

ESR partners with Enerbank to provide renewable energy certificates in Japan

First real asset manager to work with Enerbank to provide environmental value to customers/ tenants with the country's authorised Green Energy Certificate system

ESR's self-generated solar power from its logistics facilities is now recognised as part of the power grid in Japan to support renewable energy consumption



ESR Fujiidera Distribution Centre (left) and ESR Kuki Distribution Centre (right) have powered self-generated solar energy to tenants since August 2021 and December 2021, respectively.

TOKYO, 8 July 2022 – ESR Group Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, is the first real asset manager to partner with Enerbank, one of the major green certificate operators in Japan, to participate in the Green Energy Certificate system.

Through this system, ESR’s self-generated solar power energy from its logistics facilities is now recognised as a renewable power energy source that is fed into the power grid in Japan, and providing an alternative option for companies and communities in Japan to validate their renewable energy contribution with Green Energy Certificates issued by Enerbank. As a result, the solar panel energy from ESR’s facilities that is supplied onsite to its tenants and customers can now be channeled into their utility companies’ power grid system for the benefit of others. In addition, ESR’s self-generated energy can be accounted and certified through the Green Energy Certificates issued to the businesses and communities to lower their carbon footprint.

Stuart Gibson, Co-founder and Co-CEO of ESR said: “ESR is excited to collaborate with Enerbank to pilot the Green Energy Certificate system across our new economy infrastructure in Japan. Aligned with ESR’s *ESG 2025 Roadmap*, our ambition is to further increase solar power generation in all operating markets and work towards a 50% increase in ESR’s rooftop solar power installed capacity by 2025. To date, our portfolio across the enlarged Group has more than 100 MW of solar power capacity and we intend to grow that considerably in Japan going forward. In addition, we have stayed ahead of the curve by integrating sustainability features and low-carbon innovations into our best-in-class facilities to mitigate environmental impacts.

“Our partnership in the Green Energy Certificate system underlines our commitment in deploying and actualising the environmental value of renewable energy resources to achieve sustainable and

efficient operations not only in our premises, but also along our value chain.”

The Green Energy Certificate system operates by means of certifying the environmental value of ESR’s self-generated solar energy by Japan Quality Assurance Organisation (JQA), coupled with trading of Green Energy Certificates issued by Enerbank, a national licence-holding issuer of Green Energy Certificates. By collaborating with Enerbank, environmental value of the actual volume of solar power generated from the rooftop solar panels at ESR’s new economy facilities can be certified, and a Green Energy Certificate (stating the environmental value) will be issued by Enerbank for the customers’ needs. This enables ESR to support and measure its partners and customers in their emission reduction efforts, while expanding the wider application of green energy within the Group’s ecosystem.

As a start, Fukuhara Kogyo Co. Ltd, one of the ESR’s business partners with operations in the design and construction of photovoltaic power generation equipment in the country, has recently received a Green Energy Certificate issued by Enerbank, for 280 MWh of solar energy powered by ESR Fujiidera Distribution Centre.

ESR has been utilising self-generated solar power for its own operations in many of its assets in Japan. Since June 2021, ESR Ichikawa Distribution Centre has started to supply self-generated power to its tenants. In addition, ESR Fujiidera Distribution Centre and ESR Kuki Distribution Centre have commenced to supply self-generated solar energy since August 2021 and December 2021, respectively. As of June 2022, total certified volume of self-generated power at these two facilities amounted to approximately 119 MWh since inception. ESR Noda Distribution Centre, ESR Moriya Distribution Centre, ESR Chigasaki Distribution Centre and ESR Yatomi Kisosaki Distribution Centre are some of the assets that will be implementing new rooftop solar panels in place from 2022.

“Around the world, there has been greater urgency from stakeholders to accelerate the transition to a low-carbon future to combat climate change. ESR recognises the impact of carbon emissions on the environment and takes proactive steps to decarbonise its asset portfolio. The focal point is for ESR to ramp up its generation of renewable energy as part of its decarbonisation strategy to achieve net-zero carbon and to develop a complete ecosystem to support its customers’ needs for green energy and certification,” added Boon Kang Tang, Group Head, Governance & Sustainability.

Apart from deploying renewable and green energy sources, ESR has achieved significant progress towards accelerating its ESG efforts across multiple fronts of its business, including sustainable financing, green building certifications, diversity and inclusion, and community engagement. Most recently in June 2022, the Group has become a signatory to the United Nations-supported Principles for Responsible Investment (PRI), reinforcing its commitment to adopting and promoting responsible investment practices. In May 2022, ESR closed its fourth sustainability-linked loan (“SLL”), representing a total of nearly US\$2.5 billion in SLLs across the enlarged Group within the past six months. The Group also recently appointed two female Independent Non-executive Directors, bringing diverse backgrounds and perspectives to the Board and the Company to drive sustainable growth.

About ESR

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140.2 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate

development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – *Space and Investment Solutions for a Sustainable Future* – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. More information is available at www.esr.com.

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