

ENVIRONMENTAL | Beyond Climate Change Response: Building Climate Resilience

Based on the TCFD Recommendations, Starfield Goyang identifies the financial impact of climate change on its operations and, together with the ESG Team of Shinsegae Property, establishes systematic governance and strategies to respond, thereby strengthening the site's climate resilience.

Governance

Roles of the Board of Directors and Management

Climate change matters arising at Starfield Goyang are escalated to the Board of Directors under the CEO of Shinsegae Property, where ESG issues are discussed and managed in an integrated manner. To advance the level of ESG management, the ESG Working-level Council — comprising leaders and working-level staff of the relevant departments and the Goyang site organization — derives key ESG tasks for each department and monitors semiannual performance.

Climate Change-Related Agenda Items Reported for Starfield Goyang

- Starfield Goyang: Investment in a variable air-conditioner control system for energy efficiency

Working-Level Organization for Climate Change Response

- Operation of a dedicated organization, the ESG Team

In line with the 2050 NDC national GHG reduction target, the mid-to-long-term GHG reduction roadmap established at the company level is implemented at Starfield Goyang, and climate change response strategies and tasks are derived through the ESG Working-level Council, in which 11 departments participate.

- Operation of councils of related departments on climate change

As an existing operating property, climate change response activities at Starfield Goyang are discussed by the 'ESG Working-level Council.' The 'Eco-Lab' council covers newly developed assets, and its eco-friendly design outcomes are referenced when Goyang plans facility improvements.

Agenda Items for Discussion

ESG Working-level Council

- Responding to domestic and overseas ESG information disclosure
- Analyzing changes in the 2025 GRESB assessment and establishing response directions
- Reviewing response directions for the 4th planning period of the GHG Emissions Trading System

Eco-Lab

- Reviewing eco-friendly construction strategies to apply to newly underway project development
- Proposing new project ideas for energy-reduction elements derived from existing operating properties
- Sharing best-practice reference cases related to sustainable development

Responsibilities and Roles for Starfield Goyang

Operation Team

- Establishing and managing energy-saving investment plans for the Goyang site
- Managing property facilities such as investments in EV charging stations and renewable energy equipment

ESG Team

- Responding to government regulations related to GHG emissions
- Establishing GHG reduction targets for the Goyang property
- Environmental management system certification (ISO 14001)
- Information disclosure through the Environmental Information Disclosure System

Safety Team

- Establishing a response system for physical risks (typhoons, heavy rain, etc.) at the Goyang site

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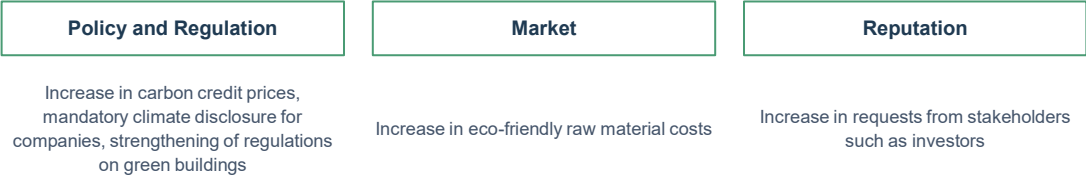
Strategy

Process for Deriving Climate Change Risks and Opportunities

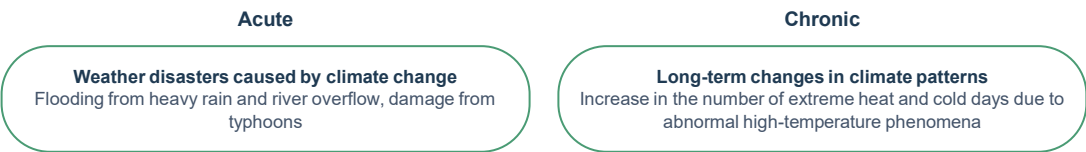
In accordance with the TCFD Recommendations, transition risks, physical risks, and opportunities for Starfield Goyang are identified over the short term (through 2026), medium term (through 2030), and long term (through 2050). Material risks and opportunities are classified by the magnitude of business impact on the Goyang site in the short and medium term, and detailed response directions and strategies are established for those identified as material.

Identification of Starfield Goyang's Climate-Related Risks and Opportunities

Transition Risk



Physical Risk



Opportunity



Results of Identifying Climate-Related Risks and Opportunities for Starfield Goyang

Category	Type	Risk and Opportunity Factor	Potential Business Impact at Starfield Goyang	Short-term	Mid-term	Long-term
Transition Risk	Policy and Regulation	Increase in carbon credit prices	Increase in operating costs due to rising carbon prices from strengthened GHG emission regulations in the building sector	High	High	High
		Mandatory climate disclosure for companies	Decline in corporate value due to inadequate response to mandatory climate disclosure	Low	Low	Low
	Technology	Increase in costs due to eco-friendly technology transition	Increase in environmental investment costs from applying eco-friendly technology to facility improvements	Medium	Medium	Medium
	Market	Increase in eco-friendly raw material costs	Increase in remodeling and maintenance investment costs due to higher eco-friendly material costs	Low	Medium	Medium
	Reputation	Increase in requests from stakeholders such as investors	Loss of business opportunities due to failure to respond to demand for eco-friendly buildings	High	High	High
Physical Risk	Acute	Typhoon, heavy rain, river overflow, forest fire, etc.	Business interruption and asset loss due to typhoons	High	High	High
			Business interruption and asset loss due to heavy rain and river overflow	High	High	High
			Business interruption and asset loss due to forest fires	Low	Low	Low
	Chronic	Chronic changes in climate patterns such as extreme heat and cold	Increase in summer cooling costs due to an increase in the number of extreme heat days	Low	Medium	Medium
			Increase in heating costs due to extreme cold	Medium	Medium	Medium
Opportunity	Market	Increase in financial support related to sustainability	Increased opportunities to utilize public-sector incentives for eco-friendly building improvements	Low	Low	Low
			Reduction of funding costs through sustainability financial instruments such as green bonds	Low	Low	Low
	Technology	Advances in renewable energy technology	Improved energy efficiency through the use of renewable energy at the Goyang site	Medium	High	High
	Products and Services	Increase in demand for eco-friendly building certifications	Enhancement of asset value through eco-friendly certification of the Goyang property	Low	Medium	Medium
	Resource Efficiency	Improvement of resource recycling rate	Reduction of operating costs through expanded recycling of water resources and waste	Medium	Low	Low
	Expansion of renewable energy supply	Expansion of renewable energy supply	Mitigation of carbon credit price volatility through renewable energy PPAs	Medium	Medium	High

* The relative materiality of each factor is classified as High, Medium, or Low, considering the magnitude of financial impact and resilience of the Starfield Goyang property.

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Strategy

Climate Change Scenario Analysis

To consider the financial impact of climate change-related risks and opportunities on Starfield Goyang, various climate change scenarios were applied. For transition risks and opportunities, carbon credit prices from the NGFS Scenarios were used. For physical risks, the Jupiter Intelligence tool was used to scientifically project physical impacts at the Goyang site (floods, extreme heat, typhoons, etc.), applying the IPCC scenarios — the most optimistic pathway (SSP1-2.6), the most pessimistic pathway (SSP5-8.5), and an intermediate pathway based on realistic assumptions (SSP2-4.5).

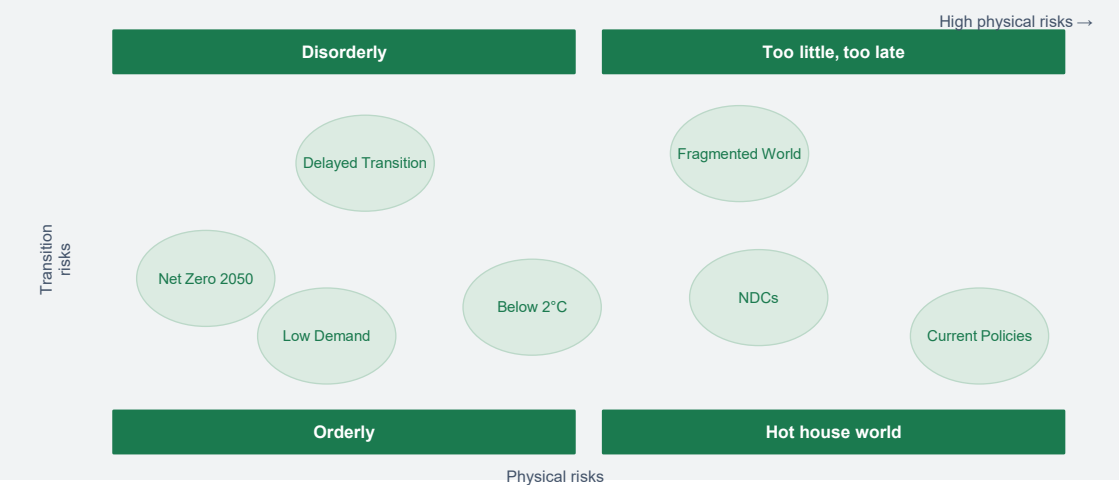
Scenario Analysis Tools

NGFS Scenarios

Scenarios developed by the Network for Greening the Financial System (NGFS) to assess climate risk and financial stability, reflecting both the physical and transition risks of climate change.

Applied Scenarios	Net Zero 2050	Below 2	Low Demand
Key Assumptions	A pathway that achieves carbon neutrality by 2050 and limits the increase in global average temperature to below 1.5°C compared to the pre-industrial period (1850-1900)	A pathway that reduces GHG emissions by about 80% from current levels by 2050, limiting the increase in global average temperature to below 2°C	A pathway that achieves carbon neutrality by 2050 amid a sharp decline in energy demand due to energy savings and increased energy efficiency (electrification, expanded renewable energy deployment, etc.)
Temperature Increase	1.5°C	2°C	1.1°C
Carbon Price (2050)	1,700 USD/CO ₂ eq	650 USD/CO ₂ eq	1,200 USD/CO ₂ eq

NGFS Scenario Matrix



IPCC Scenarios – Physical Risk Analysis

Scenarios for projected increases in global temperature through 2100 relative to the pre-industrial period, considering GHG emissions and socioeconomic development pathways, applied to the Starfield Goyang site.

Category		SSP1-2.6	SSP2-4.5	SSP5-8.5
Key Assumptions	Socioeconomic Factors	Low population growth, technological development focused on sustainability	Population growth and economic growth at levels similar to the present	Low population growth, rapid economic growth, fossil-fuel-based technological development
	Energy System	Expansion of renewable energy, reduction in fossil fuel use	A mix of fossil fuels and renewable energy	Maximization of fossil fuel use
	Climate Change Impact	Gradual decrease in emissions followed by stabilization (around 2100)	Limited climate policy	Economic-growth-oriented policy
Climate Change Response (Temperature Increase)		Temperature increase of 1.8°C	Temperature increase of 2.7°C	Temperature increase of 4.4°C
Level of Physical Climate Change Impact		Minimized physical impact	Moderate level of climate change impact occurs	Increase in extreme physical risks (typhoons, sea level rise, etc.)
Physical Risk Impact at Starfield Goyang		A realistic reduction pathway with a low level of impact	A socioeconomic pathway similar to the present, with a realistic/neutral level of impact	The most extreme level of impact due to climate change

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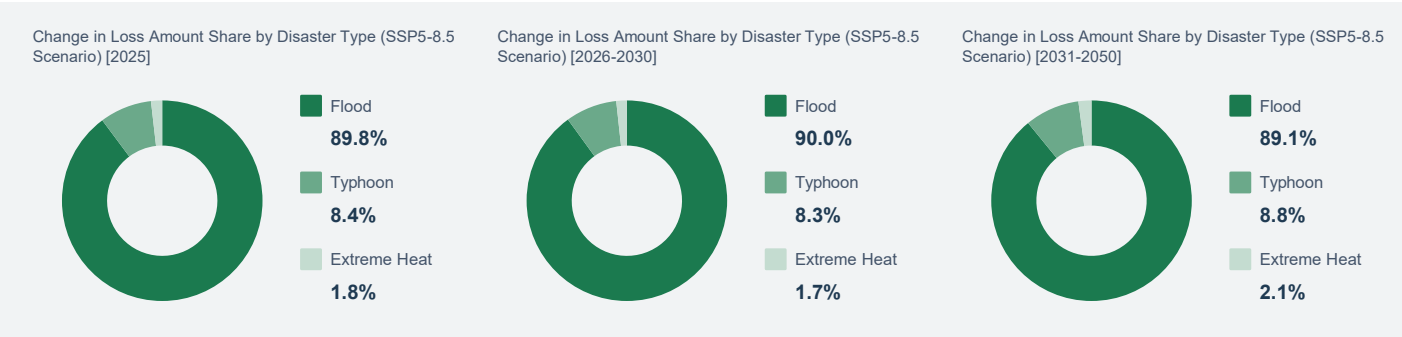
Financial Impact of Physical Risks

For the Starfield Goyang property, the physical risks with a financial impact were identified as flood, extreme heat, and typhoon, while forest fire and drought were excluded as their financial impact was below 0.01%. Among the projected loss rates of the property's assets due to physical risks, the loss rate from flooding was by far the most pronounced — the highest among the four domestic Starfield properties — while the loss rates from extreme heat and typhoons were projected at levels similar to the other business sites. For Starfield Goyang, the loss rate relative to the total asset value in 2023 under the SSP5-8.5 scenario is projected to remain below 3% through 2050. Shinsegae Property plans to continuously update the latest scenarios, enhance the reliability of risk analysis, and formulate flood-focused strategies to mitigate risks at the Goyang site.

Projected Loss Rate for Starfield Goyang (Unit: %)



Comparison of Loss Rates by Disaster Type — Starfield Goyang



* Shares are derived from the projected loss rates above; forest fire and drought are excluded as their financial impact is below 0.01%.

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Starfield Goyang's Climate Change Response Strategy

Key Risk Factors		Key Opportunity Factors		Response Strategies		
Transition Risk		Physical Risk		Climate Change Response Strategy	Risk Management Strategy	Asset Strategy
Increase in carbon credit prices due to changes in GHG policy/regulation		Strengthening of green building regulations related to renewable energy		Business interruption and asset loss due to flooding and typhoons at Goyang		
Increase in demand for eco-friendly buildings		Advances in renewable energy technology		Increase in financial support related to sustainability		
Strengthening climate change response capability through an integrated Environmental and Health & Safety Management System		Establishing a flood-focused safety response system for physical risks at the Goyang site		Strengthening the sustainable operating capability of the Goyang property		

1 Climate Change Response Strategy

Strengthening Climate Change Response Capability through an Integrated Environmental and Health & Safety Management System

Starfield Goyang continuously upgrades its management system to minimize environmental impact and implement safe business operations. In 2025, Starfield Goyang was included in the company-wide integrated certification for the Environmental Management System (ISO 14001) and the Occupational Health & Safety Management System (ISO 45001). Through this integrated certification, the previously property-by-property management system was standardized, and operational efficiency was maximized by managing climate risk response and workplace safety at the Goyang site within a single integrated process. In accordance with the mid-to-long-term roadmap linked to the 2030 National GHG Reduction Target (NDC), reduction strategies tailored to the characteristics of the Goyang property are being implemented. Starfield Goyang manages the active reduction of Scope 1 and Scope 2 emissions through the replacement of aging equipment and infrastructure improvements based on regular facility inspections, and through the introduction of high-efficiency energy equipment.

2 Risk Management Strategy

Establishing a Safety Response System Related to Physical Risks

Flooding is the most material physical risk at Starfield Goyang. To respond to asset losses expected from heavy rain, river overflow, typhoons, and extreme heat, Starfield Goyang strengthens the safety system at the site, including inspection of drainage and waterproofing facilities, and for acute damage expected from extreme climate conditions, it plans to form site-specific emergency response organizations and strengthen emergency response training for personnel. In addition, to prevent harm to workers from global abnormal high-temperature phenomena, annual guidance is provided to workers on extreme-heat response procedures and how to respond in emergencies, and worker rest areas are improved so that sufficient rest can be taken when an extreme heat warning is issued, among other ongoing efforts for the safety of both customers and workers.

3 Asset Strategy

Strengthening the Sustainable Operating Capability of the Goyang Property

As an existing operating property, Starfield Goyang focuses on enhancing the sustainability of its spatial value by analyzing impacts on the environment and people from multiple perspectives. Energy-reduction elements derived from Goyang's operation — such as the investment in a variable air-conditioner control system reported to the Board of Directors — are shared with Eco-Lab and reflected in the next-generation eco-friendly development model applied to new projects. In addition, to proactively respond to future uncertainties in the water resource environment caused by climate change, Goyang reviews rainwater collection and reuse during the operation stage, focusing on diversifying the uses of rainwater in applications where rainwater use was previously difficult, such as cooling tower makeup water.

4 %

GHG Reduction Target (Starfield Goyang, subject to the Emissions Trading System)

26,039 tCO₂e_q

Total GHG emissions of Starfield Goyang in 2025

+0.9 %

Year-on-year change in total GHG emissions (2024 → 2025)

Strengthening the Resilience of the Strategy

The physical risk analysis projects that the loss rate at Starfield Goyang will remain below 3% of total asset value through 2050, with flooding accounting for the majority of that exposure. Disaster recovery guidelines based on ISO 22301 (Business Continuity Management System) are applied at the site, and flood and disaster response training is conducted continuously to minimize projected losses and customer harm.

Starfield Goyang's Eco-Friendly Operating Model



Variable air-conditioner control system



Rainwater collection and reuse review



High-efficiency equipment replacement

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Risk Management

Climate Change-Related Risk Management Process

Climate change-related risk management for Starfield Goyang is integrated into the company-wide risk management process. After identifying transition risks and physical risks, material risks are assessed and shared with the persons in charge at the Goyang site and relevant departments. Relevant departments establish prevention and response systems for the identified risks and periodically monitor their status, while the ESG Team reports the risk management plan and monitoring results to top management and delivers feedback to the site and relevant departments to be reflected in the following year's improvements.

STEP 1

Risk Identification



Based on ISO 14001, risks are identified by identifying issues raised by internal and external stakeholders of Starfield Goyang and legal requirements. In addition, transition risks and physical risks are identified based on global climate change scenarios, and material risks are selected by assessing their potential business impact on the Goyang property and materiality over the short, medium, and long term.

STEP 2

Establishing a Risk Management Plan



The results of identifying material risks are shared with the Goyang site organization and relevant departments, and after analyzing vulnerabilities in risk management, improvement plans are established. In addition, to internalize risk management among employees, environmental management and risk management processes are documented in manuals to train staff at the site and in relevant departments.

STEP 4

Review of Risk Management Performance



Through internal audits of the environmental management system at Starfield Goyang, risk assessment results and regulatory compliance requirements are checked, and activities and investment performance for energy reduction are reviewed. These monitoring results are reported to top management, feedback on risk management matters is shared with the site and relevant departments, and improvement plans are established and reflected in the following year.

STEP 3

Risk Management



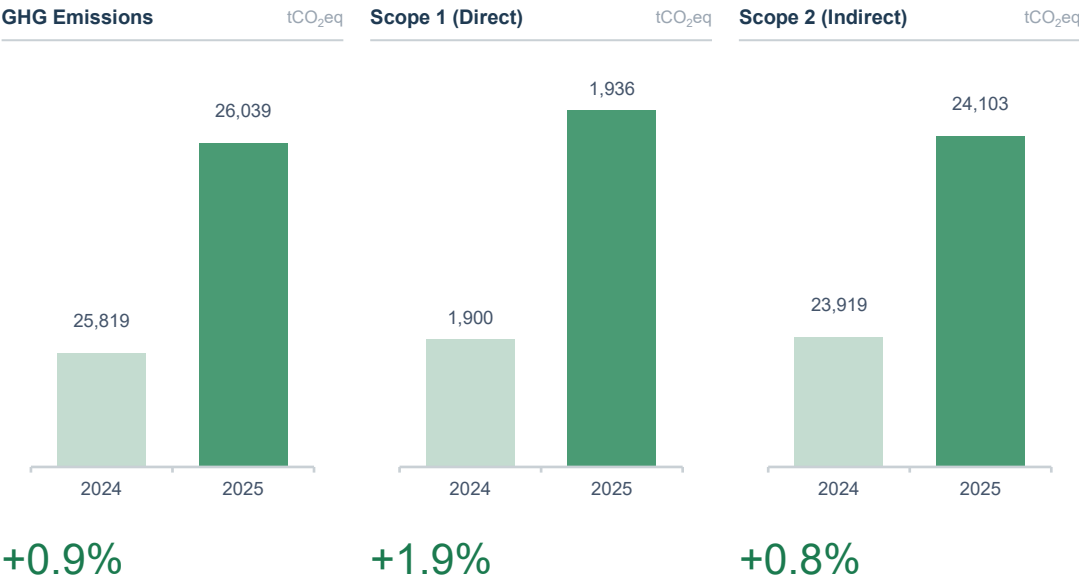
Environmental and climate change officers are designated for the Starfield Goyang property to check the status of risk management through periodic monitoring. In this process, if significant changes are needed to energy or building exterior facilities, the matter is reported to top management and addressed immediately.

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Indicators and Targets

Energy and GHG Reduction in the Building Operation Stage

Shinsegae Property has set a target of reducing Starfield's GHG emissions by 32.8% by 2030 compared to the base year (2018), and Starfield Goyang manages energy consumption, renewable energy use, and GHG emissions as key performance indicators in line with this target. Agreements for sustainable operation are being pursued in 90% or more of new and renewal lease contracts with Starfield Goyang tenants. Following a 3.5% reduction in 2024, total GHG emissions at Starfield Goyang increased by 0.9% year-on-year in 2025, with Scope 1 direct emissions up 1.9% and Scope 2 indirect emissions up 0.8%. Emissions remain 2.7% below the 2023 level, and holding this increase through the variable air-conditioner control system investment and the renewable energy transition is set as the site's key task for the following year.



GHG Emissions — Starfield Goyang

GHG Emissions		Unit	2023	2024	2025
Starfield Goyang	Total GHG emissions	tCO ₂ eq	26,766	25,819	26,039
	Direct emissions (Scope 1)	tCO ₂ eq	1,922	1,900	1,936
	Indirect emissions (Scope 2)	tCO ₂ eq	24,844	23,919	24,103
Year-on-year change			-	-3.5%	+0.9%

* The GHG emissions calculation standard follows the methodology of the 'Guidelines on the Reporting and Certification of Emissions under the GHG Emissions Trading System.'

* GHG types included in the calculation: CO2, CH4, N2O / Biomass emissions: None

* Starfield Goyang: Reported based on the GHG emissions statements from 2023 to 2025.

* Energy consumption and renewable energy use at the site level are managed separately by the Operation Team and are to be added once the 2025 site-level figures are confirmed.

Emissions Trend of Starfield Goyang (tCO₂eq)

