ESG Policy

ORIX Asset Management Corporation

We, ORIX Asset Management Corporation, believe that it is vital to consider issues surrounding ESG (environment, society and governance) in order to achieve sustainable asset management. We have established our ESG Policy to put these beliefs into practice and to achieve stable growth in unitholder value, which is in line with OJR's investment policy.

Basic stance

Based on an investment policy that aims for the stable growth of unitholder value, we recognize risks and opportunities from an ESG standpoint and identify material issues for sustainability and set individual targets to address those material issues. By acting accordingly, we believe we can achieve medium-to-long-term growth of OJR and respond to social issues such as those listed as the United Nation's SDGs.
We implement the Sustainability Policy of ORIX Group, to which we belong, through our actions and by supporting and respecting the international norms and initiatives noted in a separate appendix (including international norms and others that ORIX Group supports).

1. Respect for human rights and compliance with labor practices

・In keeping with ORIX Group's Human Rights Policy and international norms, we respect human rights and do not tolerate any type of discrimination or inhumane treatment for reasons of race, nationality, gender, disability, religion, or age, and we strive to guarantee equal opportunities of all employees as well as tenants and business partners. This includes, but is not limited to, freedom of association, the right to collective bargaining, the elimination of forced labor, unfair low-wage labor and long work hours, and a ban on child labor.

・We will foster a culture that embraces diverse perspectives and values, establish an environment where diversity can flourish and foster mutual growth, and promote efforts towards DE&I (Diversity, Equity, and Inclusion).

・We strive to promote opportunities for employment that are motivating and productive and endeavor to provide working environments and practices that are free, fair, safe and respects human rights.

2. Response to climate change

・We view climate change as a globally shared priority issue and as a medium-to-long-term risk. In order to realize a decarbonized society, we take mitigation measures to reduce the emission of greenhouse gases and have adaptation strategies to not only reduce the impact but also to turn it into an opportunity. Specifically, we aim to achieve net-zero GHG emissions by 2050 by promoting energy management, such as improving the energy efficiency of our properties, promoting energy conservation, and introducing renewable energy.

・We recognize the Paris Agreement and the reduction targets to which Japan committed in the Paris Agreement, and our activities will be based on this as a long-term objective.

3. Consideration for the environment (response to the ecosystem, biodiversity, waste and water resources)

・We ascertain and assess the impact that our business activities have on the environment (e.g. the use of natural habitats, ecosystems and resources, and the emission of pollutants and waste) from the viewpoint of risks and sustainability and strive to reduce our environmental load by complying with environmental laws and taking a preventive approach.

・We contribute to a recycling-oriented society by efficiently using water and other resources, reducing and recycling waste, and preventing pollution by appropriately managing toxic substances and wastewater.

・We consider our impact on biodiversity and ecosystems and strive to protect the environment.

4. Collaboration with Stakeholders

・We hold dialogues with our stakeholders including unitholders, tenants and business partners, local communities and our executives and employees. This not only raises reliability and transparency, but the feedback received from stakeholders is also reflected in business activities.

・We contribute to the development of local communities through participation and communication.

・We encourage business partners such as property managers and building managers to implement the matters laid out in this policy and promote adherence throughout the supply chain.

・We collaborate with financial institutions to promote sustainable finance initiatives.

5. Promotion of health and comfort for customers (tenants and users)

・We contribute to improve customer satisfaction as well as community health and sanitation levels while at the same time enhancing the value of our properties through asset management focused on health, safety and comfort.

6. Response to officers and employees

・We are mindful of the importance of a healthy and comfortable work environment for executives and employees by promoting DE&I and work-life balance.
・We endeavor to develop the skills of executives and employees, and strive to hire diverse and talented staff and improve the quality and efficiency of the operations we provide.
・We continually provide education and awareness-building activities on ESG to raise the understanding and knowledge of executives and employees.

7. Risk management, compliance, and fair business practices
・We comply with relevant laws and regulations and our actions are governed by the highest ethical standards. We conduct our business in a fair manner.
・We have established internal system designed to appropriately manage risk and compliance and work to eliminate conflicts of interest.
・We do not tolerate corruption such as bribery, money laundering, fraudulent transactions, or transactions with antisocial forces.

8. Promotion of information disclosure and visualization of ESG
・We proactively disclose information on ESG to various stakeholders, including unitholders, tenants/business partners, communities, executives and employees. As part of such efforts, we take initiatives that help quantify our ESG performance, such as obtaining environmental certification for properties owned by OJR as well as ESG evaluation for real estate investment corporations.

9. Operation of ESG policy
・We will regularly consider revisions to this policy and our medium-to-long-term goals and discuss them in the Sustainability Committee.

Appendix

International standards or initiatives that OAM supports/participates

- Paris Agreement: Support
- Sustainable Development Goals (SDGs): Support
- United Nations Environment Programme Finance Initiative (UNEP FI): Support
- Task Force on Climate-related Financial Disclosures (TCFD): Ascent
- Principles for Financial Action towards a Sustainable Society
  (Principles for Financial Action for the 21st Century): Participate
- Principles for Responsible Investment (PRI).Participate
- Japan Climate Initiative (JCI): Participate

Standards that OAM complies/refers

- GRI standards: Core option
- ISO26000: Reference
- ISO31000: Reference
- ISO14001: Reference

International standards or initiatives that ORIX Group supports/participates (Support)

- The United Nations Global Compact
- Universal Declaration of Human Rights
- The International Labor Organization's Declaration on
  Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and
  Development
- The United Nations Convention against Corruption

(Reference)

- The International Labor Organization's international labor standards
- The United Nations' Guiding Principles on Business and Human Rights