

Mastern Investment 2023

ESG Highlights

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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

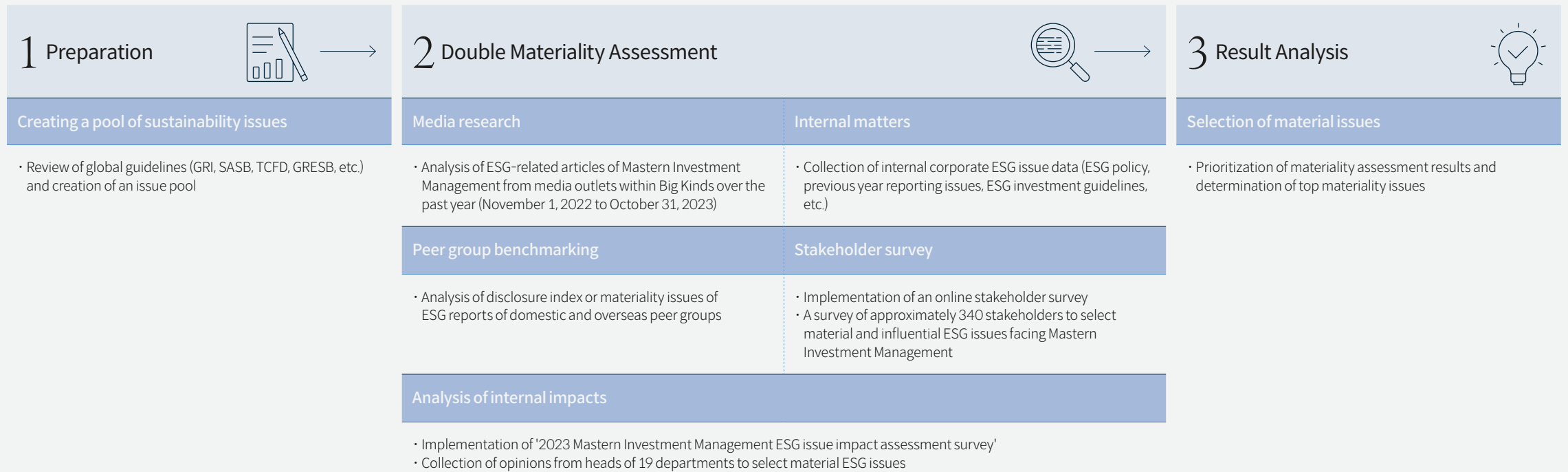
Mastern Investment Management is committed to contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs) to engage in solving global issues. To this end, the company has established key goals closely related to business areas to pursue them in conjunction with detailed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

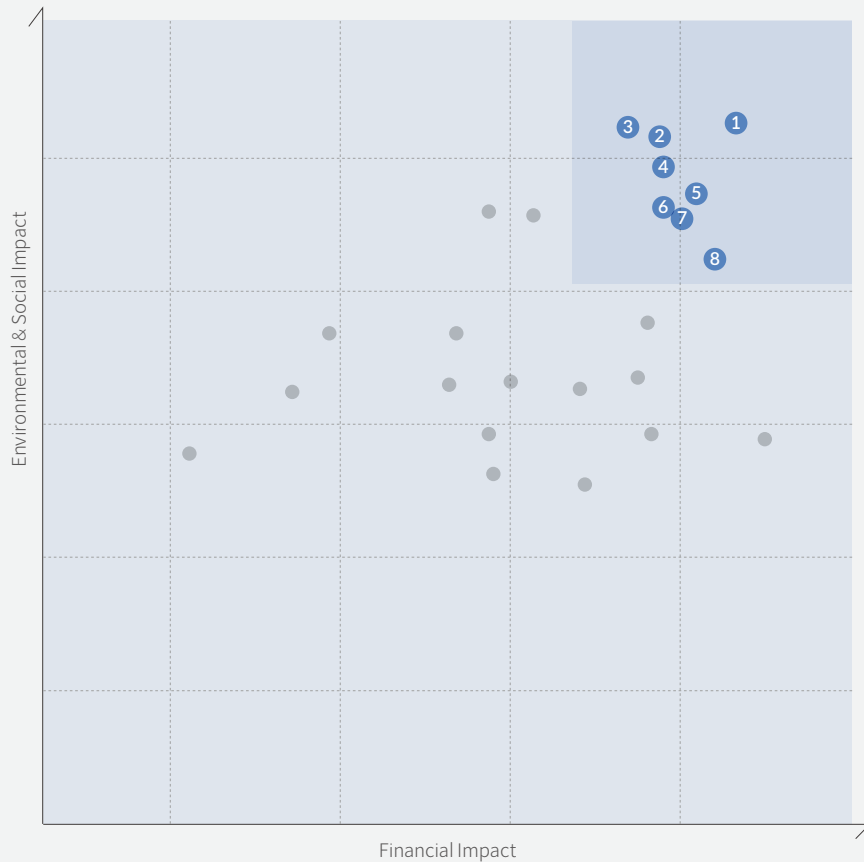
Double Materiality Assessment Process



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



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



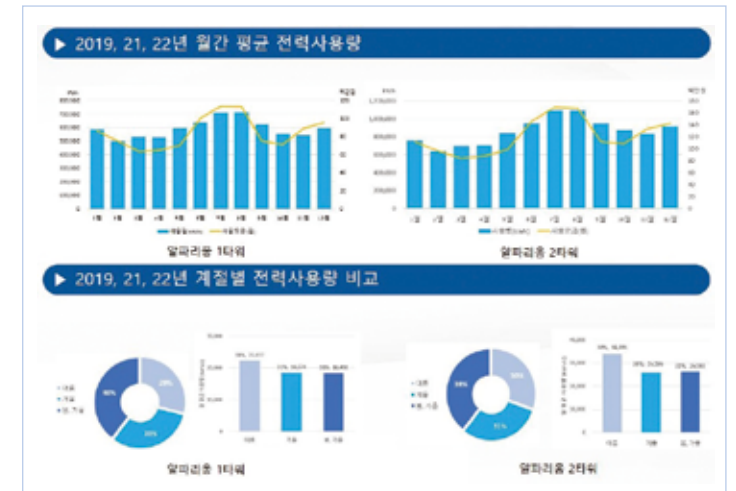
Energy Efficiency Analysis

- 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Reducing power costs <ul style="list-style-type: none"> - High efficiency combined refrigeration and freezing system - Saving power costs (30% reduction compared to single-stage compressor) • Optimal evaporation temperature control <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - Satisfying the needs of tenants during operation with stable temperature conversion for both refrigeration and freezing • Replacement of refrigerant and minimization of refrigerant usage <ul style="list-style-type: none"> - 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 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.

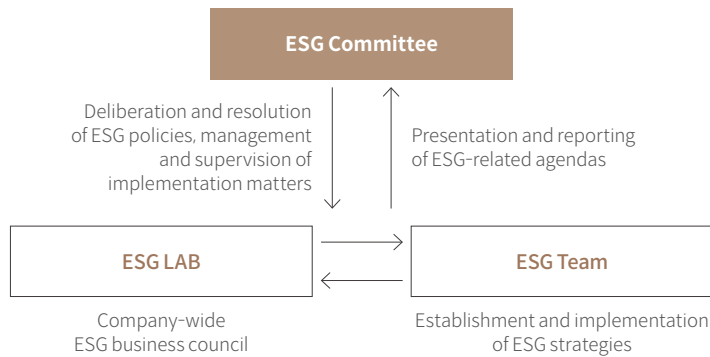
Classification	Name	Career	Tenure	Category						Others	
				Finance	Real Estate	Accounting/Audit	IT	Law	ESG	Gender	Age
Executive Director	Hoon Namkoong	Division Head at Shinhan Financial Investment, CEO of Shinhan REITs Management	Jan. 19, 2024~Date of general shareholders' meeting in 2026	●	●					Male	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)

Environmental Management

Major Environmental Performances

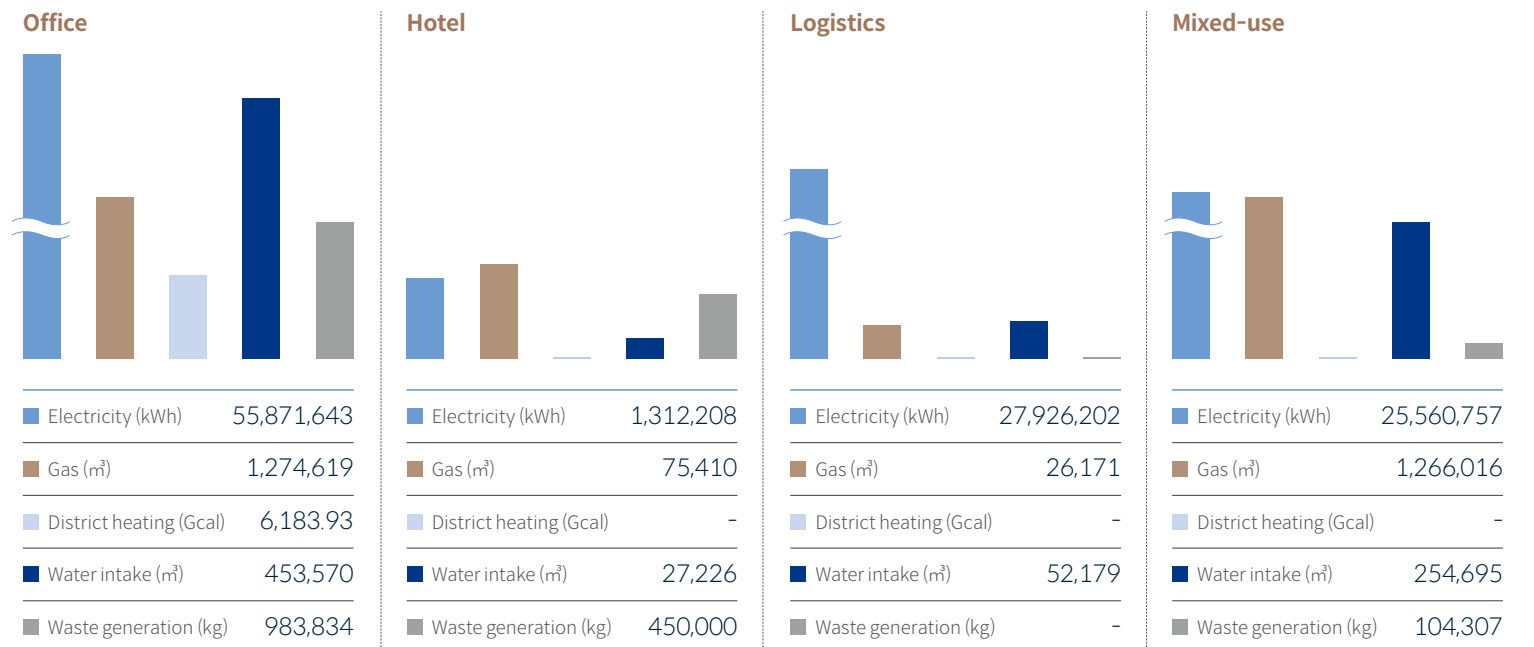
Mastern Investment Management collects and manages environmental data from assets under management. Collected data are regularly monitored for the reduction of GHG emissions, energy consumption, water intake, and waste generation from each asset. We implement risk management strategies that prioritize 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)

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++

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