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Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

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(Securities Code: 3309)

Asset Management Company

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Notice Concerning Formulation of Green Finance Framework  
and Acquisition of Green Finance Framework Evaluation

Sekisui House Reit, Inc. (“SHR”) hereby announces that it formulated the green finance framework (“the Framework”) and acquired third-party evaluation today as described below.

1. Purpose of the Formulation of the Framework

SHR and Sekisui House Asset Management, Ltd., the asset management company of SHR aim to maximize unitholder value and contribute to the realization of sustainable society by conducting real estate investment management with due consideration given to ESG (Environment, Social and Governance). Based on this idea, SHR has identified “Investment in real estate with excellent environmental performance” as materiality, and has set a ratio of 70% or more that has acquired green certification, which evaluates the environmental performance of its properties, as a target (KPI) to resolve it. As of today, 64.9% of our portfolio has acquired Green Certification.

SHR has formulated the Framework to implement green finance that conforms with each kind of principle, such as green bond principles, and guidelines in order to further promote real estate investment management with considerations given to ESG and strengthen its financial base by establishing a system for procuring funds through green finance (which refers to green bond and green loan. The same applies hereinafter.) which is expected to expand in the future.

2. Overview of the Framework

(1) Use of funds

The funds procured through green finance are scheduled to be allotted to funds for the acquisition of existing or new assets which satisfy the following eligibility criteria (“Eligible Green Projects”), funds for the refinancing of borrowings required for the acquisition of Eligible Green Projects or funds for the redemption of outstanding investment corporation bonds required for the acquisition of Eligible Green Projects.

(2) Eligibility criteria

At the borrowing or payment date of green finance, assets that have any of the following third-party certifications or scheduled to acquire any of the following evaluations in third-party certifications in the future, shall be designated as Eligible Green Projects.

- a. DBJ Green Building Certification: 3 Stars, 4 Stars, 5 Stars
- b. Certification for CASBEE for Real Estate: B+ Rank, A Rank, S Rank
- c. BELS Certification: 3 Stars, 4 Stars, 5 Stars
- d. BELS Certification: following assessment of ZEH and ZEB

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

- i. ZEH-M, Nearly ZEH-M, ZEH-M Ready, ZEH-M Oriented
- ii. ZEB, Nearly ZEB, ZEB Ready, ZEB Oriented

### (3) Evaluation and selection process of Eligible Green Projects

Eligible Green Projects will be evaluated and selected by the Sustainability Committee, which is chaired by the president & representative director of Sekisui House Asset Management, Ltd., and participated by all full-time directors, in accordance with its management policy, the Sustainability Policy and eligibility criteria.

### (4) Management of procured funds

SHR intends to allot the funds procured through green finance towards Eligible Green Projects. As long as the green finance balance exists, SHR will manage to ensure that the green finance balance does not exceed the Eligible Green Liability (Note).

In addition, SHR will report that the total amount of funds procured through green finance has been fully allocated to Eligible Green Projects and as long as the green finance balance exists, the allocated funds will be tracked and managed internally on a portfolio basis.

In the event that all or part of the funds procured through green finance are not immediately allocated to Eligible Green Projects, SHR will identify unappropriated funds and manage all or part of the funds raised in cash or cash equivalents until the unappropriated funds are allocated to Eligible Green Projects.

(Note) Eligible Green Liability is calculated by multiplying total acquisition price of Eligible Green Projects by LTV (total asset basis) as of the end of the latest fiscal period. The same applies hereinafter.

### (5) Reporting

#### a. Reporting related to the status of allocation of funds

SHR will disclose that the funds procured through green finance has been fully allocated to Eligible Green Projects according to the Framework and the green finance balance does not exceed the Eligible Green Liability via SHR's website. As long as the green finance balance exists, SHR will report the amount of Eligible Green Liability and the green finance balance annually as of the end of March every year.

#### b. Impact Reporting

As long as the green financing balance exists, SHR will disclose following environment-related indicators, etc., annually as of the end of March every year via SHR's website.

- i. The number of Eligible Green Projects and acquired third-party Evaluations
- ii. Total floor area of Eligible Green Projects
- iii. Eligible Green Liability
- iv. The following quantitative indicators for Eligible Green Projects (Note)
  - (i) Energy consumption
  - (ii) CO<sub>2</sub> emissions
  - (iii) Water consumption

(Note) Only properties for which SHR has the energy management authority.

### 3. Third-party Evaluation

SHR acquired "Green 1(F)", the highest rating in "Green Finance Framework Evaluation" from Japan Credit Rating Agency, Ltd. (JCR) as a third-party evaluation of the Framework.

For details of the "Green Finance Framework Evaluation", please refer to JCR's website.

<https://www.jcr.co.jp/en/greenfinance/green/>



#### 4. ESG Initiatives Going Forward

SHR aims to contribute to the realization of a sustainable society by conducting real estate investment management with due consideration given to ESG (Environment, Social and Governance).

In order to invest in real estate with excellent environmental performance, SHR intends to utilize the know-how regarding real estate operation and management of Sekisui House, Ltd., the sponsor, who aims to be a leading company in ESG management. SHR intends to further promote energy conservation and environmental considerations, ensuring the safety of life and business continuity, etc., in line with the improvement of tenant satisfaction in owned properties.

For details of ESG initiatives of SHR, please refer to [“ESG Report”](#) on SHR’s website.

\* Sekisui House Reit, Inc. website: <https://sekisuihouse-reit.co.jp/en/>