



CLIMATE TRANSPARENCY REPORT 2020

Japan REIT Advisors Co., Ltd.

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-5E708EE9-7AE5-4B24-9A64-F55D3A7FA951/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Private				
SG 01.7 CC	✓	Private				
SG 01.8 CC	✓	Private				
SG 01.9 CC	✓	Private				
SG 01.10 CC	✓	Private				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Japan REIT Advisors Co., Ltd.
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Property Internally Managed
Signed PRI Initiative	2018
Region	Asia
Country	Japan
Disclosure of Voluntary Indicators	67% from 38 Voluntary indicators

Japan REIT Advisors Co., Ltd.

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

External lawyer in Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Followings are carefully reviewed in the Investment Committee:

- Climate-related risks associated with flooding, elevation of seawater level, etc. based on the relevant resources including engineering reports and hazard maps.
- Whether potential acquisition opportunities are compliant to Energy Saving Act (Act Concerning the Rational Use of Energy) and other legislations on environmental issues.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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Example: Reduction of Energy Consumption

We **collet electricity consumption data** at out properties through smart meters* installed at properties and information provided by partner companies.

Based on the measured results of electricity consumption, our Asset Administration Department and energy experts conduct **annual energy conservation diagnoses**.

By using the results of the diagnoses, the Asset Administration Department hashes out an **operational improvement plan** concerning electricity consumption, and the Asset Management Department and work with partner companies to execute the improvement plan.

A year after the initial diagnosis, **a follow-up diagnosis** takes place. In addition to reviewing the energy conservation measures, it clarifies issues of execution in the improvement plan with partner companies.

Furthermore, the management criteria (manual) stipulated in the Energy Saving Act (Act Concerning the Rational Use of Energy) is regularly reviewed for each property, and efforts are made towards continuous energy saving.

For details, please also see page 14 in our ESG Report 2019 (https://www.united-reit.co.jp/assets/feature/en/esg/esg_report_2019.pdf).

*Properties with smart meters: 17 of 23 retail facilities and 15 of 31 office buildings (as of December 2019). Electricity consumption data can be accessed in real time on the electric company's website.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

- ☑ Flooding
 - ☐ Other, specify(2)
 - ☐ None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		271	800	000	000
Currency	JPY				
Assets in USD		2	478	562	131

Specify the framework or taxonomy used.

AUM described above represents a sum of eligible green assets that are compliant to the following criteria:

- Properties with three stars and more under DBJ Green Building Certification
- Properties with A ranking and higher under CASBEE for Market Promotion
- Properties with two stars and more under Building-housing Energy-efficiency Labeling System (BELS) Certification

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC	Voluntary	Public		General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To meet a target indicated by the Japanese Government (lower annual energy consumption by more than 1% on a five-year average)	tonne CO2 per sq.m.	Collect consumption data of electricity and gas used in owned properties and calculate the figures by using coefficients set in Act on Promotion of Global Warming Countermeasures in Japan
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For monitoring and disclosure	thousand tonne CO2	Collect consumption data of electricity and gas used in owned properties and calculate the figures by using coefficients set in Act on Promotion of Global Warming Countermeasures in Japan

SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Baseline year	Target year	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2014	2030	Cut 40% of greenhouse gas emission in 2014 by 2030	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2019	2030	Incorporate green lease clauses in 100% of contracts (excluding residential properties)	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2019	2020	Increase the environment certification coverage to 60% (total floor space basis)	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

53

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings

Asset class invested

- Property

Percentage of AUM (+/-5%) per asset class invested in the area

100

Brief description and measures of investment

While ESG factors are incorporated in our investment decision process, we make an investment in properties regardless of whether they are green buildings or not. Further to acquisition, we promote to introduce energy-saving facilities including LED lighting system and highly efficient A/C to our selected properties and endeavor to obtain environment certifications such as CASBEE, BELS and DBJ Green Building.

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No