Water consumption (m³)
(89% coverage)

67,806



Waste generation (ton)
(89% coverage)

2,601



Social

Mastern Investment Management proactively communicates with stakeholders including employees, domestic and overseas investors, tenants, real estate partners, and partners to ensure that they are satisfied with and can trust the company's management activities. Moreover, the company is committed to sharing the value of diversity, equity, and inclusion (DEI) with all stakeholders and growing together, and is actively engaged in social contribution activities as part of its commitment to fulfilling social responsibility.

Employment and Welfare Benefit	76
Diversity and Equal Opportunity	78
Mutual Cooperation	80
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Employment and Welfare Benefit

Mastern Investment Management’s ESG policy emphasizes diversity and inclusion. Our employment policy focuses on the followings: ① We strive to expand the scale of employment of persons with disabilities. ② We do not discriminate on the basis of academic background, gender, religion, place of origin, marital status, nationality, race, etc. in hiring and promotion.



Training for new employees



New employees hired through the 2nd open recruitment process

Talent Recruitment Policy

Mastern Investment Management recruits new employees through its in-house platform in a transparent and fair manner. The platform is used for posting fair job information, receiving applications, protecting applicant personal information, and communicating with candidates. As of February 2024, the platform has received applications from 856 candidates. Throughout this process, the company has provided equal employment opportunities to all applicants who meet the job qualifications, without discrimination based on race, gender, age, or other personal characteristics.

Employment Status (Unit: persons)

Classification		2021	2022	2023
Gender	Male	66	69	26
	Female	17	30	11
Age	Under 30	10	23	3
	30~49	70	70	30
	50 and older	3	6	4
Total		83	99	37

Open Recruitment Program

Our company has been conducting open recruitment of new employees as part of our active engagement in addressing social issues, such as youth employment and the creation of quality jobs. So far, the open recruitment has been carried out in two sessions, through which 16 persons have joined the company.

Result of Open Recruitment



1st open recruitment session
 (persons / percentage of female employees (%))
 (Selected as an intern and converted to full-time employee)

12 / 17

2nd open recruitment session
 (persons / percentage of female employees (%))

9 / 22

Mastern's Talent-centered Philosophy

Mastern Investment Management's talent-centered philosophy goes beyond simply hiring talent, and aims to maximize and develop the capabilities of its employees. Through various talent development programs, we strengthen the competitiveness of the organization and lay the foundation for sustainable growth.

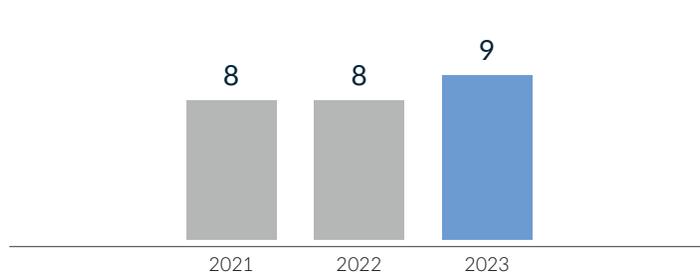
Entry-level Training

HR Team at Mastern Investment Management provides systematic entry-level trainings to both graduates newly hired through open recruitment and experienced professionals who are frequently hired. The program for new hires includes an introduction to the company, key competency training, and networking opportunities for soft landing. For experienced professionals, the training focuses on quickly adapting to the company through guidance on the in-house platforms and education on important common practices.

OJT Program

The On-the-Job Training (OJT) program at Mastern Investment Management is designed to help new employees acquire the necessary skills and knowledge for their roles and to adapt more quickly to the organization. The program includes practical training, mentoring and guidance, as well as feedback sessions.

Training Hours per Employee (Unit: hours)



Employee Satisfaction Survey

To help employees work in a better environment, a satisfaction survey is conducted, and the results are used for organizational management. To ensure anonymity and objective evaluation, two satisfaction surveys were conducted by an external agency. In the recent survey, in which about 41% of employees responded, the satisfaction level for the Health Care Condition item was the highest at 74.8%.

Reasonable Labor-Management Relationship

Mastern Investment Management respects the rights of employees guaranteed by labor-related laws and regulations, and operates the One Heart Council that regularly engages in discussions between the labor and management. As of 2023, the council consists of three representatives, who regularly consult with the management.

Labor-Management Consultation Status

Classification	2021	2022	2023
Number of employees eligible for the labor-management council (persons)	206	252	242
Number of the labor-management council members (persons)	206	252	242
Percentage of number of the labor-management council members (%)	100	100	100
Percentage covered by collective agreement (%)	-	-	-

* Working conditions and employment conditions are determined by employment rules without a separate collective agreement, and those are applied to all employees.

Welfare Benefit Programs

Well-being Policy to Improve Employee Performance

We operate various systems and programs to promote the health and happiness of our employees and improve their work performance.

- ① Refreshing vacation system
- ② Club day during the week
- ③ Support for living stabilization loan
- ④ Support for housing loan
- ⑤ Special (educational) leave
- ⑥ Comprehensive health checkup
- ⑦ Provide optional welfare system (welfare points provided)

Family-friendly Welfare System

Mastern Investment Management operates a "family-friendly welfare system tailored to each life cycle." This system provides welfare services necessary for each life cycle, from childbirth to bereavement, contributing to the creation of a mutually beneficial organizational culture between the company and employees and work-family balance.

- ① Maternity supplies (baby gift)
- ② Postpartum care expenses
- ③ Your child's entrance supplies (congratulatory money for admission)
- ④ Childcare expenses for families raising children
- ⑤ Launch of corporate mutual aid products and services

Parental Leave Status

Classification	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Employees eligible for parental leave (persons)	1	43	3	45	5	50
Employees who used parental leave (persons)	0	0	0	0	3	0
Employees who returned to work after parental leave (persons)	0	0	0	0	3	0
Working at least 12 months after returning to work (persons)	0	0	0	0	0	0
Return rate after parental leave ¹⁾ (%)	-	-	-	-	100	-
Rate of working at least 12 months after returning to work ¹⁾ (%)	-	-	-	-	-	-

1) The first childcare leave user appeared in April 2022, and the user is currently working after returning to work in July 2023. Therefore, the number and rate of employees with 12 months of service are displayed as 0 on the table.

Diversity and Equal Opportunity

Policy for Diversity, Equality, and Inclusion

Mastern Investment Management is committed to creating a corporate culture where all employees are respected and provided with fair opportunities, based on the values of Diversity, Equity, and Inclusion (DEI).

Held a Meeting with Female Leaders

On March 8th, International Women's Day, the company invited Sungyeon Won, the COO of Juniper, recognized as a pioneering female leader in real estate development, to share her accomplishments and career development story in the real estate and financial investment industries with employees. She is a real estate development expert who has served as the head of Architectural Planning Team at SK Construction and as the head of Real Estate Development Business Group at SK D&D, with previous experience at SK Chemicals and Arthur D. Little.

Lecture on Jobs for Future Female Financial Leaders

Mastern Investment Management has been actively involved in fostering future female talent. In May 2024, Ja-kyung Yoon, the Vice President of the Corporate Strategy Division, delivered a lecture at Sungshin Women's University titled "Create Your Own Language." During the lecture, she shared her experiences on female leadership and career direction setting with the students. She had served as the CEO of Mirae Asset Capital, attracting significant attention in the industry by becoming the first female CEO within the major affiliates of the Mirae Asset Group.



Ja-kyung Yoon, the Vice President of the Strategic Planning Division

Education to Improve Awareness of Disabilities

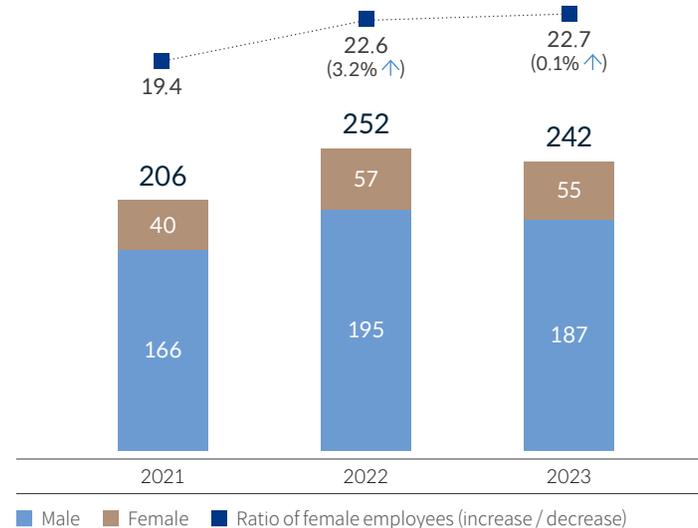
In cooperation with the Academy for Persons with Disabilities, the company conducted education for employees on various topics such as the definition of disability, positive awareness of disability, sensitivity to disability, and respect for diversity on the occasion of the Day of Persons with Disabilities. Gil-ui Lee, the Vice President of Management Group said that the education contributed to improving employees' understanding of social issues related to the disabled and was an opportunity to have a positive impact on society.

In-house Personnel Transfer Proposal System

The company has implemented a new personnel transfer system that replaces the traditional assignment system with internal open job offering, allowing employees to propose their desired roles or departments. This system provides employees the opportunity to maximize their talents and move to a department that suits them and, in turn, contribute to enhancing DEI (Diversity, Equity, Inclusion) values in real estate and financial investment, which is a relatively male-dominated industry. As a result, the proportion of female employees has steadily increased over the past three years.

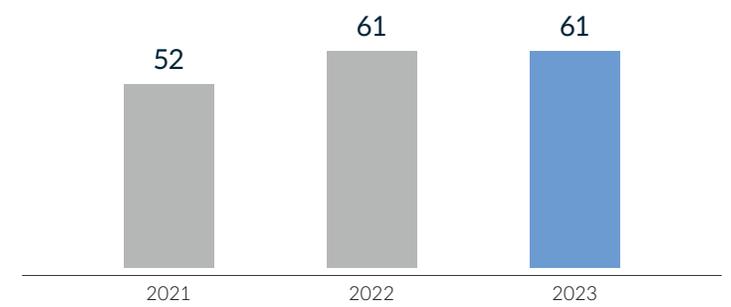
Employee Gender Ratio and Compensation Ratio

Employee gender ratio trend (persons / %)

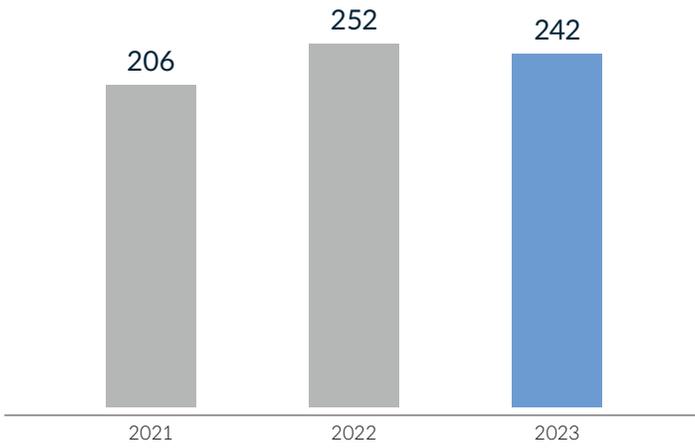


Ratio of Basic Salary and Compensation of Female to Male¹⁾ (%)

1) Including basic salary and performance-based bonus



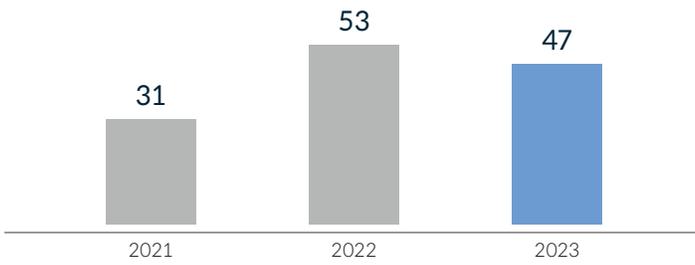
Employment Status (persons)



Classification		2021	2022	2023
Age	Under 30	12	23	21
	30~50	176	214	206
	50 and older	18	15	15
Employment type	Full-time	192	241	229
	Contract ¹⁾	14	11	13
Position	Executives	11	8	7
	Employees	195	244	235
Gender	Male	166	195	187
	Female	40	57	55
Total		206	252	242

1) Including sanitation workers, etc.
* Non-employed personnel are not managed separately.

Retirees (persons)



Classification		2021	2022	2023
Gender	Male	21	39	35
	Female	10	14	12
Age	Under 30	2	12	6
	30~49	29	36	37
	50 and older	0	5	4
Total		31	53	47

* Two retirees in 2023 were due to disciplinary dismissal, and all others retired voluntarily.

Mutual Cooperation

Cooperation with Stakeholders to Create ESG Value

Collaboration with stakeholders is essential for the pursuit of sustainable growth in real estate development and operation. To realize better ESG values, Mastern Investment Management is strengthening processes and activities for close collaboration with key stakeholders such as partners and tenants.

Partners' ESG Management to Build a Sustainable Supply Chain

Partners' ESG management is an important element in preventing ESG risks that may arise and be transferred from partners in advance and in building a supply chain that is resilient to various crises. Mastern Investment Management is working with partners to identify risks in the supply chain in advance and eliminate them.

Roadmap for Establishing Partners' ESG Management System



* Partner ESG evaluation items include safety, and construction companies, development assets, and some management assets are subject to evaluation.

Code of Conduct for Partners

The Code of Conduct for Partners is a set of principles and guidelines that partners adopt to maintain ethical and transparent business relationships. While not legally binding, it plays a crucial role in fostering mutual respect and trust between companies and maintaining long-term cooperation.

Major Content of the Code of Conduct for Partners

- | | |
|----------------------------------|----------------------------|
| ① Respect for basic labor rights | ③ Environmental protection |
| ② Safety and health | ④ Ethical management |

ESG Activities of Tenants

Tenants, as a key stakeholder group in the use and maintenance of a building, are actively participating in efficient operation and upkeep of the building. Mastern Investment Management identifies their requirements through monitoring of living environment and communication programs with them, and proposes collaborations to enhance the ESG values of the building.

Green Lease

The Green Lease is a contract in which lessor and tenants mutually agree to activities that enhance the sustainability of an asset. Mastern Investment Management introduced the Green Lease system in January 2023 and plans to actively expand ESG activities and ESG-related communications with tenants going forward.

Major Content of the Green Lease

- ① Efforts to reduce utility use
- ② Sharing of ESG-related information
- ③ Caring for local communities

Local Communities

Company-wide Social Contribution Activities

Mastern Investment Management has been actively supporting children, adolescents, low-income elderly, and homeless individuals in local communities around their business locations by promoting employee volunteer activities, donation campaigns, and goods sponsorship. This initiative holds significance as a realization of social responsibility, aligning with the UN Sustainable Development Goals (SDGs).

Volunteer Work for Low-income Seniors in the Winter of 2023



Mastern Investment Management collaborated with the Korea Volunteer Culture Association and Seocho Senior Happiness Center to deliver winter supplies such as kimchi, blankets, and ready-to-eat meals to low-income elderly households in the community. Employees received prior training before volunteering and personally visited them to deliver goods.



Donation Project with Goodwill Store



Since 2022, the company has been conducting annual year-end donation campaigns. In 2022, 437 items were donated, and in 2023, 426 items were donated. These items were sold at the Goodwill Store of the Milal Welfare Foundation, which supports the education and independence of individuals with developmental disabilities. Revenues were used to create job opportunities and provide vocational training for individuals with developmental disabilities.



Social Contribution Activities in 2023

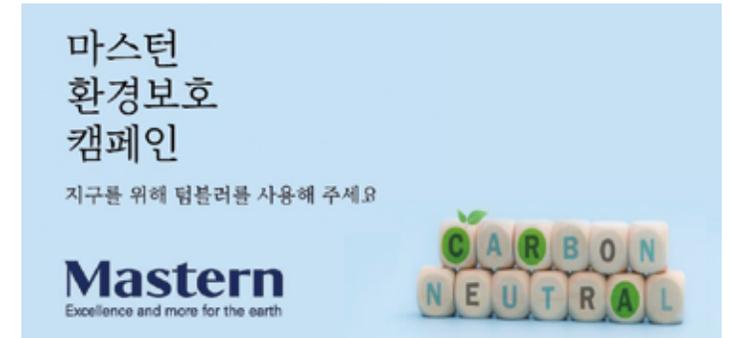


Environmental Protection and Campaigns



Campaign to encourage the use of sustainable products within the company

Since the first half of 2022, the company has been replacing some supplies with environmentally-friendly products, such as biodegradable paper cups and label-free bottled water. We are gradually expanding this practice to encompass all office supplies.



Appendix

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3

We introduce the sustainability initiatives in which Mastern Investment Management participate and certification status. The company adheres to leading global ESG disclosure standards such as GRI, SASB, and TCFD, providing comprehensive and transparent information.

ESG Initiatives and Association Memberships

Global ESG Initiatives Activities

Mastern Investment Management has declared its commitment to ESG management practices externally by joining global ESG initiatives and strives to internalize ESG management across the company.

Became the First Domestic Asset Management Company to Join the UN Global Compact (UNGC)



In June 2022, we became the first asset management company in Korea to join the UNGC, the world's largest voluntary corporate citizenship initiative. The UNGC integrates ten principles in the areas of human rights, labor, environment, and anti-corruption into business strategies and activities, supporting the achievement of the Sustainable Development Goals (SDGs). The UNGC membership certificate ceremony was attended by Youn-chul Yu, Secretary-General of the UNGC Korea Association, Sung-hoon Min, Chairman of the ESG Committee at Mastern Investment Management, Vice President Gil-ui Lee from the Management Group, and other relevant personnel. With its UNGC membership as a momentum, Mastern Investment Management plans to enhance its sense of social responsibility, strengthen ethical management, and internalize ESG values across the organization.

Joined the TCFD Supporters



In May 2023, Mastern Investment Management joined the TCFD (Task Force on Climate-related Financial Disclosures) Supporters, actively participating in the disclosure of climate-related financial information. Through strategic responses to climate change and transparent disclosure, the company will participate in establishing countermeasures against climate risk and build trust with investors and stakeholders.

Membership Associations

No.	Association Name	Year of Subscription	Major Activities
1	Korea Association of Real Estate Investment Trusts	2010	<ul style="list-style-type: none"> Representative network exchange meeting for REITs AMCs Executives council for listed REITs AMCs System Improvement Committee (Ministry of Land, Infrastructure and Transport) Management and Supervision System Improvement Council
2	Korea Financial Investment Association	2017	<ul style="list-style-type: none"> Council for presidents of real asset management companies Council for executives of real asset management companies Meeting for compliance officers of asset management companies
3	Korea Real Estate Finance Investment Forum	2019	<ul style="list-style-type: none"> Exchange and cooperation such as regular general meetings, policy and symposium, etc.
4	Urban Land Institute (ULI)	2020	<ul style="list-style-type: none"> Exchange and cooperation related to overseas markets
5	Korea Data Center Council	2022	<ul style="list-style-type: none"> Providing information related to data center business
6	ANREV		<ul style="list-style-type: none"> Exchange and cooperation related to overseas markets
7	UN Global Compact (UNGC)		<ul style="list-style-type: none"> Exchange and cooperation related to sustainability management Disclosure of CoP (Communication on Progress)
8	TCFD	2023	<ul style="list-style-type: none"> TCFD Supporters activities

Sustainability Initiatives, Environmental Certifications, and Evaluation List

Certification and Evaluation

Mastern Investment Management is reflecting the environmental factors of assets in its core ESG investment strategy in line with domestic and international market trends and investor needs. Particularly, we utilize the green building certification aimed at climate crisis response and carbon neutrality as an indicator for ESG investment strategy. Currently, some of the assets under investment are undergoing LEED certification and have achieved high building energy efficiency ratings (1+) and excellent green building certifications (Green Grade 2).

	<p>LEED (Leadership in Energy and Environmental Design, developed by USGBC (U.S. Green Building Council))</p>	<p>Platinum: 1 Gold: 3 Certified: 1</p>
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	<p>BREEAM (Building Research Establishment Environmental Assessment Method)</p>	<p>Excellent: 3 Very Good: 6 Good: 1</p>
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	<p>G-SEED (Korea Green Building Certification)</p>	<p>Best (Green Grade 1): 1 Excellent (Green Grade 2): 20</p>
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	<p>GRESB (Global Real Estate Sustainability Benchmark)</p>	<p>1</p>
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	<p>Korean Building Energy Efficiency Rating Certification</p>	<p>1⁺⁺ : 6 1⁺ : 7</p>
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	<p>WELL HSR (Health-Safety Rating, developed by the International Well Building Institute (IWBI), USA)</p>	<p>8</p>
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Green Building Certifications Related to ESG Investment

	No.	Asset (Fund) Name	Asset Type	Location	Completion	Certification	Grade
	1	Bundang M Tower (Mastern Private Real Estate Investment Trust No. 156)	Office	Seongnam-si, Gyeonggi-do	2009	LEED	Gold
	2	Logisco Siheung Logistics Center (Mastern Private Real Estate Investment Trust No. 30)	Logistics	Siheung-si, Gyeonggi-do	2021	LEED	Certified
	3	Centre Point Gangnam Development Project (Mastern No. 99 PFV Co., Ltd.)	Office	Gangnam-gu, Seoul	2024	Green construction certification Energy efficiency grade	Excellent (Green Grade 2) Grade 1
	4	Musinsa Campus N1 (Mastern Value Add Private Real Estate Investment Trust No. 126)	Office	Seong-dong-gu, Seoul	2022	LEED Green construction certification Energy efficiency grade	Gold Excellent (Green Grade 2) Grade 1+

	No.	Asset (Fund) Name	Asset Type	Location	Completion	Certification	Grade
	5	D Tower Donuimun (Mastern Private Real Estate Investment Trust No. 79)	Office	Jongno-gu, Seoul	2020	GRESB LEED Green construction certification Energy efficiency grade	5 Star Platinum Excellent (Green Grade 2) Grade 1
	6	Euljiro Office (Mastern No. 75 Euljiro PFV Co., Ltd.)	Office	Jung-gu, Seoul	2026	Green construction certification Energy efficiency grade	Best (Green Grade 1) Grade 1
	7	Busan Officetel Development (Mastern No. 105 Healthy Asset Management Semyeon PFV Co., Ltd.)	Residential	Busanjin-gu, Busan	2024	Green construction certification Energy efficiency grade	Good (Green Grade 3) Grade 1++

GRI Index

Universal Standard

Topic	No.	Disclosure	Page	Remark
GRI 2: Universal Standards				
Organization and reporting practices	2-1	Organizational details	4, 93	
	2-2	Entities included in the organization's sustainability reporting	93	
	2-3	Reporting period, frequency and contact point	93	
	2-4	Restatements of information	-	No restatement
	2-5	External assurance	92	
Activities and employees	2-6	Activities, value chain and other business relationships	13, 22-35	
	2-7	Employees	79	
	2-8	Workers who are not employees	79	Non-employed workers are not managed separately
Material issue 5 Company-wide ESG system				
	3-3	Management of material topics	43	
	2-9	Governance structure and composition	61, 62	
	2-10	Nomination and selection of the highest governance body	62	
	2-11	Chair of the highest governance body	62	
	2-12	Role of the highest governance body in overseeing the management of impacts	62	
	2-13	Delegation of responsibility for managing impacts	62	
	2-14	Role of the highest governance body in sustainability reporting	63	
	2-15	Conflicts of interest	62	
	2-16	Communication of critical concerns	61	

Topic	No.	Disclosure	Page	Remark
	2-17	Collective knowledge of the highest governance body	62	
	2-18	Evaluation of the performance of the highest governance body	-	Not applicable as performance evaluation for the BOD is not in progress.
	2-19	Remuneration policies	62	
	2-20	Process to determine remuneration	62	
	2-21	Annual total compensation ratio	-	Not disclosed due to confidentiality.
Strategy, policy and practices	2-22	Statement on sustainable development strategy	39	
	2-23	Policy commitments	40, 41	
	2-24	Embedding policy commitments	40, 42	
	2-25	Processes to remediate negative impacts	65	
	2-26	Mechanisms for seeking advice and raising concerns	65	
	2-27	Compliance with laws and regulations	65	
	2-28	Membership associations	83	
Stakeholder engagement	2-29	Approach to stakeholder engagement	20	
	2-30	Collective bargaining agreements	77	There is no separate collective agreement, and working conditions and employment conditions are determined by employment rules.
GRI 3: Material Topics				
Disclosure of material issues	3-1	Process to determine material topics	42	
	3-2	List of material topics	43	

Topic Standard

Topic	No.	Disclosure	Page	Remark
GRI 200: Economic Performances				
Economic performance	201-1	Direct economic value generated and distributed	35	
Material issue 7	Climate Risk Response			
	3-3	Management of material topics	43	
	201-2	Financial implications and other risks and opportunities due to climate change	68, 69, 70	
Indirect economic performance	203-1	Infrastructure investments and services supported	46, 58	
GRI 300: Environmental Performances				
Material issue 4	Energy Saving and Efficiency Management			
	3-3	Management of material topics	43	
	302-1	Energy consumption within the organization	72	
	302-2	Energy consumption outside of the organization	73	
	302-3	Energy intensity	72	
Water and effluents	303-3	Water withdrawal	73	
Material issue 6	GHG Emissions Management and Reduction			
	3-3	Management of material topics	43	
	305-1	Direct (Scope 1) GHG emissions	72	
	305-2	Energy indirect (Scope 2) GHG emissions	72	
	305-4	GHG emissions intensity	72	

Topic	No.	Disclosure	Page	Remark
GRI 400: Social Performances				
Employment	401-1	New hires and employee turnover	79	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	77	
	401-3	Parental leave	77	
Occupational health and safety	403-1	Occupational health and safety management system	48, 49	
	403-2	Hazard identification, risk assessment, and incident investigation	48, 49	
	403-3	Occupational health services	77	
	403-4	Worker participation, consultation, and communication on occupational health and safety	48, 49	
	403-5	Worker training on occupational health and safety	48, 49	
	403-6	Promotion of worker health	77	
	403-7	Prevention and mitigation of occupational health and safety impact directly linked by business relationships	49	
	403-8	Workers covered by an occupational health and safety management system	48	All employees at the headquarters are subject to the safety and health management system.
	403-9	Work-related injuries	-	No work-related injuries in the past three years
	403-10	Work-related ill health	-	No work-related disease in the past three years

Topic	No.	Disclosure	Page	Remark
Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	77	
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	62	
	405-2	Ratio of basic salary and remuneration of women to men	78	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	-	No employee discrimination and workplace harassment in the past three years
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	The company guarantees freedom of assembly and negotiation.
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	The company prohibits child labor in accordance with UNGC principles.
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	The company prohibits forced labor in accordance with UNGC principles.
Material issue 2	Healthy Building and Local Communities			
	3-3	Management of material topics	43	
	413-1	Operations with local community engagement, impact assessments, and development programs	81	

Topic	No.	Disclosure	Page	Remark
Supplier social assessment	414-2	Negative social impacts in the supply chain and actions taken	80	
Material issue 8	Safety and Health Management for Tenants and Stakeholders			
	3-3	Management of material topics	43	
	416-1	Assessment of the health and safety impacts of product and service categories	48, 49	Assets certified to ISO 45001 (Safety and Health Management System) have a total floor area of 297,566 m ² , accounting for 30.15% of total AUM.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	48, 49	No safety and health-related accident in the past three years
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64	No violation of privacy protection in the past three years
Non-GRI: Organization-specific Metrics				
Material issue 1	Green Asset Investment and Management			
	3-3	Management of material topics	43	
		Organization-specific Metrics	51-58	
Material issue 3	Maximization of Shareholder Value through ESG Information Disclosure			
	3-3	Management of material topics	43	
		Organization-specific Metrics	66	

SASB Index

Topic	Theme	Code	Metric	Unit of Measure	Reporting Item	Page
Asset Management and Maintenance Activities	Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Number, Percentage (%)	Financial accident status	65
		FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	KRW	No cases of violation of laws related to product and service information labeling in the past three years	-
		FN-AC-270a.3	Description of approach to informing customers about products and services	N/A	No cases of violation of marketing communication in the past three years	-
	Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Percentage (%)	Employee gender ratio trend	79
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory		FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	KRW	Performance in ESG investment	45
		FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	N/A	ESG investment philosophy, ESG investment process	45, 46
		FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	N/A	Guidelines for exercising voting rights	2022 ESG report, 34
Business Ethics		FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	KRW	Ethical management	65
		FN-AC-510a.2	Description of whistleblower policies and procedures	N/A	Communication channels with major stakeholders	20, 65
Total assets under management (AUM)		FN-AC-000.A	Assets under management (AUM)	KRW	Financial performance	15
Total assets under custody and supervision		FN-AC-000.B	Total assets under custody and supervision	KRW	Financial performance	15

TCFD Index

Classification	Framework	Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities	69
	b. Describe management's role in assessing and managing climate-related risks and opportunities	
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	68, 69
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	a. Describe the organization's processes for identifying and assessing climate related risks	69, 70
	b. Describe the organization's processes for managing climate-related risks	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	71, 72
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

Greenhouse Gas Assurance Statement

Relating to Mastern Investment Management Co., Ltd.’s Report for the calendar year 2023

This Assurance Statement has been prepared for Mastern Investment Management Co., Ltd. in accordance with our contract.

Terms of engagement

LRQA was commissioned by Mastern Investment Management Co., Ltd. (Mastern abbreviated) to provide independent assurance on its GHG emissions inventory for the calendar year 2023 (here after referred to as “the report”) against the assurance criteria below to a limited level of assurance and materiality of professional judgement using ISAE 3000 and ISAE 3410.

Our assurance engagement covered Mastern’s operations and activities at its head office, and the management of invested buildings¹⁾, and specifically the following requirements:

- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition²⁾.
- Evaluating the accuracy and reliability of data and information for direct GHG emissions (Scope 1), energy indirect GHG emissions (Scope 2) and other indirect GHG emissions (Scope 3)³⁾.

The main activities of Mastern include asset operation and management, and the GHG emissions have been consolidated using an operational control approach.

LRQA’s responsibility is only to Mastern. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Mastern’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Mastern.

1) Logistics (Logisco Siheung Distribution Centre, Ansong Coupang Distribution Centre, Yongin Baekam Distribution Centre and Incheon Dohwa. Distribution Centre), mixed-use buildings (L7 HOTELS Gangnam Tower, Doosan Tower and Myungdong HydePark), offices (Gangnam Finance Plaza, Donuimun D-Tower, Musinsa Campus, Bundang Dodam Building, Bundang Soonae N Tower, Bundang M Tower, Sangam S-City, Seosomun Sunhwa Tower, Seongsu Musinsa Campus East 1, Centerpoint Seohyun, Concordian Building and Pangyo Alparhium) and a hospitality (Myung-dong Mighty Building)

2) <https://www.ghgprotocol.org>

3) Our assurance engagement covered carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) among GHGs.

LRQA’s Opinion

Based on LRQA’s approach, nothing has come to our attention that would cause us to believe that Mastern has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA’s approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Visiting Concordian Building and Incheon Dohwa Distribution Centre to conduct site tours, and reviewing processes related to the control of GHG emissions data and records;
- Visiting Mastern’s head office and reviewing additional evidence made available by Mastern;
- Reviewing whether GHG emissions have been calculated with parameters from recognized sources; and
- Verifying historical GHG emissions data and records at an aggregated level for the calendar year 2023.

LRQA’s standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for Mastern and as such does not compromise our independence or impartiality.

Table 1. Summary of Mastern’s GHG Emissions Inventory 2023

Scope of GHG emissions	Tonnes CO ₂ e
Direct GHG emissions (Scope 1)	1,609
Energy indirect GHG emissions (Scope 2, Location-based)	14,995
Other indirect GHG emissions (Scope 3) - GHG emissions from tenants in the invested buildings	43,787

Note 1: Scope 2, Location-based and market-based are defined in the GHG Protocol Scope 2 Guidance, 2015



Dated: 29 April 2024
Tae-Kyoung Kim LRQA Lead Verifier

On behalf of LRQA
 2nd Floor, T Tower, 30, Sowol-ro 2-gil,
 Jung-gu, Seoul, Republic of Korea
 LRQA reference: SEO00001553

Independent Assurance Statement

Dear Management and Stakeholders of Mastern Investment Management

Introduction

Korean Standards Association (“KSA”) was commissioned by Mastern Investment Management to perform a third-party Assurance Engagement of ‘Mastern Investment Management 2023 Integrated Report’(the “Report”). KSA presents independent opinions as follows as a result of the feasibility of the data contained in this Report. Mastern Investment Management has sole responsibility for the content and performance contained in this Report.

Independence

As an independent assurance agency, KSA does not have any kind of commercial interest in businesses of Mastern Investment Management apart from undertaking a third-party assurance on the Report. We have no other contract with Mastern Investment Management that may undermine credibility and integrity as an independent assurance agency.

Assurance Standards AA1000AS v3

Assurance Level and Type Moderate, Type2

Note: Moderate assurance has a lower level of confidence than high assurance because it is based on limited evidence.

Assurance Scope

The assurance scope includes systems and activities such as sustainability management policies, goals, businesses, standards, and achievements of Mastern Investment Management during the reporting period. While the company’s environmental and social data, as well as financial data in a broad sense, was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

- In adherence with the four principles of AA1000AP(AccountAbility Principles) 2018
- In accordance with GRI Standards 2021

Topic Standards: 201-1~2, 203-1, 302-1, 302-3, 303-5, 305-1~4, 401-1~3, 403-1~10, 404-1~2, 405-1~2, 406-1, 407-1, 408-1, 409-1, 413-1, 414-2, 416-1~2, 417-2~3, 418-1

Assurance Methodology

We used the following methods to gather information, documents, and evidence with respect to the assurance scope.

- Confirmation of stakeholder participation and materiality assessment process by the sustainability expert.
- Verification of environmental information disclosure data and information by the environmental expert.
- A review of the financial performance data by the accountant.
- Examination of internal documents and basic materials.

Assurance limitations

We assumed that the data and evidence provided by the company were complete and sufficient. We provided limited assurance through data inquiry and analysis as well as limited sampling methods.

Assurance Results and Opinions

KSA reviewed the draft version of this Report within the scope of this assurance and presented our opinions as an assurance provider. Modifications were made to the Report content if deemed necessary. We were not aware of any suspicions of significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, we present our opinions of the ‘Mastern Investment Management 2023 Integrated Report’ as follows.

Four principles of AA1000AP(AccountAbility Principles) 2018

Inclusivity

Has Mastern Investment Management engaged its stakeholders in strategically responding to sustainability?

KSA believes Mastern Investment Management is aware of the importance of stakeholder participation and is making an all-out effort to establish a process that will increase their participation. Mastern Investment Management has selected stakeholders including investors, partner companies, tenant, employees, and communities to receive diverse feedback and opinions.

The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, certified GRI training partner, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and UN CDM DOE (development operational entity), and as an assurance provider of the Korean government’s greenhouse gas energy target management system.

Materiality

Has Mastern Investment Management included material information in the Report to help stakeholders make informed decisions?

We are not aware of any significant omissions or exclusions of data that are material to stakeholders. We verified that Mastern Investment Management conducted a materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

Responsiveness

Has Mastern Investment Management appropriately responded to stakeholder requirements and interest in this Report?

We verified that Mastern Investment Management responded to stakeholders’ needs and interests by reflecting stakeholders’ opinions in the Report. We are not aware of any evidence that Mastern Investment Management’ response to significant issues of stakeholders was reported inappropriately.

Impact

Has Mastern Investment Management appropriately monitored its impact on the stakeholders?

We verified that the Company is monitoring and assessing its impact on the stakeholders by conducting an enhanced verification of its standard business activities. Furthermore, it has been verified that the company appropriately publishes its findings in the Report.

Reliability and quality of specified performance

Has Mastern Investment Management appropriately collected and disclosed specified performance information based on a reliable process?

The assurance provider performed a reliability assurance of the sustainability performance information on the subject of Type 2 assurance. To assure this information, interviews were conducted with relevant personnel, and it was determined that the performance information disclosed in the Report was collected and disclosed based on a reliable process and evidence. Additionally, no evidence was found indicating that specific sustainability information was inaccurately reported.



June 2024
KSA Chairman & CEO
Myung Soo Kang

About this report

Overview

Mastern Investment Management had published its first ESG report in 2022 to enhance communication with various stakeholders. The second report, now renamed as an Integrated Report, transparently discloses the company's sustainability management activities and achievements. Mastern Investment Management will continue to actively collect stakeholders' feedback through the integrated report to reflect them in management activities.

Reporting Period

This report covers our ESG activities and performances from January to December 2023 and includes those in the first half of 2024 in case of some data.

Reporting Scope

The reporting scope within Korea is limited to the headquarters of Mastern Investment Management. For affiliated companies (Mastern Partners, Mastern Capital, Mastern America LLC, Mastern APAC Investment Management PTE LTD, and Mastern Europe Limited), the report includes only brief profiles and does not contain financial or non-financial data.

Assurance

To enhance the reliability and quality of the report, we conducted third-party assurance by the Korean Standards Association (KSA). The assurance statement can be found on page 92.

Guidelines

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, an international reporting guidelines for sustainability management activities and performances. It also adhered to the disclosure recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the criteria of the Sustainability Accounting Standards Board (SASB) to reflect issues pertinent to the characteristics of the industry. Furthermore, it incorporates indicators from the global sustainability initiative, the UN Sustainable Development Goals (SDGs). The financial information included in this report is provided based on the Korean International Financial Reporting Standards (K-IFRS).

External Evaluation

Obtained Five-Star in GRESB Evaluation

In 2023, Mastern Investment Management achieved the highest rating, Five-Star, in the globally esteemed GRESB (Global Real Estate Sustainability Benchmark) evaluation. GRESB is a standardized and validated international evaluation system that assesses the ESG components of real asset portfolios and management companies. Ratings are divided into five levels (1 to 5 stars), and the Five-Star rating obtained by Mastern Investment Management is awarded only to those in the top 20% of all participating companies based on total points.

External evaluation on real estate assets 

Mastern

Mastern Investment Management
Integrated Report 2023