

2022

ESG REPORT

GLP J-REIT



GLP
CAPITAL
PARTNERS

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Editorial Policy

GLP J-REIT publishes a sustainability website and sustainability reports for our stakeholders in an effort to disclose ESG information that describes our efforts toward realizing a sustainable society.

Our sustainability reports, which we publish once each year, contain straightforwardly organized summaries of information pertaining to GLP J-REIT and the rest of the GLP Group, including our ESG policy, highlights of ESG efforts active during the current year, our level of KPI achievement, and ESG-related data.

Reporting System

On our sustainability website, we leverage the attributes of our website and make comprehensive postings of policies, detailed numerical data, and other information about the Group's sustainability activities. We consider timeliness among other factors, and operate the website such that it reflects and discloses the latest information. We published our first sustainability report in 2021, and now disclose information in a more systematic, organized manner based on information posted on the sustainability website.

Period in the report

Although the report covers the period from March 2022 to February 2023, it also includes information from outside the period.

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A Message from Our Executives



Yoshiyuki Miura

Executive Director of GLP J-REIT and
President of GLP Japan Advisors Inc.

To begin, please let me express my best wishes for all of our stakeholders.

Under the circumstance where environmental protection activities and social contribution activities are gaining exposure, sustainability in corporate activity is getting more critical and corporation is expected to enhance its business strategy more focusing on the impact on people and environment rather than simply pursuing profit.

GLP J-REIT is Japan's leading listed real estate investment corporation specializing in logistics facilities. GLP J-REIT, together with our asset management firm GLP Japan Advisors, considers our social mission to strive for a sustainable society through our business activities and have been enhanced our efforts on sustainability.

Last year, GLP J-REIT was awarded the prestigious "5 Stars" by the 2022 GRESB Real Estate Assessment in three consecutive years and ranked first among the listed logistics real estate sector in global, which we believe GLP J-REIT has been well-evaluated by market on sustainability activities. The ESG KPIs set by GLP J-REIT has been on track to achieve, especially the environment related KPI which targets to obtain environmental certifications more than 80% of the portfolio was already achieved 2-year ahead of the targeted year. In addition, the outstanding balance of ESG finance has been expanded by leveraging our active initiatives not only in environment activities but social activities such as disaster responses. We proceed operations with setting sustainability as core business objective. GLP J-REIT resolved increase of supervisory director at its shareholder's meeting held last year to enhance governance and diversity.

GLP group announced its commitment on achieving carbon neutrality by 2050 and aim to accelerate various initiatives against climate change issue.

GLP J-REIT and our asset management firm will continue to maintain and enhance our sustainability measures and will strengthen our communication through appropriate disclosures with our various stakeholders such as investors, tenants, members of our supply chain to the wider regional community and employees. We will work together with our stakeholders to strive toward a sustainable society.

A Message from CSO



Hisatake Miki

CSO of GLP Japan
Advisors Inc.

Taking actions to combat climate change and other environmental issues as well as work style reform, community revitalization and other social issues, GLP J-REIT and its asset management company GLP Japan Advisors Inc. as responsible member of society, prioritize ESG as core challenges in its business operations. We focus more on disclosing such activities more comprehensively and timely.

New ESG target has been implemented to enhance challenges on environmental issues. In addition, we are expanding solving environmental issues together with our stakeholders such as local production for local consumption structure, which is to implement solar panels on the existing logistics facilities we invested and tenants consume the green energy generated by those solar panels. We continue other ESG initiatives such as expanding social contribution through the foundation newly established by GLP group and enhancement of governance through increasing supervisor officer for GLP J-REIT.

By further enhancing efforts toward ESG and appropriately disclosing our activities, we aim to strengthen relationships with our stakeholders and to achieve both ESG initiatives for environmental issues and co-existence, and mid-long term growth of value on the logistics facilities owned by GLP J-REIT.



GLP J-REIT pursue maximizing shareholder's value through best-in-class asset management platform which is highly recognized in Japan and worldwide by leveraging solid track record of logistics facility operations by GLP group.

A quick overview of GLP J-REIT

- Invests in advanced logistics facilities, and is one of the largest logistics J-REITs in terms of assets
- With the most properties of any logistics J-REIT, its investment area covers the entirety of Japan, centered in the greater Tokyo area and the Kansai area known as excellent locations for logistics but with locations from Hokkaido in the north to Kyushu in the south

 No. of properties owned

89

 Asset size (Appraisal Value)

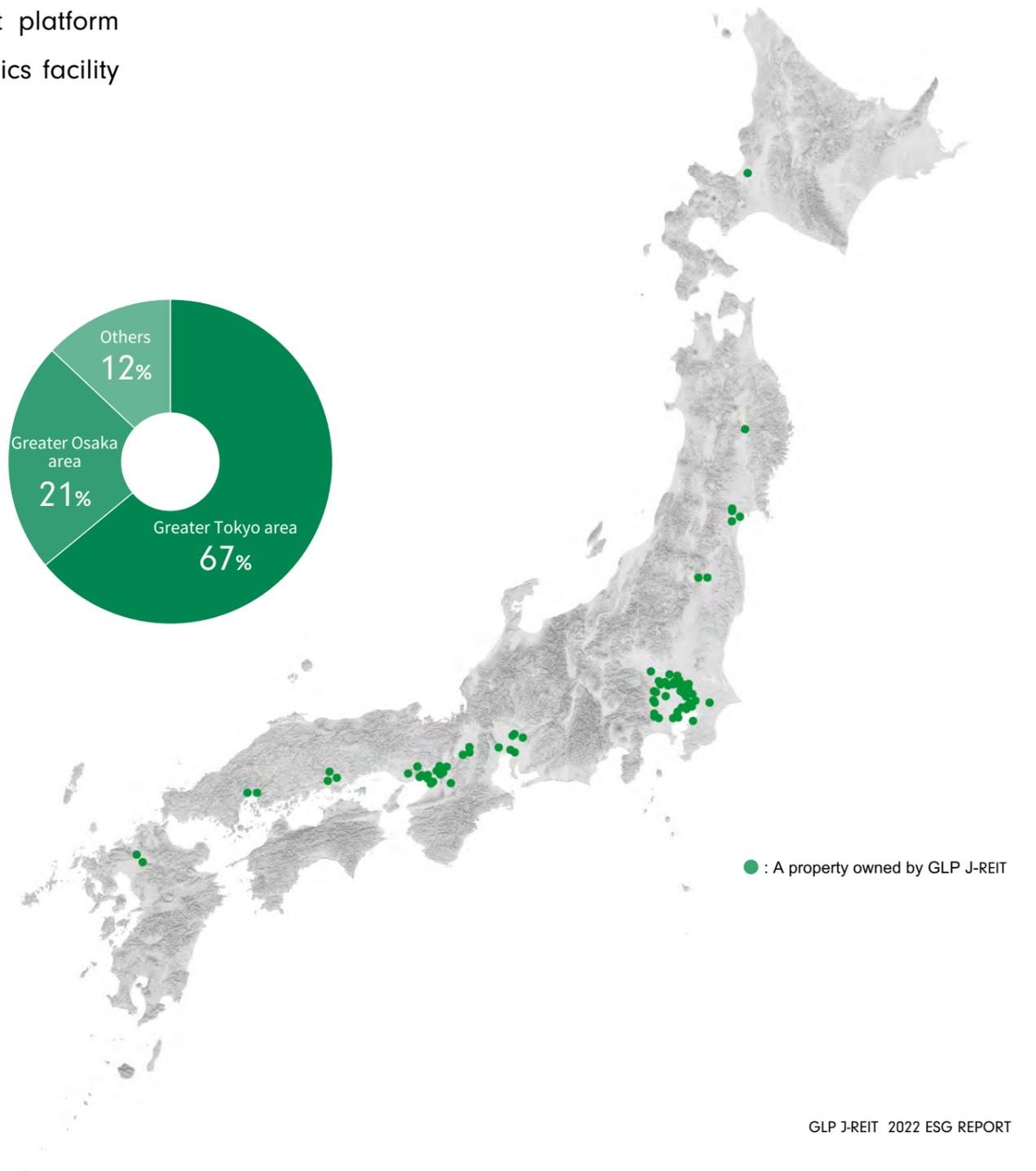
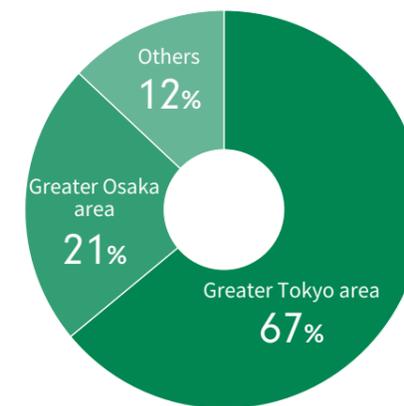
1.08 billion yen

 No. of tenant companies

173

 Operating ratio

99.2



Data is accurate as of February 28, 2023

ESG Committee (GLP Japan Advisors)

ESG Task Force (the GLP Group)

The Group is united in implementing ESG efforts, determining policy and sharing information through the ESG Committee as well as the ESG Task Force, a joint conference entity with sponsors.

Awarded the Prestigious "5 Stars" Rating by the 2022 GRESB Real Estate Assessment in Three Consecutive Years



- Awarded the prestigious "5 Stars" rating by the 2022 GRESB Real Estate Assessment in three consecutive years
- Ranked the 1st position among the listed logistics real estate sector in global out of 40 peers and the 1st position out of nine Logistic J-REITs
- Selected as "Global Sector Leader" and "Regional Sector Leader" in the listed and non-listed logistics real estate sector
- Received a "Green Star" designation by achieving high performance both in "Management Component" and "Performance Component"

Accelerating Obtainment of Environmental Certifications

- The facility with environmental certification has increased to 65 facilities and its ratio increased to 81% by improvement of environmental specifications and acquisition of new facilities with high environmental performances
- The facility with BELS certification increased to 20 facilities and with ZEB (Net Zero Energy Building) rating increased to 9 facilities by accelerating obtainment of BELS & ZEB rating which concept consistent with carbon neutrality
- Established new KPI which targets to exceed 90% of existing facilities to obtain environmental certifications by 2025



GLP Yachiyo II
BELS: 5 star/ZEB: ZEB Ready



GLP Higashi-ogishima III
CASBEE: S Rank

Climate Change Initiatives

- GLP group announced the commitment to achieve carbon neutrality by 2050
- Targeting to establish KPI for reduction of emission based on SBTi by 2025
- Endorsed the recommendations of the TCFD in 2021 and disclosed risk and opportunity for GLP J-REIT impacted by climate change in line with the guidance (Please refer to the page 14 for details)



Expanded Utilization of Renewable Energy Sources

- Use of renewable energy has been expanded through installation of solar power generation equipment for in-building use.
- The number of solar power generation facilities has been increased to 26, and annual generation has increased to about 36,000 MWh.



GLP Shinkiba



GLP Osaka

- A new initiative has been adopted to encourage the consumption of GLP-generated renewable energy at other portfolio properties.

Power generated by solar power generation equipment



GLP Sayama-Hidaka II

Utilization of renewable energy



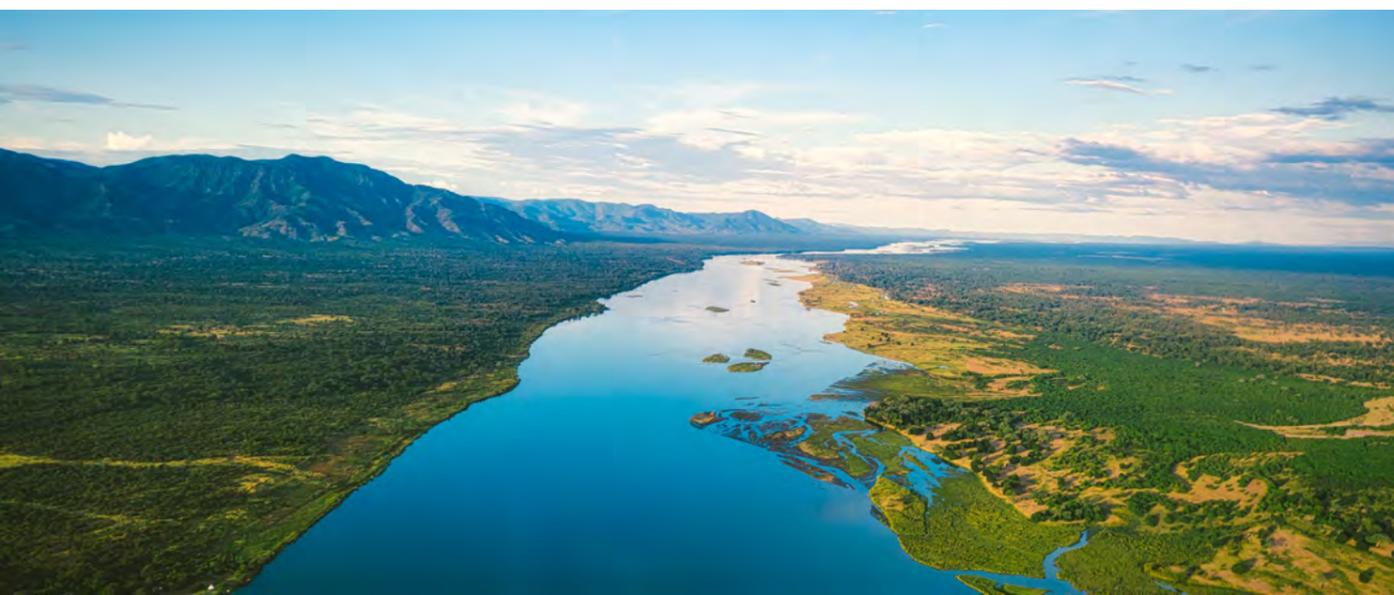
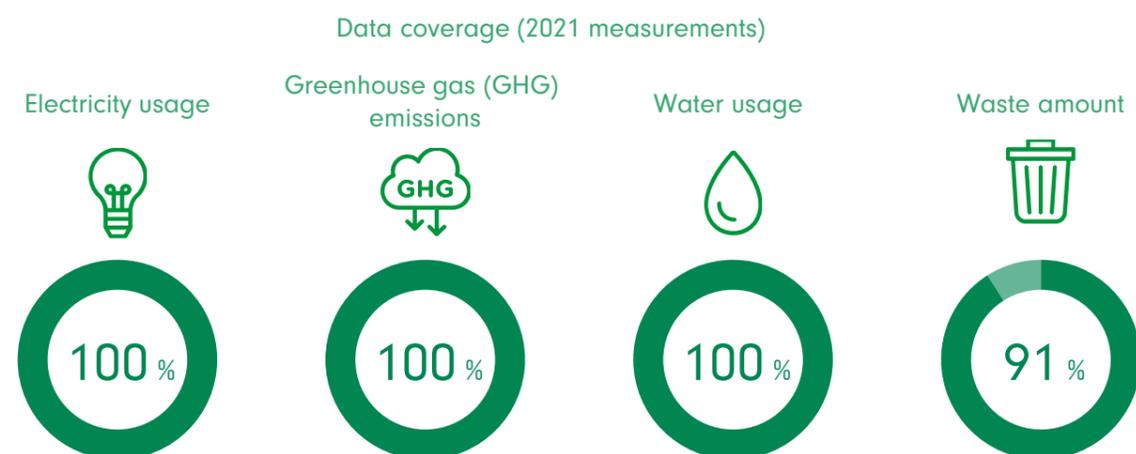
GLP Komaki, etc.

Promoting Green Leases

- Implementing a green lease clause in our standard lease contracts with tenants which include environmentally conscious clauses, specifically those aiming to save energy and water, reduce waste, and encourage cooperation to establish ESG target of obtaining green building certification
- Promoted 71% of the total existing leases as green lease and targeting to achieve 100% in 2023
- Actively implemented an educational campaign for tenants through various efforts to reduce environmental impact and save water and electricity, namely promoting the visualization of electricity usage by sending data from meter readings to tenants and urging them save water, conserve electricity, and switch off their car engines when not in use

Active Use of System for Ascertaining Utility Data

- GLP J-REIT is implementing various initiatives to collaborate with tenants to save energy, water and reduce waste
- The new system implemented to all GLP J-REIT facilities achieved the consistent and efficient collection of utility data
- Improved data coverage on waste from 79% to 91%



Strengthened Disaster Responsiveness

- The total number of disaster agreements with local governments has increased to 12 and further agreements with other municipalities to be signed in the future.
- Disaster prevention activities have been strengthened through disaster drills held with the cooperation of local governments that have signed disaster agreements. Activity participants include not only tenants but also local government members and residents of surrounding areas.



Disaster drills with local residents



Disaster prevention workshop held with the cooperation of local fire departments

Promotion on Social Contribution Activities

- Continuing promotion on social contribution activities, employees in the asset management company participate in various activities held through the GLP Foundation established by the GLP Group in March 2022



Clean day activities



Children's day

- GLP Japan Advisors continues making tax-deductible donations to local governments where GLP J-REIT properties are located. Contributed to 19 local governments in total.

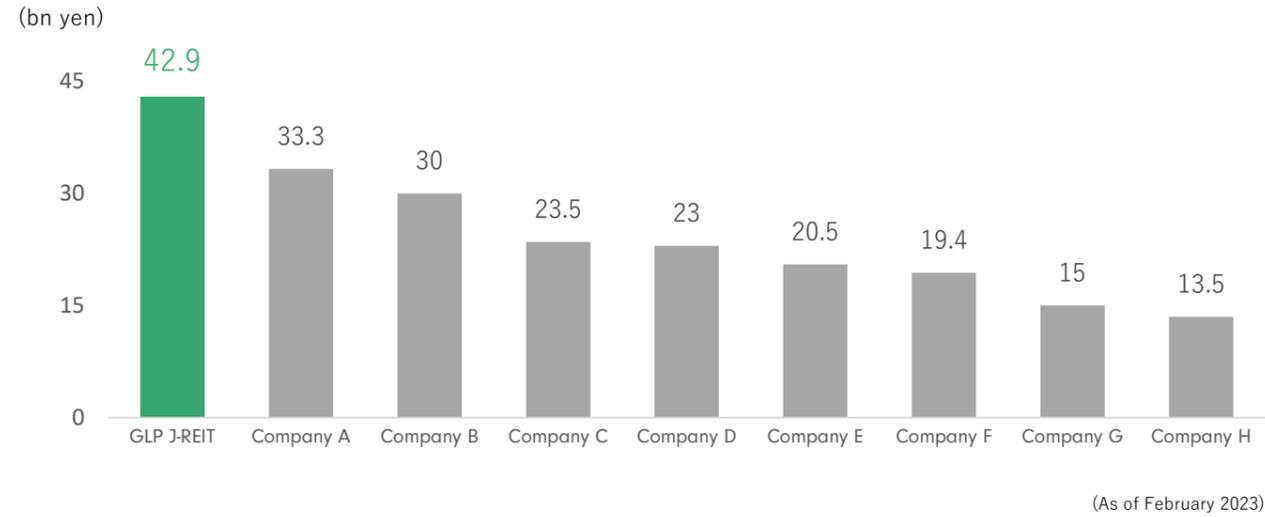
Increased Supervisory Director for GLP J-REIT

- A new supervisory director was elected at the GLP J-REIT annual general meeting of unitholders in May 2022, bringing the number of directors up to four persons including female director to strengthen Governance and promote Diversity

Keeping Leading Position in J-REIT Market on Outstanding ESG Bond Balance Through Active ESG Finance

- Expanded outstanding balance of ESG bond to JPY 42.9 billion which keeps leading position among 60 listed J-REIT
- Actively executing ESG loan in addition to ESG bond issuance

Comparison of outstanding ESG bond balance in J-REIT market

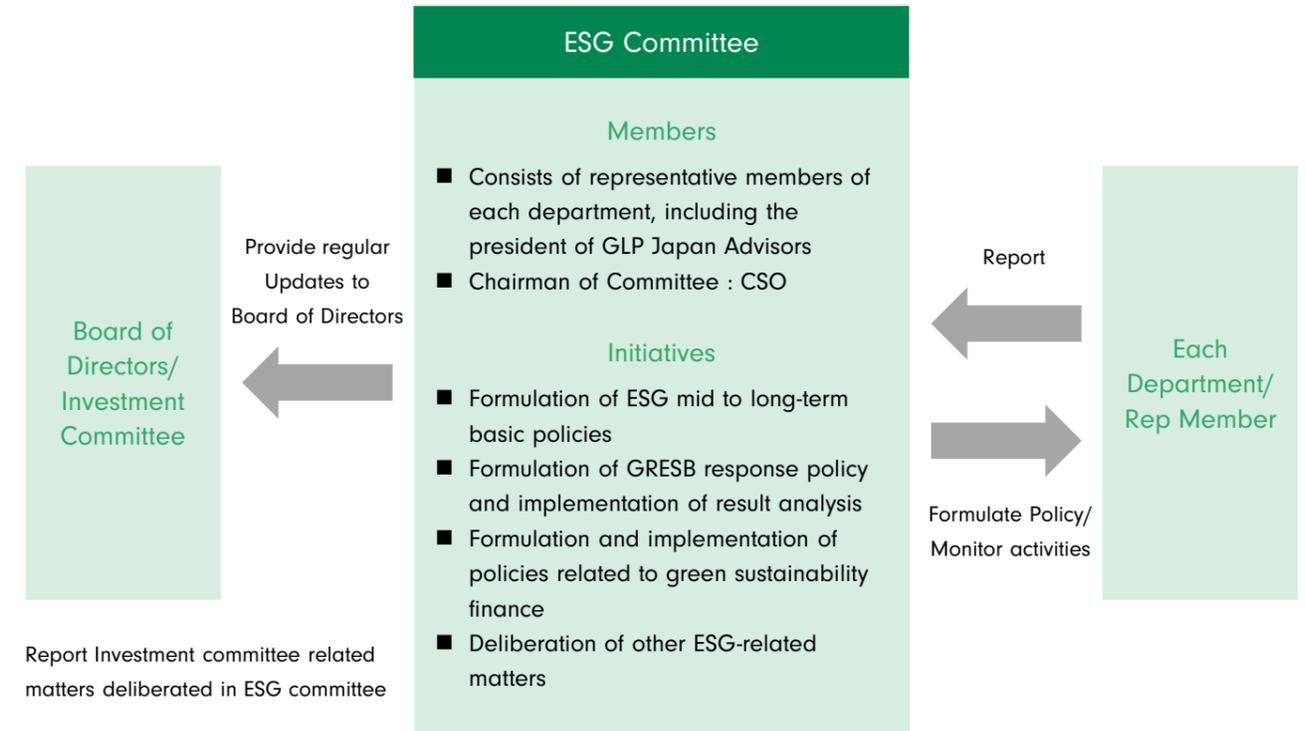


Results of ESG finance for GLP J-REIT in FY2022

ESG Finance	Execution	Amount (JPY)	Term
Sustainability Bond	December 2022	2 billion	10 years
	September 2022	1 billion	4.8 years
	November 2022	1.2 billion	10 years
Sustainability Loan	November 2022	0.8 billion	9.3 years
	February 2023	1 billion	4.3 years
	Total		6 billion

Results of ESG Committee Activities

- The ESG Committee, which was established in 2021, fulfilled its functions by consolidating relevant information and discussing and determining policy for initiatives.



Number of meetings	7
Attendance by relevant people	Attendees: President, CFO, CSO, Head of Investment Department (acting CIO), Corporate Planning Department Senior Manager
Main matters for discussion/policy determination	<ul style="list-style-type: none"> • ESG target in 2023 • Launch of new ESG website for GLP J-REIT • Establishment of new KPI to accelerate ESG initiatives • Evaluating assets qualified for ESG bonds and ESG loan procurement
Main matters for reporting/sharing	<ul style="list-style-type: none"> • Reports on details of ESG Task Force discussions • 2022 GRESB evaluation results and challenges in 2023 GRESB • ESG due diligence results for the four properties scheduled for acquisition • Actual energy usage figures for properties • Status of efforts toward obtaining environmental certification • Strategy for third party environment ratings against GLP J-REIT • Feedback of ESG activities in 2022

ESG-Related KPIs of GLP J-REIT

GLP group committed to achieve carbon neutrality by 2050

Progress on KPIs

Achieve 100% data coverage for facilities under GLP J-REIT control



Target year:
FY2022

Transition to 100% LED lighting in common areas in all facilities



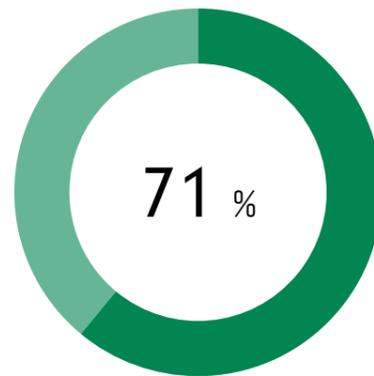
Target year:
FY2022

Obtain environmental certifications for at least 80% of the portfolio



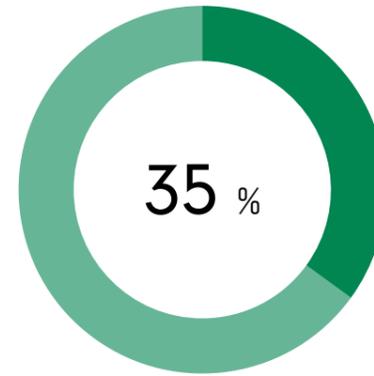
Target year:
FY2024

Implement a green lease clause in all fixed-term building lease contracts



Target year:
FY2023

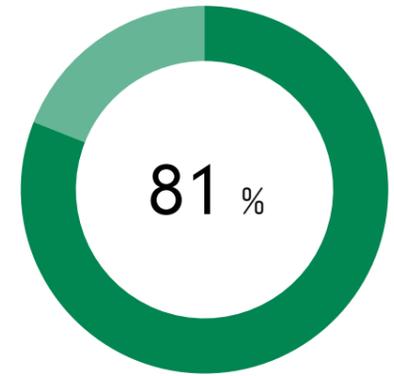
Transition to 100% green energy for electricity in common areas in all facilities



Target year:
FY2025

New KPI

Obtain environmental certifications for at least 90% of the portfolio



Target year:
FY2025

Continue to obtain environmental certifications for at least 90% of the portfolio including third party developed facilities



ESG Policy



Purpose of the ESG Policy Framework

At GLP, we are committed to a broad range of environmental, social and governance (ESG) commitments that elevate our business, create value for our shareholders and investors, support our employees and customers, and show respect to the local communities in which we work. We believe ESG is our corporate responsibility as business builders and investors as well as an opportunity to promote good business ethics and focus on a more sustainable and resilient future.

We focus on improving efficiency across our businesses through the use and integration of data and technology. As a result, we are able to reduce consumption, better manage assets and invest capital more efficiently, which in turn generates better returns for our shareholders and investors, reduces costs for our customers and partners, and helps our global employees by increasing motivation and productivity to enhance an individual's livelihood.

We aim to be a global leader on integrated ESG commitments because we believe that sustainability is an essential part of our long-term success as global corporate citizens. To be a global leader we are committed to continuously improving our ESG policy to meet or exceed evolving standards and expectations of our shareholders, investors, customers, employees and communities.

This ESG Policy Framework has been prepared to support us in developing ESG commitments, integration into our overall business and investment approach, responsibility of implementation and monitoring and reporting framework.

GLP's Sustainability Principles

At GLP, we are committed to making sustainability a core component of our business in order to build a more sustainable and resilient future. The intent of GLP's sustainability commitment is to implement our unique ESG Sustainability Principles that support this ESG Policy Framework:

Build Businesses and Invest Responsibly

At GLP, building businesses and investing responsibly means embedding ESG into our investment and decision-making processes. This helps us to identify and avoid ESG risks and means that:

- we understand and identify how GLP's activities can impact material ESG factors and how these can affect our reputation, capital value and stakeholders;
- we focus on how we can best manage our workforce, whether it is our own employees or contractors and suppliers;
- we recognize how we can work with the communities where we invest and operate businesses and how we can enhance our presence through economic development, limiting our environmental impact and seeking a community's license to operate.

Develop and Manage Sustainable Assets

For GLP, ESG also is considered after the development, acquisition or investment decision. GLP teams across investment management, asset management and corporate management are empowered to prioritise, act, track and monitor the sustainability performance of our assets and in certain instances collaborate with our workforce, partners and communities.

Consistent ESG performance across an asset's lifecycle helps us to actively manage the sustainability of assets.

Improve Efficiency and Enhance Value

As a leading global investment manager and business builder, GLP's mission is to build sustainable businesses and generate attractive risk-adjusted returns to shareholders and investors over the long term, while providing exceptional investment and operational services that enhance value. GLP's asset management teams are responsible for enhancing the value of our assets through effective operations.

Additionally, GLP develops and invests in technologies and innovations that enhance the efficiency of our assets including data analytics, robotics, automated clearance systems, digital loading docks, smart sorting, telematics, energy-efficient fleet management systems, Internet of Things, resource conservation and our transition to renewable energy.

To provide our global customers with increased opportunities to enhance their sustainability endeavours, GLP focuses on sustainability initiatives that increase resource conservation, leverage climate action, improve health and well-being and support local communities.

Govern with High Ethics and Transparency

GLP is committed to maintaining the highest standards of corporate governance as a means of enhancing corporate performance and accountability. To demonstrate its commitment towards excellence in corporate governance, GLP has established a series of well-defined policies and processes to protect its stakeholders' interests. GLP's leadership team recognizes

the importance of strong corporate governance and the maintenance of high standards of accountability to GLP's shareholders and remains firmly committed to seeing that those standards are satisfied through an evolving suite of governance practices that are woven into the fabric of the GLP's business.

GLP continually reviews and refines its processes in light of best practice, consistent with the needs and circumstances of the group.

We maintain a zero-tolerance approach to bribery and corruption and require all management and employees to comply with our Code of Business Conduct at all times and provide annual certification.

Promote Well-Being

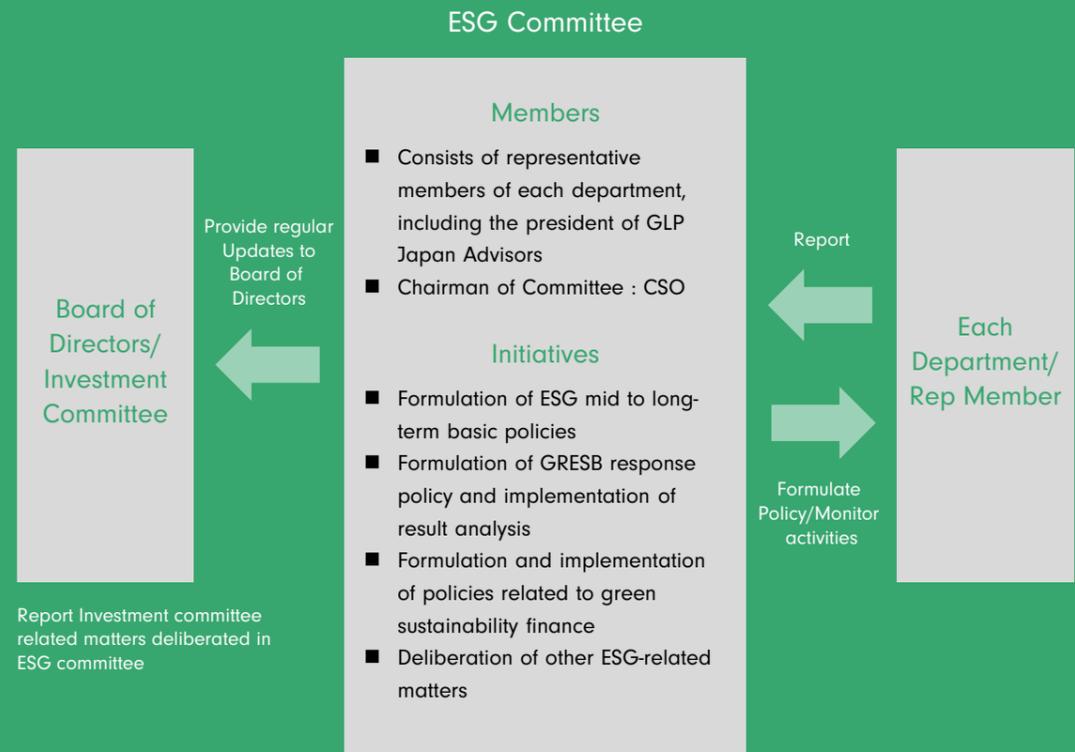
GLP aims to incorporate health and well-being throughout its organization and assets in support of its employees, customers and the communities in which we work. By focusing on promoting well-being we can enhance an individual's livelihood, increase motivation and productivity as well as bring communities together.

We focus on introducing well-being concepts such as creating spaces that encourage physical activity, integrating natural lighting, improving access to nature and providing areas for healthy eating and socializing.

Efforts to achieve the SDGs

ESG Committee

GLP J-REIT has established the ESG Committee at GLP Japan Advisors Inc. to promote its sustainability initiatives. Under the supervision of the Chief Sustainability Officer (CSO), the ESG Committee consists of representative members from each department, including President of GLP Japan Advisors Inc. In addition to formulating medium- and long-term basic ESG policies, the committee promotes sustainability initiatives by setting ESG-related targets, monitoring progress, and deliberating on various initiatives.



Important issues and initiatives in each ESG area

	Important issues	GLP J-REIT's Initiatives
Environment	Reducing the environmental load	<ul style="list-style-type: none"> Initiatives against climate change <ul style="list-style-type: none"> -Initiatives in renewable energy -Initiatives in energy saving Initiatives in water resources <ul style="list-style-type: none"> -Using rainwater and well water -Updating toilet equipment and installing saving devices Initiatives in recycling <ul style="list-style-type: none"> -Promoting the reuse of logistics goods through business partnerships -Separating trash in collaboration with tenants
Social	Coexisting with local communities	<ul style="list-style-type: none"> Initiatives in local communities <ul style="list-style-type: none"> -Contributing as a local disaster prevention center Initiatives in BCP <ul style="list-style-type: none"> -Seismic isolation structure -Flood and snow damage control -Stockpiling disaster-relief supplies for disaster prevention -Conducting daily COVID-19 countermeasures
	Realizing a sustainable society	<ul style="list-style-type: none"> Initiatives for tenant employees <ul style="list-style-type: none"> -Replete with amenities such as cafeterias and stores -Conducting customer satisfaction surveys Initiatives for employees <ul style="list-style-type: none"> -Promoting paid leave -Promoting remote work and other diverse ways of working -Implementing training programs and supporting certification exams
	A work environment that encourages diverse work styles, human resource development, and gender equality	<ul style="list-style-type: none"> CSR activities <ul style="list-style-type: none"> -Providing work experience opportunities -Trash pickup campaign
Governance	Achieving healthy growth for all stakeholders	<ul style="list-style-type: none"> Reinforcing governance structure <ul style="list-style-type: none"> -Governance by general meeting of unitholders, board of directors' meetings, and auditors -Disclosing decision-making processes -Establishing a compliance structure to ensure legal compliance -Eliminating anti-social forces -Pursuing fiduciary responsibility by implementing governance structure for related-party transactions Pursuing mutual interests with unitholders <ul style="list-style-type: none"> -Operating an employee stock ownership plan targeting officers and employees of the sponsor and the asset management company Timely and appropriate disclosure of information
	Contributing to solving social issues	



Environment

Basic Policy

The GLP Group's fundamental approach to facility design and operational processes is energy-saving. We strive to improve energy efficiency in both existing facilities and new facility developments. In accordance with the above policy, GLP J-REIT actively owns environmentally friendly buildings and introduces eco-friendly equipment, as well as develops rules for checking sustainability and environment protection items in the due diligence process when considering the purchase of a property. Thus, it takes utmost care in that its asset management operations pay consideration to the sustainability of society and environmental protection. At the facilities it operates, GLP J-REIT sets numerical targets and monitors the amount of energy and water used within the facility as well as the amount of waste. Furthermore, GLP J-REIT not only strives to save energy and reduce waste in common areas but also shares information on the amount of energy used and waste with tenant companies in an effort to reduce environmental load together with tenant companies by issuing an energy-saving guidebook according to energy use and recommending to stop idling engines within facility premises.

Efforts Toward Carbon Neutrality

In line with the GLP Group’s goal of achieving carbon neutrality by 2050, GLP J-REIT is dedicated to introducing renewable energy sources and promoting energy conservation policies.

Initiatives in renewable energy

Launched solar panel installation project in 2013 and implemented on the rooftop of 26 facilities in total. The total generation of renewable energy exceeds 30,000 MW/h annually.



Solar power generation facilities



Wind power generation



Number of solar facilities

26



Annual solar power generation

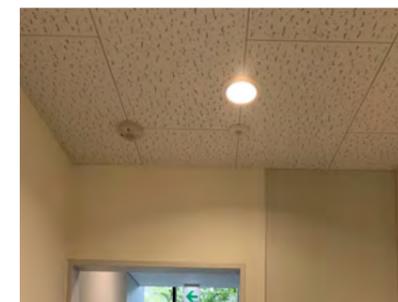
36,336 MW (2022)

Initiatives in energy-saving

GLP J-REIT strives to reduce the use of energy within its logistics facilities by adopting LED lighting and human-presence sensors in its facilities and segmenting light switching in the warehouse areas.



LED lighting



Human-presence sensors

GLP J-REIT also improves energy efficiency within buildings by promoting energy-saving through updates of air-conditioning equipment at facilities and adopting heat-insulating panels on the exterior walls of the facilities that improve heat insulation performance.



Updating air-conditioning equipment



Heat-insulating panels

In addition, those generated renewable energy at GLP facilities is transferred to other GLP facilities to implement green electricity in those common areas which accelerate renewable energy implementation in the portfolio.

Green energy ratio in common area of the portfolio

35% (2022)

Generation of renewable energy

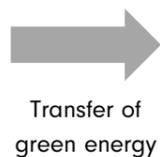


GLP Sayama Hidaka II

Utilizing renewable energy



GLP Komaki & other GLP facilities



Transfer of green energy

ZEB Certification

With an eye toward carbon neutrality, the GLP Group is dedicated to earning BELS and ZEB certifications—indicators of energy-saving performance, energy-creation capabilities, and other energy-related factors—at GLP locations throughout Japan.



20 物件

Helping Prevent Climate Change

GLP J-REIT recognizes that climate change is an important global issue with both medium- and long-term risks. With the goal of realizing a decarbonized society, GLP J-REIT and its asset management company GLP Japan Advisors Inc. are working together to reduce greenhouse gas emissions and find other ways to minimize the impact of climate change while also taking advantage of any opportunities that may arise.

■ Endorsement of TCFD Recommendations

In August 2021, GLP Japan Advisors Inc.—GLP J-REIT’s asset management company—endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD; established by the Financial Stability Board (FSB)) published in June 2017, and joined the TCFD Consortium made up of supporting companies in Japan.

The TCFD’s published recommendations encourage companies to disclose to stakeholders and investors the financial implications of climate-related risks and opportunities.

The TCFD Consortium was established as a forum to discuss effective disclosure of corporate information as well as efforts to allow financial institutions and other entities to utilize disclosed information in applicable investment decisions through the combined efforts of both companies and financial institutions that support the TCFD.



■ Governance

To learn about the promotional activities of the asset management company—entrusted by GLP J-REIT to handle its assets—related to ESG (including responses to climate change), please see page 11.

■ Risk Management

The following outlines the risk management system for sustainability established by GLP J-REIT’s asset management company.

■ For investment decisions

When undertaking new investments in currently managed assets, the Investment Committee ensures due diligence in terms of sustainability, verifies any sustainability-related risks (including climate change risks), and discusses their findings with the ESG Committee before reaching any investment decisions.

■ For operations

The ESG Committee is responsible for managing and monitoring all sustainability-related risks (including climate change risks). Specifically, the ESG Committee monitors environmental awareness at all currently owned properties, manages the progress of measures against various targets, and takes into consideration all necessary measures according to their findings.

■ Strategies

To better understand the risks and opportunities climate change presents, as well as their impact on operations, GLP J-REIT has taken into consideration the following scenarios.

■ Scenario Analysis

i. 1.5°C/2°C scenario (Significant regulatory impact)

In this scenario, laws and regulations are tightened to help curb climate change.

ii. 4°C (Significant climate change impact)

In this scenario, climate change measures have little or no impact, and natural disasters become more severe.

Category	Risk/opportunity factors	Financial impact	Classification
Transitional risks			
Policies	• Strengthened building energy conservation standards, and reduced energy creation and conservation costs through technological advancements	Increased retrofitting costs for improving environmental performance	Risk
		Reduced water and utility costs through improved environmental performance	Opportunity
	• Introduction of a carbon tax and emissions trading system	Increased operational costs due to the carbon tax, etc.	Risk
Market	• Expanded/mandated certification system for building energy efficiency ratings	Increased costs for environmental certification, etc.	Risk
	• Change in investor/lender policies due to growing ESG awareness	Increased investment opportunities with ESG-focused investors, and reduced financing costs with ESG financing	Opportunity
Reputation	• Greater number of companies working toward carbon neutrality	Increased occupancy rates in buildings with higher energy-creation and energy-saving performance	Opportunity
	• Increased tenant interest in properties that prioritize environmental awareness		
	• Increased tenant interest in properties with established BCP protocols	Reduced occupancy in buildings with higher disaster-related risks	Risk
Physical risks			
Acute	• Increased frequency and severity of torrential rains, typhoons, floods, landslides, and storm surges	Reduced business opportunities due to building damage, and increased repair costs and insurance premiums	Risk
Chronic	• Permanent changes in climate such as rising temperatures and a higher sea level		

■ Indicators and Targets

For details of GLP J-REIT’s indicators and targets, please refer to the page 8.

Initiatives in water resources

GLP J-REIT makes efforts to save water by updating toilet equipment when tenants move in or leave, and by using rainwater and well water.



Water-saving by updating toilet equipment



Installation of water-saving devices.



In an effort to save water, well water and rainwater are used to drain toilets as well as to water the plants in the facility.



Initiatives in waste management

Formed a business alliance with Hyperion, the operator of the second-hand logistics equipment purchase site "Matebank," and sold cheaply when moving in (purchase price 5-10% OFF) and expensive purchase when moving out (purchase price 5-10% UP). Realized. We support the cost reduction associated with the relocation and move-out of residents.



Response to Biodiversity

Recognize the importance of positive impact from ecosystem and proceed activities with taking care of biodiversity such as planting trees with less water consumption.



Co-operation with tenants

At the facilities it operates, GLP J-REIT sets numerical targets and monitors the amount of energy used within the facility. Furthermore, it not only strives to save energy and reduce waste in the common areas but also makes efforts to reduce environmental load together with tenant companies through initiatives such as issuing an energy-saving guidebook according to the use of energy by the tenants.

Green lease

GLP J-REIT includes green lease clauses in standard lease contracts with tenants to reduce energy and water consumption, waste, and to collaborate in acquiring green building certification. In addition, we carry out renovations to improve environmental performance in cooperation with tenants. We have been improving environmental performance and reducing running costs of properties through installation of LED lighting, air conditioning upgrades, and other works.

Tenant management programs

In cooperation with tenants, GLP Group takes part in various initiatives that reduce environmental load. We proactively work to increase tenant awareness regarding how to reduce environmental load and cut water and electricity consumption. Specifically, we promote the visualization of electricity consumption by sending meter data to our tenants, encouraging them to turn off their vehicles when stopped, and encouraging them to save water and electricity.



Trash separation



Energy-saving guidebook



Periodical communication with tenants

Example of ESG Promotion in Collaboration with a Tenant Corporation (GLP Shinkiba)

The GLP Group and DHL Japan are dedicated to working together closely for the re-signing of the contract for GLP Shinkiba, DHL Japan's dedicated facility. This collaboration will help contribute to the achievement of a sustainable environment and further social development for both parties. More specifically, GLP Japan will install solar panels and begin the transition to LEDs, not only contributing to the realization of carbon neutrality—an initiative that DHL Japan is promoting globally—but also reducing electricity costs. Meanwhile, the proposal to switch facility management to GLP Japan will allow for greater operational efficiency and reduced operating costs thanks to GLP Japan's extensive national network and expertise.



GLP Shinkiba



Consideration for the environment and regional revitalization in urban development

GLP Group develops facilities that are environmentally friendly and contribute to the regional revitalization.

Reduce environmental load through redevelopment

- Rebuilt and redeveloped an existing facility (B building) at GLP Urayasu II by GLP Group
- Upon redevelopment, the building acquired Rank A certification from CASBEE for Real Estate as it was able to reduce electricity use by installing LED lighting throughout the entire newly developed building and through large ceiling fans in air-conditioned areas



GLP Urayasu II

Consideration for the regional revitalization in urban development

- The Group contributes to the revitalization of local economies and communities through the development of logistics facilities. For example, GLP ALFALINK Sagamihara is one of the largest logistics facility development projects in Japan, consisting of four logistics facilities and one common-area building on a vacant factory site in Sagamihara City, located in Greater Tokyo Area. Through the development, the project has generated various benefits for the region, including the creation of approximately 5,000 new jobs.

Before development (former factory site)



After development (four logistics buildings and one common building)



- In developing the facility, we have created a comfortable working environment for the workers at the facilities, and GLP ALFALINK Sagamihara is the first ever logistics-related facility in Japan to receive WELL certification.
- In addition, based on the concept of creating a logistics facility that is open not only to those who work at the facility, but also to the local community, cafeteria/restaurant in the facility is open to local residents, and a convenience store and café have been built inside the facilities. Furthermore, the facility hosts about 40 community events per year, attracting more than 10,000 visitors, which also helps to revitalize the local community.



Public cafeteria and restaurant areas



Plaza and common building



Various community events

Pollution Prevention

- When acquiring real-estate-related assets, etc., as a rule, experts conduct an environmental contamination survey prior to the conclusion of a purchase agreement, and the survey results will be evaluated and considered in accordance with the following "soil survey chart" based on the Asset Management Guidelines.
- Moreover, as a rule, our investment targets will be properties that are appropriately treated for soil contamination, etc., in accordance with the Soil Contamination Countermeasures Act (Act No. 53, 2002), other related environmental laws, and municipal ordinances or guidance.
- In addition, GLP Group, including GLP J-REIT, conducts its own ESG due diligence when acquiring land, properties, etc., and checks in advance the impact on the environment and the community.
- When developing logistics facilities in undeveloped areas, it is necessary to consider environmental impact of the development more carefully. GLP Group carefully identifies risks through unique ESG-focused due diligence. Additionally, we have a policy of obtaining green building certifications to reduce the impact on the environment.

Soil remediation in redevelopment on contaminated sites

- The Group conducts soil contamination surveys prior to the land purchase stage and does not normally find any contamination. In the exceptional case where soil contamination is found on a development site, the Group takes measures to remediate the soil and prevent the spread of contamination before developing the property. For example, in the development of logistics facilities on a former factory site in the Tokyo metropolitan area, minor contamination was found in some areas, and after identifying the extent of contamination, measures were taken such as replacing the soil with healthy soil. In such measures, we take measures to prevent soil contamination, such as installing water barriers as necessary to prevent the spread of contaminated soil outside the site.



Identification of the contamination



Replacement with healthy soil

Acquisition of environmental certification

GLP J-REIT intends to pursue the acquisition of third-party green building certifications in order to enhance the objectivity and reliability of its efforts to reduce the environmental burden of its properties and to solve environmental issues through the operation of modern logistics facilities. The figure below shows the current percentage of green building certifications in our portfolio. We plan to raise the proportion of green building certification (3rd level from the top or above *) to 80% or higher in our portfolio (based on total floor area) by 2024.

Number of Green Certified Assets	Proportion of Green Certified Assets (based on total floor area)	Proportion of Green Certified Assets (based on Purchase Price)
65 properties	81.4 %	82.8 %

BELS certification	CASBEE certification	LEED certification
20 properties	55 properties	1 property

Certifications of 3rd level from the top or above are green building certifications that meet the following criteria.

- BELS: 3 ★ or above
- CASBEE real estate or construction (new construction):B+ or above
- LEED: Silver or above
- DBJ Green Building certification: 3 ★ or above



GLP Sayama-Hidaka II : ★★★★★★ / ZEB Ready

BELS and ZEB

- BELS (Building Energy-efficiency Labeling System) is a public system that evaluates the energy-saving performance of non-residential buildings, which was set by the Ministry of Land, Infrastructure, Transport and Tourism in April 2014. This is a system in which a third-party organization evaluates energy conservation performance based on primary energy consumption based on the Energy Conservation Law (Note) regardless of whether it is a new building or an existing building. The evaluation is based on five levels of energy conservation performance labeling (★~★★★★★) is displayed.
- A Net Zero Energy Building ("ZEB") is a building that aims at zero energy balance with considerably reduced annual energy consumption by saving as much energy as possible via better heat insulation, solar shading, natural energy and high-efficiency equipment, coupled with creating energy by photovoltaic power generation (or other energy generating methods), while maintaining a comfortable environment. Since the Building Energy Index (BEI), which is used for BELS evaluation, is also used for ZEB evaluation, it is possible to display ZEB evaluation in BELS evaluation. ZEB evaluation can be indicated with four levels, "ZEB," "Nearly ZEB," "ZEB Ready," and "ZEB Oriented," depending on the zero energy achievement status.



GLP Kobe-Nishi : ★★★★★★



GLP Atsugi II : ★★★★★★



	BELS Certification Rank	ZEB Certification		BELS Certification Rank	ZEB Certification
GLP Kobe-Nishi	★★★★★★		GLP Iwatsuki	★★★★★	
GLP Atsugi II	★★★★★★		GLP Koriyama I	★★★★★	
GLP Yoshimi	★★★★★★		GLP Misato II	★★★★★	
GLP・MFLP Ichikawa-Yokohama	★★★★★★	ZEB Ready	GLP Sugito	★★★★★	
GLP Kawashima	★★★★★★	ZEB Ready	GLP Tosu I	★★★★★	
GLP Sayama-Hidaka II	★★★★★★	ZEB Ready	GLP Motoyama	★★★★★	
GLP Kashiwa II	★★★★★★	ZEB Ready	GLP Komaki	★★★	
GLP Rokko III	★★★★★★	ZEB Ready	GLP Tokyo II	★★★	
GLP Niiza	★★★★★★	ZEB Ready			
GLP Sayama-Hidaka I	★★★★★★	ZEB Ready			
GLP Yachiyo II	★★★★★★	ZEB Ready			
GLP Joso	★★★★★★	ZEB Ready			

CASBEE

- CASBEE (Comprehensive Assessment System for Built Environment CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a comprehensive rating system provided by the Institute for Building Environment and Energy Conservation (IBEC), a non-profit organization supervised by the Japanese government, which assesses and evaluates buildings' environmental functions based on various factors including environmentally friendly construction materials and workplace comfort/amenities, and how the building complements the local community and environment.
- CASBEE Certifications are based on a five-scale system ("Rank S (excellent)," "Rank A (very good)," "Rank B+ (good)," "Rank B- (slightly inferior)" and "Rank C (inferior)") for buildings that have been completed for more than one year.



GLP Tokyo : S Rank



GLP Soj I : S Rank

Property with CASBEE evaluation

GLP Koshigaya II	S Rank	GLP Misato II	S Rank	GLP Kobe Nishi (※)	S Rank	GLP Funabashi III	A Rank	GLP Rokko IV	A Rank
GLP Sodegaura	S Rank	GLP Komaki	S Rank	GLP Tosu (※)	S Rank	GLP Ebetsu	A Rank	GLP Joso	A Rank
GLP Urayasu III	S Rank	GLP Soja I	S Rank	GLP Tokyo	A Rank	GLP Hiroshima	A Rank	GLP Kitamoto	A Rank
GLP Urayasu II	S Rank	GLP Soja II	S Rank	GLP Tomisato	A Rank	GLP Narashino	A Rank	GLP Amagasaki III	A Rank
GLP Urayasu	S Rank	GLP Osaka	S Rank	GLP Kazo	A Rank	GLP Matsudo	A Rank	GLP Suzuka	A Rank
GLP Shonan	S Rank	GLP Koriyama III	S Rank	GLP Amagasaki II	A Rank	GLP Fukaehama	A Rank	GLP Funabashi	B+ Rank
GLP Tomigaya	S Rank	GLP Atsugi II	S Rank	GLP Tokai	A Rank	GLP Funabashi II	A Rank	GLP Yasu	B+ Rank
GLP Hirakata II	S Rank	GLP Noda-Yoshiharu	S Rank	GLP Hayashima	A Rank	GLP Shinsuna	A Rank		
GLP Sugito II	S Rank	GLP Yokohama	S Rank	GLP Hayashima II	A Rank	GLP Shiga	A Rank		
GLP Higashiogishima III	S Rank	GLP Sugito(※)	S Rank	GLP Sakai	A Rank	GLP Neyagawa	A Rank		
GLP Tokyo II	S Rank	GLP・MFLP Ichikawa Shiohama (※)	S Rank	GLP Sendai	A Rank	GLP Higashiogishima II	A Rank		
GLP Amagasaki	S Rank	GLP Yoshimi (※)	S Rank	GLP Hamura	A Rank	GLP Yachiyo II	A Rank		

※Due on March 2023

LEED

- LEED (Leadership in Energy & Environmental Design) was developed and operated by the U.S. Green Building Council (USGBC), the non-profit and reviewed by GBCI for certification, and a system for evaluating the environmental performance of built environments (building and urban environments)
- In order to receive LEED certification, you must meet the mandatory requirements for each certification system (Building Design and Construction (BD+C), Interior Design and Construction (ID+C), Operation and Maintenance of Existing Buildings (O+M), Neighborhood Development (ND), and Housing (HOMES)), and earn points for selected items. Based on the number of points achieved, a project earns one of four LEED rating levels: Platinum (80+ points), Gold (60-79 points), Silver (50-59 points), and Standard Certification (40-49 points).

Property with LEED evaluation

GLP Zama	Platinum
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GLP Zama : Platinum

Environmental Performance

Through various initiatives, the Investment Corporation is working with tenants to reduce the use of energy, water, and waste.

In 2021, a new system for the collection and understanding of water and utility data is being implemented to ensure uniform and efficient collection of water and utility data.

Electricity usage



	2019	2020	2021
Electricity usage : MWh	147,615	164,068	177,505
Coverage rate : %	99 %	100 %	100 %

Water usage



	2019	2020	2021
Water usage : m ³	299,871	341,267	361,148
Coverage rate : %	88 %	100 %	100 %

Greenhouse gas (GHG) emissions



	2019	2020	2021
Greenhouse gas (GHG) emissions : t-CO ₂	71,487	73,011	73,846
Coverage rate : %	99 %	100 %	100 %

Waste amount



	2019	2020	2021
Recycling rate : %	39%	61%	60%
Coverage rate : %	66 %	79 %	91 %

Renewable Energy Output



	2019	2020	2021	2022
Renewable Energy Output : MWh	27,458	28,754	30,415	36,336





Social

Basic Policy

The GLP Group will conduct business management by placing emphasis on ensuring the comfort and health of its employees and customers as well as local communities. In accordance with the above policy, GLP J-REIT actively engages in CSR activities in full coordination with the GLP Group. It also contributes to the BCP of tenant companies by ensuring the safety of tenants, facility users, and local communities as well as that of the stored cargo and employees of tenant companies. Furthermore, it conducts a customer satisfaction survey of tenant companies each year to provide buildings and services that offer comfort to tenants and facility users and makes improvements to its buildings and services on a continuous basis based on the feedback obtained from the survey. It also pays consideration to the surrounding environment through activities such as the planting of trees as well as volunteering and hosting events in an effort to contribute to building a safe and comfortable community. We also carry out various initiatives each year to offer job satisfaction to employees as well, such as conducting an employee satisfaction survey targeting the employees of GLP Japan Advisors.

Information Disclosure and Dialogue with Stakeholders



Enhancement of Disaster Responses

GLP Group entered into agreements with many local governments to use its modern logistics facilities as a reconstruction support base or evacuation point at times of a natural disaster or emergency, building on its highly rated business continuity measures such as seismic isolation structures, backup power supply, and groundwater supply equipment.

GLP J-REIT continues to expand such initiatives with local governments to provide its facilities as temporary reconstruction support centers and evacuation site in the event of a natural disaster or other emergency.

GLP J-REIT conducts disaster drill at the facilities periodically with local governments and local communities. GLP J-REIT has been expanded those initiatives and started the drills at GLP Zama in addition to GLP Yokohama to improve recognition for GLP J-REIT facilities as evacuation bases in case of natural disasters. The number of those facilities owned by GLP J-REIT have been increased to 19 facilities and expected to increase going forward.

Execution of co-operate agreement with local governments for natural disaster



Conduct disaster drill with local communities



Slope supports people evacuating to the roof top



Open cafeterias as temporary evacuation sites



Stock of disaster-relief supplies

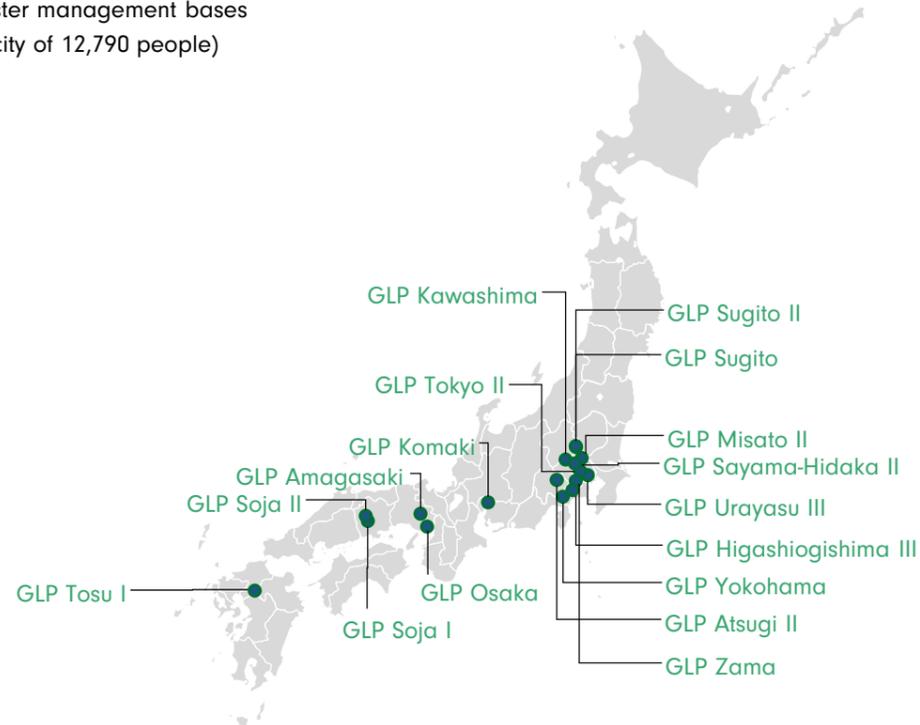


Installing in-elevator fire prevention cabinets



Contribution to local communities as a disaster prevention base

19 properties available as emergency sites or disaster management bases (Capacity of 12,790 people)



GLP Yokohama (Emergency capacity: 922 people)



GLP Kawashima (Emergency capacity: 922 people)



GLP Kawajima

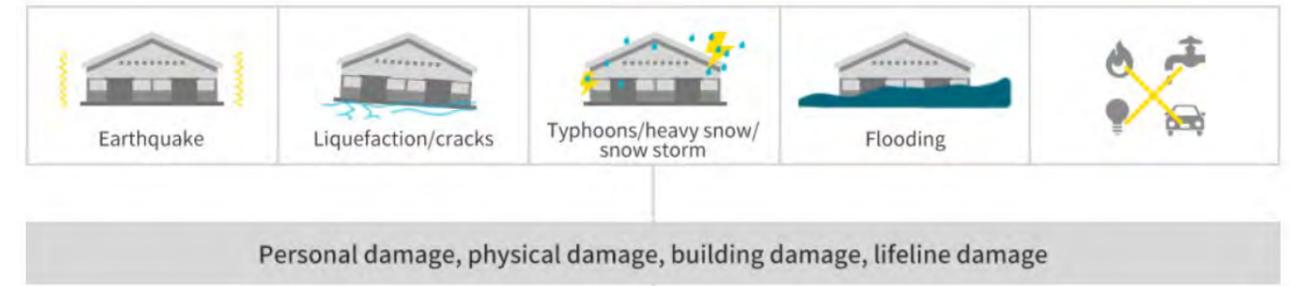
In September 2020, during the approach of Typhoon #12, the local government asked for the use of GLP Kawajima as an emergency shelter based on the disaster agreement.

GLP Atsugi II



Evacuation base & distribution hub for relief goods

BCP measures



BCP measures

Facilities that make business continuity possible
Establishing an equipment management system that enables quick responses in natural disasters

Seismic base isolation structure

Office lighting and power supply

Emergency power supply

Groundwater supply facility

Emergency response is possible

Toilets are usable when water supply is cut off

BCP measures in use

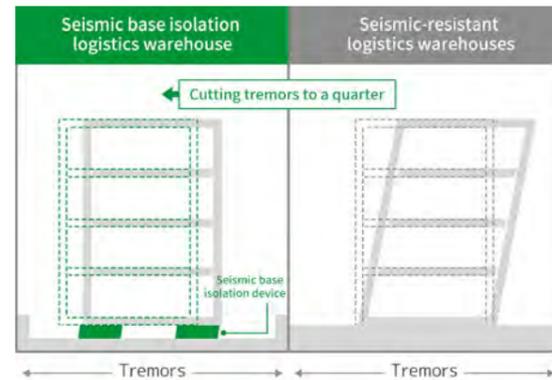
- We have back-up power facilities to ensure security functions throughout all buildings in the event of a power outage by making lighting and electrical outlets available at security systems and some offices
- Groundwater and rainwater supply systems allow use of toilets in the event that water supply is cut off
- Fuel storage bases have been installed at the facilities, and there are plans to provide fuel to tenant companies and neighboring facilities in the event of a disaster
- Digital signage automatically displaying weather warnings and earthquake information has been installed at entrances and cafeterias to ensure access to the latest information in the event of a disaster
- Flood control measures have been implemented to protect power conversion facilities from water damage caused by heavy rains or floods.
- Seismic isolation structures are used to ensure the safety of the building even in a major earthquake
- A4-sized disaster prevention emergency kits have been stockpiled
- Disaster-relief vending machines have been installed

Ensuring tenant safety

The GLP Group makes efforts to provide buildings and services that pays consideration to the safety of tenant companies and facility users. It also contributes to companies' BCPs by ensuring the safety of the stored cargo and the employees of tenant firms.

Seismic isolation structure

We developed and started using our own unique seismic isolation system, the GLP Pile Cap Seismic Isolation Construction Method (Patent No. 4934769), which functions properly even in major earthquakes. Furthermore, in 2015, we developed a new seismic isolation analysis method known as GLP Simultaneous Analysis Method (Patent No. 5698402) that further reduced costs, and it was implemented at GLP Naruohama.



Snow damage control



We deploy light trucks with blade snowplows to remove snow after snowfall.

Flood damage control



We have installed watertight doors that prevent flooding at key facilities.

24-hour security



AEDs



Providing tenants with comfort

The GLP Group aims to provide buildings and services that offer comfort to tenant companies and facility users. It conducts a customer satisfaction survey of tenant companies each year to improve its buildings and services on a continuous basis based on the feedback obtained from the survey. We have also established GLP Concierge, a one-stop consultation desk that cooperates with tenants and business partners to provide a wide range of consultation services for tenants' problems and requests. By helping to solve our customers' issues, we also contribute to solving Japan's logistics issues, all the while strengthening relationships with our tenants who are key stakeholders.

Cafeteria



Kitchen



Resting space



Rental conference room



Large ceiling fan



Universal design toilets



Convenience store



Kiosk



Nursery



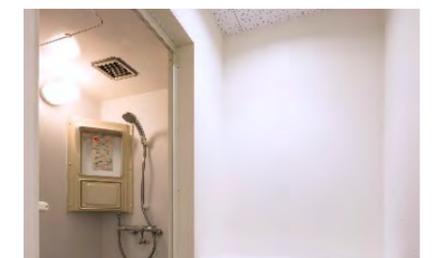
Staffing office



Commuter bus



Shower room



Solving logistics issues with cutting-edge technology

With an aim to solve all logistics issues, GLP Group uses advanced technologies to develop and implement various systems.

Shared consignee system

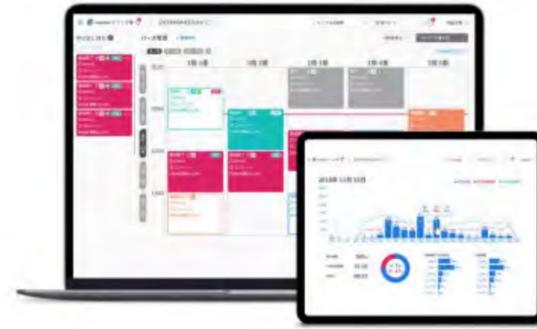
Streamlining overall cargo operations



- Waiting time is clarified by registering trucks of tenant companies on a tablet in the shared consignee room

Truck ledger

Streamlining incoming and outgoing trucks



Business partnership with PASCO CORPORATION

- Solved the problem of long waiting times for trucks
- Reduced workload through application management
- Further streamlining by collecting and analyzing data

Holding regular meetings with tenants and FM/PM

GLP J-REIT holds regular meeting between tenants and property managers/leasing managers in GLP group to improve daily facility operations and business relationships.



Conducting customer satisfaction surveys

We conduct customer satisfaction surveys to obtain requests and opinions from customers. We entrust an independent research agency with annual satisfaction surveys of our customers housed in multi-tenant logistics facilities. In fiscal 2020, we received a high rating of 98% in our survey titled "Intent to Continue Using GLP Japan." Furthermore, the PM team of GLP Japan Inc., the sponsor of GLP J-REIT, conducts satisfaction surveys of customers housed in BTS logistics facilities as well.



Contribution to local communities

A logistics facility is more than just a warehouse. When a logistics facility is created, not only does it create a logistics hub, but other things such as new jobs, people-to-people connections, and human flows are created. We also endeavor to create a space that brings out the best in the area.

In consideration of co-existence with local communities and contributing to the development of communities that offer safety and comfort, the GLP Group carries out initiatives such as opening up convenience stores and cafeterias to the neighborhood as shared spaces at some of our facilities, planting trees and installing photocatalytic pavement, as well as having our employees conduct beautification activities around our facilities.

Opening convenience stores as shared space



At some of our facilities, we open up convenience stores and cafeterias to the neighborhood as shared spaces

Introduction of reservation-based parking-matching services



Planting trees



Employees conduct beautification activities around our facilities



GLP Group's CSR Activities

The GLP Group is actively engaged in CSR activities, offering support in discovering and nurturing children's possibilities and talents.

Activities in Japan

Periodical employee charity lunch



Work experience opportunities



Disaster workshop with local fire department



Open facility for local students



Activities Abroad

Founded GLP Hope School and provided educational opportunities to around 10,000 students



Continuing promotion on social contribution activities, employees in the asset management company participate in various activities held through the GLP Foundation established by the GLP Group in March 2022



Clean day activities



Children's day

GLP Japan Advisors continues making tax-deductible donations to local governments where GLP J-REIT properties are located. Contributed to 19 local governments in total.

Initiatives for employees

GLP has led the market as a leading provider of modern logistics facilities. And we will continue to innovate beyond people's imagination by keeping on challenging without resting on our laurels. To that end, we are committed to improve the work environment and review the personnel system ahead of the social situation so that employees can enjoy their work, support each other, demonstrate maximum performance, and achieve big goals. We are making efforts to create a work environment with various innovations.

To note, since GLP J-REIT does not have any employees because of J-REIT regulation and is virtually managed by officers and employees of the Asset Management Company, below information applies to all employees of GLP including GLP Japan Advisors Inc., the Asset Management company.

Pursuing comfort and health of employees

Support Content	Outline
Health check / human dock assistance	All employees are required to undergo regular medical examinations or human dock examinations once a year, and we are promoting the health of employees by providing cost subsidies.
Mental health care training	Harassment / mental health related webinars (twice) for department heads
Occupational physician interview system	Prevent health risks with expert support

Promotion of diverse work styles

We have introduced the following employee support with the aim of creating diverse work styles that allow each employee to devise ways to maximize productivity and efficiency, including the institutionalization of remote work.



Free address workplace



Various types of meeting spaces

Improving sophistication of human resources

Introduction of Training System

Based on the independent training program developed by each employee, we have introduced a system to support growth opportunities through seminars, lectures, and courses that will contribute to their careers in the medium to long run (maximum 200,000 yen per person per year).

We support new employees recently graduated to participate external workshop held by agent specialized in human resource development for smooth business start. In addition, we provide opportunities not only to learn business knowledge and share business experience but also to improve skills on organizational management and risk management through various training program and sessions such as online compliance training program and regular management workshops. Moreover, we support employees providing opportunities such as overseas assignment, study abroad or trainee program at business counterparties based on the periodical discussion with employees for their future career management.

■ Trainings

Title of training	Participant	Contents
Group leader workshop	Managers	Enhance leadership for group management and skillset for coaching subordinates
Training for next generation management executive	Employees	Develop management mindset and skillset
Training for new employee	New employees recently graduated	Workshop held by agent specialized in human resource development to gain business manners
Market/Industry study session	Employees including managers	Information sharing and discussion for logistics industry and real estate market including competitor analysis

■ Support for certification exams

The asset management company supports its employees in acquiring specialist certifications including as an Association for Real Estate Securitization (ARES) Certified Master (an educational program that systematically teaches practical expert know-how in the fields of real estate and finance) and as a real estate notary. The asset management company bears the costs for the training and exams in acquiring the various certificates as well as for maintaining the certificates and increasing and maintaining expertise through seminars, etc., and all employees and officers have access to funding.

Introduction of E-learning platform

GLP Group has introduced an E-Learning platform as part of training for all employees, enabling them to utilize the abundant learning content of over 3000 titles and GLP's unique content, as well as connecting employees on a global level.

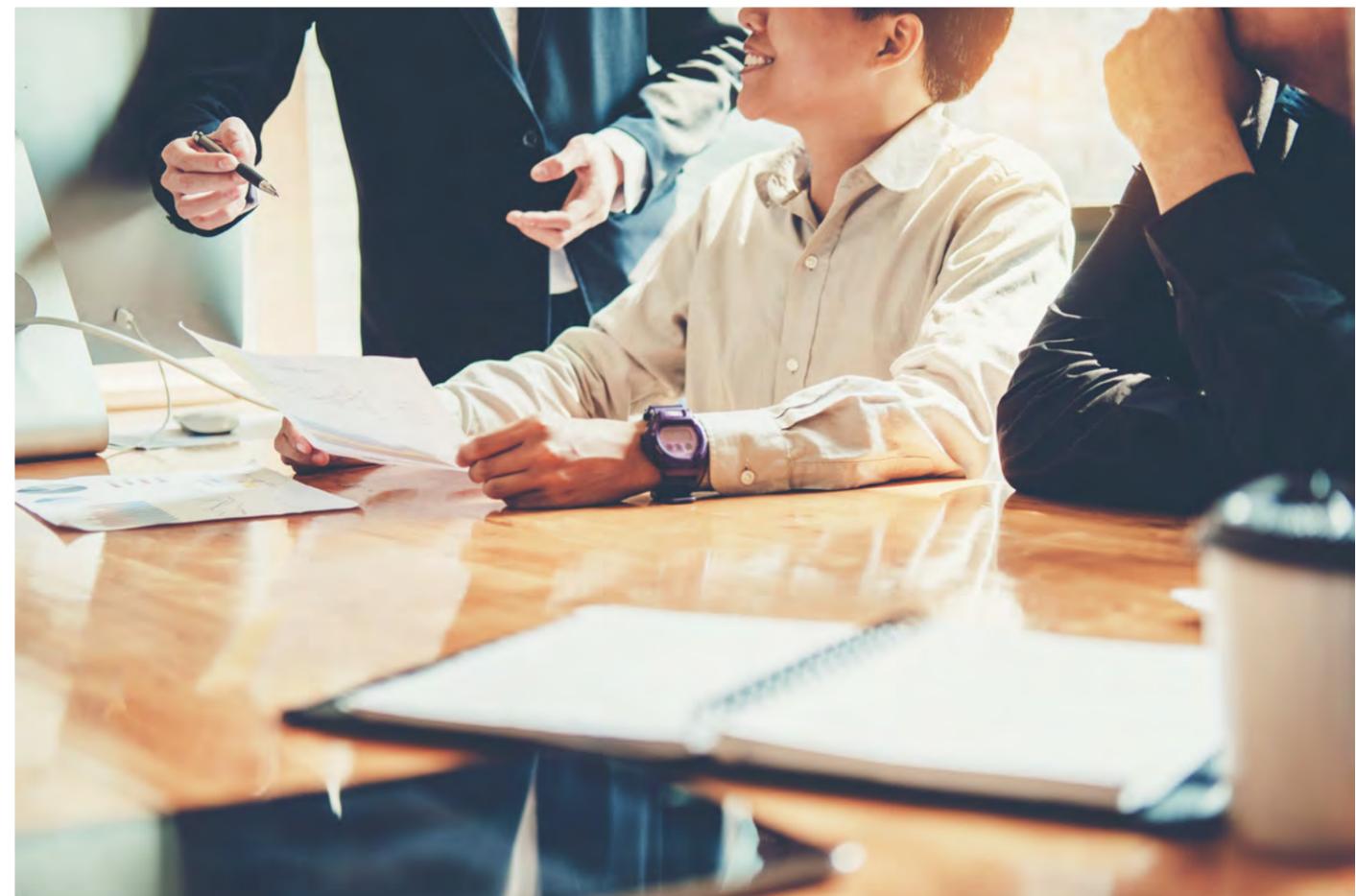
Practical training program for young employees and new hires

The Group offers a variety of training and practical training for junior employees and new hires in accordance with the onboarding program. Specifically, we provide department briefing sessions in each department, OJT training, visit to the properties we are investing in, mentor system, and regular follow-up interviews after hiring. We support new employees so that they can quickly become familiar with our corporate culture and play an active role in the Group. Additionally, we implement internship to provide working opportunity for young potential employees and leads to enhancement of recruiting.

Recruitment

The Asset Management Company designs recruitment plans in accordance with their mid-long term business plans, analyzing "which department" and "when" needed, and "skillset" and "title (senior/junior)" of targeted person. The dedicated team for recruiting is established and executing strategic recruiting procedures from various pathways by leveraging wide network with external agents. In addition, we secure rich pipeline of candidates by accessing web data base for direct recruiting. Human resource market information is regularly shared with recruiting agents, including competitors' movements in recruiting market, and we offer competitive compensation to targeted candidates.

We enhance platform for human resource development such as subsidy for qualification expenses and in-house recruiting to support employees' career establishment post hiring.



Creating a fair and rewarding workplace

Various benefits programs

Programs	Items	Remarks
Leave program	Maternity	Support compatibility of childbirth, childcare and employment
	Childcare	
	Volunteer activity encouragement	Encourage to take day-offs for volunteer activities
	Family care	Support employee who has baby and/or family with nursing care
Insurance	Labor insurance	Provide life insurance and income security insurance
	Business travel insurance	Covers domestic and international business travels
	Group welfare insurance	Compensation for death/severe disability of employee
Support program for employee's benefit	Defined contribution pension plan	Support employee's wealth management by providing asset buildup programs
	Employee stock ownership plan	
	Well-being support	Promote diversity of workstyle and support employee's mental/physical health
	In-house recruitment system	Provide in-house career expansion opportunities
	Advanced flexible time arrangement	Employees to decide working hours per day as long as meet minimum working hours per month
Others	Volunteer activity encouragement	Evaluate actual activities in employee's performance assessment

Fair evaluation and compensation

GLP's personnel evaluation system is a reward-and-evaluate system which strongly encourages each employee to contribute to achieving the mission and vision of the company. The personnel evaluation system is also designed with cross-departmental collaboration, one of GLP's business characteristics, in mind, and through the administration of the system, all departments, including the revenue and administration departments, are expected to work together to achieve corporate growth. In addition, the system encourages employees to take on new challenges and evaluates them appropriately. This personnel evaluation system has motivated each and every employee to create an organization that takes on challenges and innovates for the rapid growth of the company.

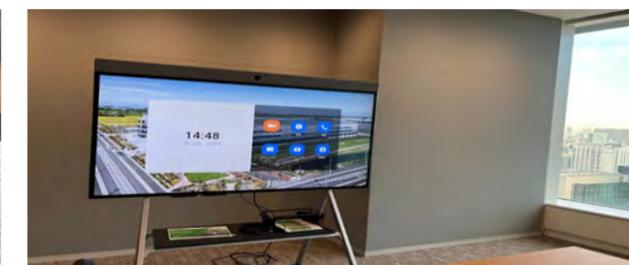
Conducting employee satisfaction surveys

A dedicated HR team analyses the results of these employee satisfaction surveys and shares the analysis with group leaders, who then follow up by holding individual one-on-one meetings etc.

In addition, based on the feedback from employees, we have introduced a variety of measures designed to improve employee comfort, health, and ease of work in the new office, which we relocated to in December 2022. Specifically, in the situation where communication among employees tends to be decreased due to the hybrid workstyle, we are holding various networking events in the office and introducing equipment to improve communication through online meetings, as well as a flexible work environment to improve work comfort and providing free organic food for employees.



Networking Event in the office



Equipment to improve online communication

Acceleration of Diversity, Equity and Inclusion (DEI)

The Asset Management Company respects the individuality and diversity of each employee and promotes diversity and equity inclusion (DEI) in accordance with the Group's policy on DEI and implements various initiatives so that each employee can maximize his or her potential. Specifically, we support employees for childcare and nursing care, and create comfortable working environments wherever employees are located. We offer more than 100 programs related to DEI on our learning platform for all employees and conduct trainings utilizing those programs to increase awareness of DEI.

Whistleblowing System

The Group has introduced a whistleblowing system that accepts whistleblowing not only from all employees but also from employees' families and business partners etc. The content covers all fields such as harassment, employment and labor, environment and human rights. Consultations can be made anonymously and are protected in accordance with the Whistleblower Protection Act.

Governance



Since its listing, GLP J-REIT, together with GLP Japan Advisors, has pursued the maximization of unitholder value by continuously enhancing governance structure to establish a strong relationship that aligns the interests of unitholders, GLP J-REIT and GLP Japan Advisors.

Adoption of performance-linked asset management fee to meet unitholder interest

The asset management fee is a performance-linked fee where approximately two-thirds of asset management fee is linked to NOI and EPU.

Introduction of a strict governance structure for related-party transactions

GLP J-REIT is not allowed to carry out related-party transactions without the approval of independent outside expert(s) at the Investment Committee and the Compliance Committee in the asset management company. The selection of such outside expert(s) requires the approval by the board of GLP J-REIT.

GLP Group’s share of investment units for GLP J-REIT (same boat investment)

GLP J-REIT seeks to improve mutual interest by aligning the interests of GLP J-REIT’s unitholders and GLP Group through the same boat investment by GLP Group.

Highly transparent and appropriate information disclosure in pursuit of fair disclosure

GLP J-REIT is the first J-REIT to implement disclosure to a wide range of unitholders by holding a management call meeting for global investors at public offering. In addition, GLP J-REIT is the first J-REIT to introduce a telephone conference system to a wide range of unitholders at the financial results presentation. GLP J-REIT discloses Japanese and English press releases and materials simultaneously.

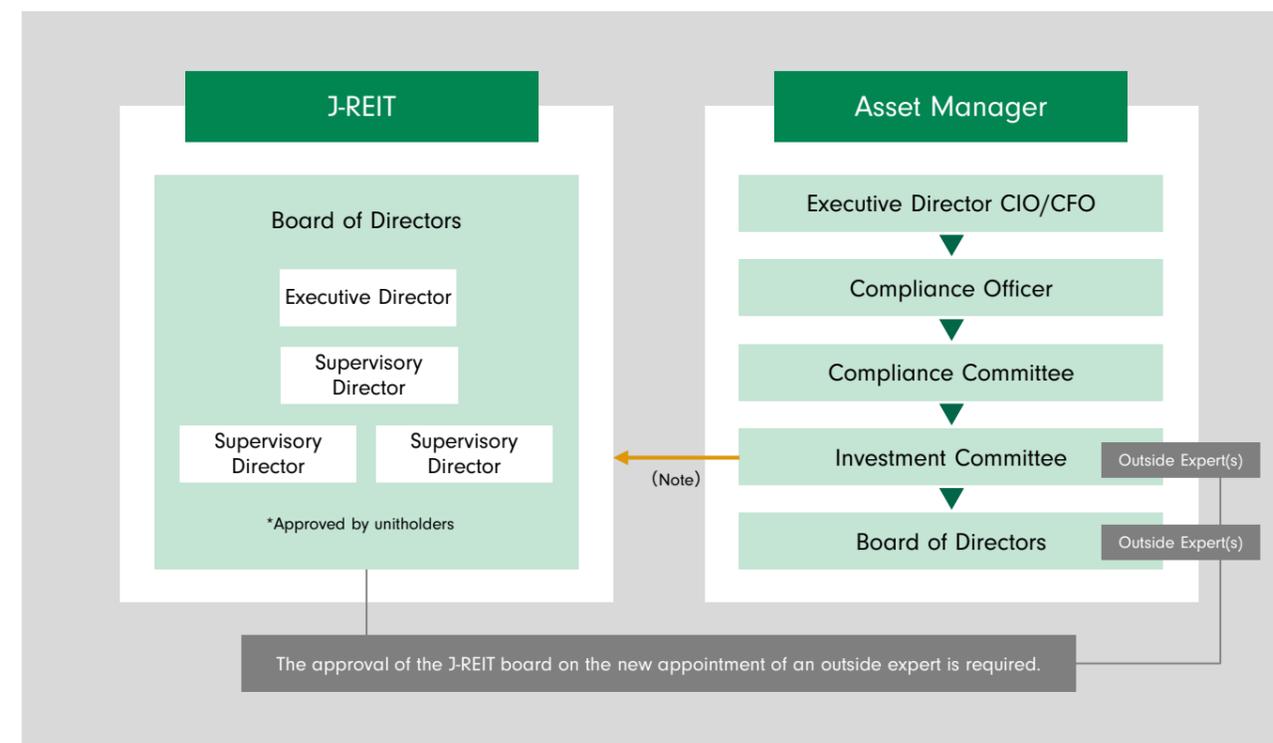
Further enhancing governance through Employee Stock Ownership Plan (ESOP)

Established ESOP targeting officers and employees of GLP group companies in Japan and the asset management company of GLP J-REIT in May 2020 to further enhance the alignment of interests with the unitholders.

Implementation of employee training on ethical standards

To strengthen governance structure, we provide training on ethical standards to all employees (including part-time and contract employees) of GLP group including sponsor company, GLP Capital Partners Japan, and the Asset Management Company every year.

Asset Management Company’s Executive Decision-Making Mechanism



- Approval of the J-REIT board is necessary for transactions that require the consent of a J-REIT based on the resolution of the J-REIT board, and reporting to the board is necessary for other cases. [Click here for more information on decision-making mechanisms: \(Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties\)](#)

Outline of the Various Committees

Committee	Item	Details
Investment Committee	Purpose	To deliberate and decide upon matters concerning the management, etc. of the assets of GLP J-REIT
	Constituent members	President, Directors, CIO, CFO, Compliance Officer, one External Officer
	Frequency of meetings	In principle, once every three months, with emergency meetings called as the need arises
Compliance Committee	Purpose	To ensure thorough compliance with laws and ordinances, rules and regulations, and other related matters
	Constituent members	President, Compliance Officer, one External Officer
	Frequency of meetings	In principle, once every three months, with emergency meetings called as the need arises
ESG Committee	Purpose	To deliberate and decide upon matters concerning the promotion of ESG, etc.
	Constituent members	President, CSO, CIO, CFO
	Frequency of meetings	Meetings held regularly, with emergency meetings called as the need arises

Compliance Policy

GLP J-REIT (hereinafter referred to as the "Investment Corporation") and GLP Japan Advisors Inc. (hereinafter referred to as the "Asset Management Company") understand the importance of the asset management business as an act of managing unitholders' funds, and in order to establish an appropriate management system, the Board of Directors of the Asset Management Company, which is responsible for corporate ethics and anti-corruption, has established the compliance and other necessary rules and revised them as necessary, as well as the Compliance Committee composed of outside attorney and Compliance Officer to ensure compliance with laws described below. The Compliance Officer reports regularly to the Board of Directors of the Asset Manager on resolutions of the Compliance Committee and other matters. In addition, the Asset Management Company strives to foster and instill awareness of compliance among employees through online compliance training programs introduced globally by the Company and trainings by the Compliance Officer.

Compliance Structure

(structure for ensuring compliance with laws and regulations)

Compliance Committee

In order to establish an appropriate management structure for the Asset Management Company to conduct the asset management of the Investment Corporation, the Asset Management Company has established a Compliance Committee charged with the revision (excluding the correction of errata) of compliance rules; the formulation and revision of a Compliance Manual and Compliance Program (excluding the correction of errata); deciding on corrective measures regarding conduct which is, or is suspected to be, inappropriate from a compliance standpoint; and the review on whether there are issues of compliance with respect to matters concerning transactions with related parties and other matters regarding that the Compliance Officer judges there to be questions in terms of compliance. The Compliance Committee is composed of the Compliance Officer as chairperson, the President, and at least one outside professional designated by the Board of Directors (hereinafter referred to as the "Outside Expert(s) on the Compliance Committee"). When designating the Outside Expert(s) on the Compliance Committee, the approval of the board of directors of the Investment Corporation will be required (but will not be required for reappointment). As of the date of this report, an outside attorney is the one Outside Expert on the Compliance Committee. Furthermore, the General Administration Department has been established under the order by the CFO (Executive Officer) and a member of the General Administration Department will attend meetings of the Compliance Committee under the role of

secretariat to the Compliance Committee to assist the Compliance Officer. In principle, the Compliance Committee meets once every three months as convened by the chairperson, and as otherwise necessary. Decisions of the Compliance Committee require that a majority of all of the members with voting rights and all Outside Expert(s) on the Compliance Committee be present and a majority of those members and all Outside Expert(s) on the Compliance Committee vote their approval. When the Compliance Committee reviews as one of the matters it must decide on whether there are issues of compliance with respect to matters concerning transactions between related parties and the Investment Corporation, a committee member with voting rights who is a related party or a committee member with voting rights who currently holds the position of an officer or employee (including as a concurrent position, but excluding cases when such person has been seconded or transferred to the Asset Management Company) of a related party, which is a corporation, may not participate in the decision. Decisions of the Compliance Committee will be reported regularly to the Board of Directors by the Compliance Officer. When the Compliance Committee reviews and approves matters which the Investment Committee must decide, the substance of the review (including any minority opinion presented during the course of the review) will be reported to the Investment Committee by the Compliance Officer.

Compliance Officer

The Asset Management Company, fully cognizant of the significance of the fact that the asset management it conducts with the assets of the Investment Corporation constitutes the management of the funds of the Investment Corporation's investors, in order to ensure the development of an appropriate management structure, has established the position of Compliance Officer as the key person responsible for compliance, thereby ensuring the effectiveness of the function of internal oversight of other units. The selection or the dismissal of the Compliance Officer requires the approval of two-thirds or more of the directors in attendance at meeting of the board of directors that is attended by a majority of all the directors with voting rights. The Compliance Officer, as the key person responsible for compliance at the Asset Management Company, is charged with establishing and maintaining the internal compliance structure of the company and raising the level of standards awareness within the company in regard to compliance with all applicable laws, regulations and rules. To those ends, the Compliance Officer prepares a Compliance Manual and Compliance Program through the Compliance Committee, continually monitors to ensure that all operations conducted for the asset management of the Investment Corporation by the Asset Management Company comply with all applicable laws, regulations, rules and the articles of incorporation of the Investment Corporation, and exercises supervision over the overall internal compliance environment in daily operations. The General Administration Department, established under the overall direction and control of the CFO (Executive Officer) and being charged with overall general administrative operations, will assist the work of the Compliance Officer. In view of the importance of the duties of the Compliance Officer, the Compliance Officer at the Asset Management Company devotes him/herself exclusively and on a full-time basis to addressing compliance matters. Only a person having adequate investigative and supervisory capacity for ensuring compliance with all applicable laws, regulations and rules may be appointed as the Compliance Officer. The Compliance Officer is also in charge of internal auditing of the Asset Management Company (However, the internal auditing of the Compliance Officer is conducted by the President.) All internal organization and job classifications are subject to internal audit; audit and other procedures to assess whether the operations and management of all internal organizations comply with all applicable laws, regulations and rules and are being conducted appropriately and efficiently will be carried out on a regular basis based on the Compliance Program and the Internal Audit Rules. When internal audits are conducted all departments must submit and explain all documents, account books or other materials as requested by the Compliance Officer and cooperate fully to ensure the smooth implementation of the internal auditing.

Implementation of internal audit

GLP J-REIT is not allowed to carry out related-party transactions without the approval of independent outside expert(s) of the asset management company's Investment Committee and Compliance Committee. The selection of such outside expert(s) requires the approval of the J-REIT board.

Whistleblowing System

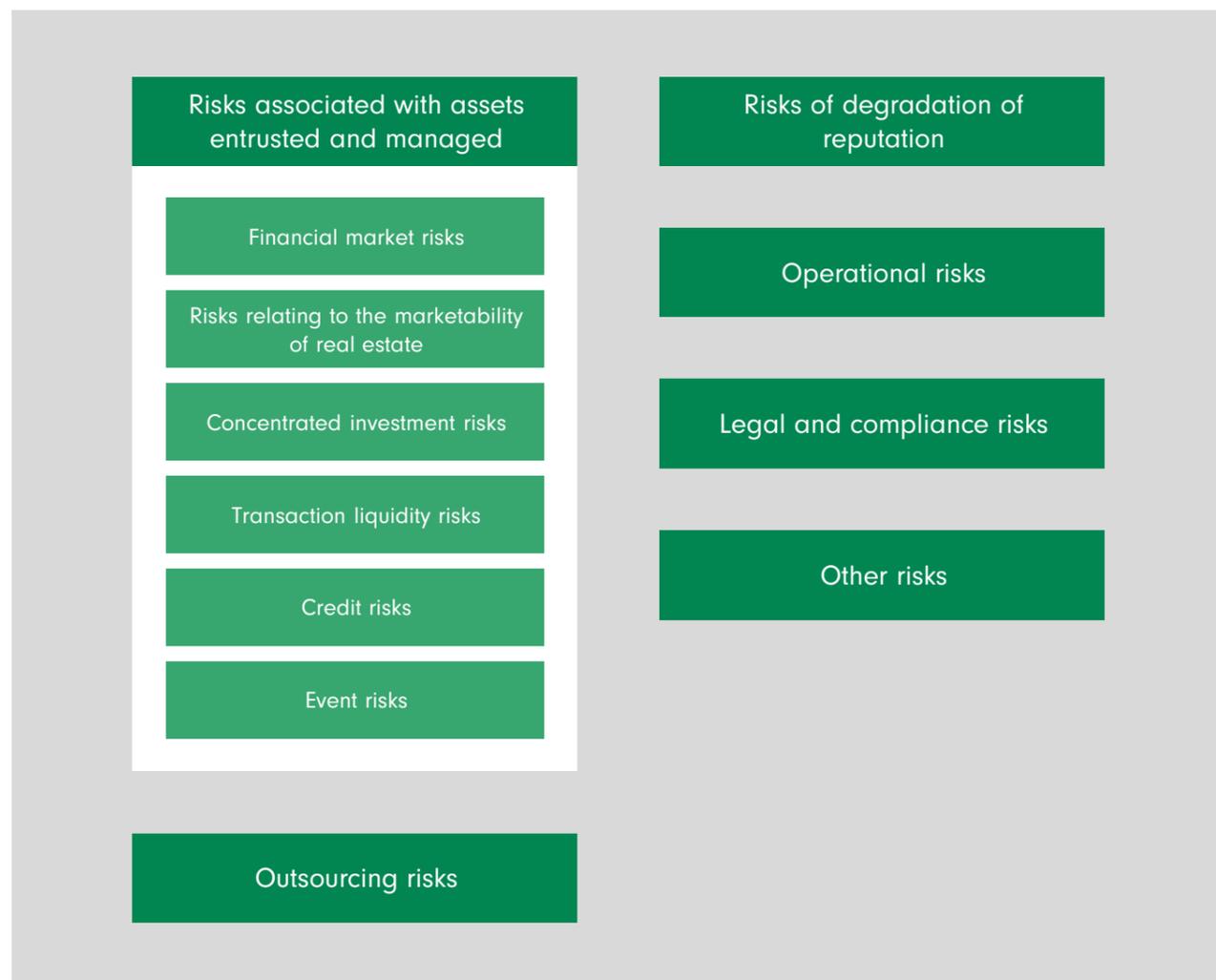
GLP Group has introduced a whistleblowing system that accepts whistleblowing not only from all employees but also from employees' families and business partners etc. The content covers all fields such as cheating by officers and employees and antisocial behavior. Consultations can be made anonymously and are protected in accordance with the Whistleblower Protection Act.

Anti-Corruption Regulations

GLP Group has established a system to strictly prohibit and prevent corruption that violates laws and regulations such as bribery by formulating "Anti-Corruption Regulations." In addition, as a measure to prevent bribery and corruption, the "Compliance Manual" of the Asset Management Company stipulates that "Employees and officers shall not provide or receive excessive entertainment and gifts to or from the company, business partners, related parties, etc..". An independent Compliance Officer holds Compliance Committee as necessary to supervise such anti-corruption practices in addition to the online compliance training program implemented globally. The Asset Management Company has never been involved in problems related to bribery and corruption since its establishment.

Risk Management

Definition of risks



Basic stance on risk management

With regard to the management of our company’s inherent risks, we take the following basic stance in our work, with the goal of reinforcing our dual duties of loyalty and care as an asset management fiduciary.

1. Our company, as an asset management firm, is solely devoted to that business, and the greatest risk we face is the risk of degradation of our reputation due to a decline in the value and confidence placed in us by the investment corporations and their investors (including potential investors in the securities market in general), who trust us with the management of their assets.
2. It is essential that we carefully and rigorously manage all risks, including risks regarding the handling and management of assets, operational risks, and legal and compliance risks, as risks such as these are a major potential cause of such declines in value and confidence.

With regard to the management of operational risks of investment corporation assets, we take the following basic stance in our work, with the goal of reinforcing our investment management capability while striving to protect the assets under our management.

1. The primary investment target being real estate, it should be noted that owning real estate or similar specific assets, as opposed to traditional financial assets, comes with its own set of risks, on top of the general risks associated with asset management, such as so-called “market risks.” It is necessary to execute sufficient analysis and countermeasures when handling these kinds of real estate risks.
2. In the management of these risks, we distinguish those risks that can lead to returns from risks that need to be eliminated or mitigated, and we act in a safe and reliable manner with regard to the latter category of risk.
3. We will not engage in any action that deviates from the basic stance set forth in the preceding paragraph or that neglects strict risk management and the appropriate acquisition of profits.

Finance



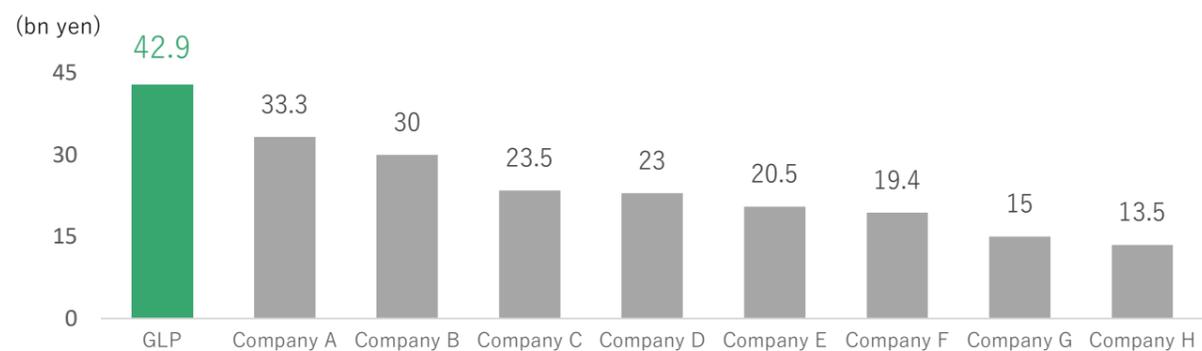
GLP J-REIT ESG Finance

ESG Finance Issuance History

- GLP J-REIT enhances ESG finance by actively executing ESG loans in addition to ESG bond issuance

Type	Issuance Date	Amount of issue (mil yen)	Term
Sustainability Bonds	2022/12	2,000	10
	2022/2	3,300	3/10
	2021/12	3,500	15
	2021/3	5,000	20
	2021/9	5,000	10
Sustainability Loans	2023/2	1,000	4
	2022/11	2,000	9/10
	2022/9	1,000	5
Green Bonds/ Sustainability Linked Bonds	2022/2	3,000	5
	2021/9	6,000	7
Green Bonds	2019/11	5,000	10
	2019/7	8,000	10
	2018/12	5,100	10

Comparison of outstanding ESG bond balance in J-REIT market



(As of February 2023)

Sustainability Linked Bonds (Reward Type)

Purpose of Issue

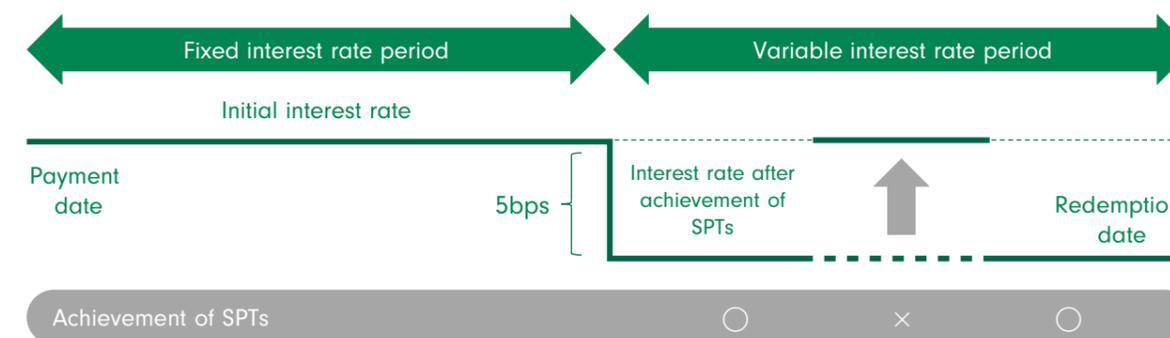
- GLP J-REIT aim to diversify sources of financing and further strengthen the financial base by expanding investor base willing to invest in ESG through the issuance of the Sustainability Linked Bonds(SLB).
- The Sustainability Performance Targets (SPTs) of the SLB are linked with ESG targets on the ESG Report issued by GLP J-REIT in April 2021. GLP J-REIT believes that the issuance of the SLB accelerate GLP J-REIT's ESG activities and contribute to achieve the ESG targets.

Feature

- GLP J-REIT became the world's first issuer of interest rate reward-type SLB in the public bond market
- Expanding the investor base through ESG active investor, with Dai-ichi Life Group
- Enjoying Greenium by active issuance of ESG bonds along with the expansion of ESG bond market

Expansion of CASBEE Certification

Name	18th Unsecured Investment Corporation Bond (Sustainability Link Bond)
Issue Date	September 28, 2021
Issue amount/year	6 billion yen / 7 years
SPTs	Sustainability Performance Targets: <ul style="list-style-type: none"> ESG-related Issuer Targets High-ranking environmental certification for at least 80% of the portfolio (based on gross floor area)
Interest rate	Initial interest rate : 0.284 Interest rate after achievement of SPTs: 0.234% (▲0.05% from initial)



Interest rate will be determined at the end of July and applied in September every year after the end of December 2024.

Sustainability Finance Overview of the Sustainability Framework

Use of Proceeds from Sustainability Finance

The net proceeds from sustainability finance will be used for the acquisition of assets in the Eligible Green Projects as provided for in Eligible Sustainability Projects below, refinancing of loans required for the acquisition of assets in the Eligible Sustainability Projects, and for the redemption of the investment corporation bonds that have already been issued (including sustainability bonds/green bonds) for the acquisition of assets in the Eligible Sustainability Projects.

Eligible Sustainability Projects

Eligible Sustainability Projects are assets or projects that satisfy either of the Eligible Green Project Criteria and the Eligible Social Project Criteria shown below.

Eligible Green Project Criteria

Green buildings

New, existing or renovated buildings that have obtained at least one of the following certifications;

DBJ Green Building Certification (Japan) : five, four or three stars
CASBEE (Japan) : S, A or B+
BELS (Japan) : five, four, or three
LEED (U.S.) : Platinum, Gold, Silver

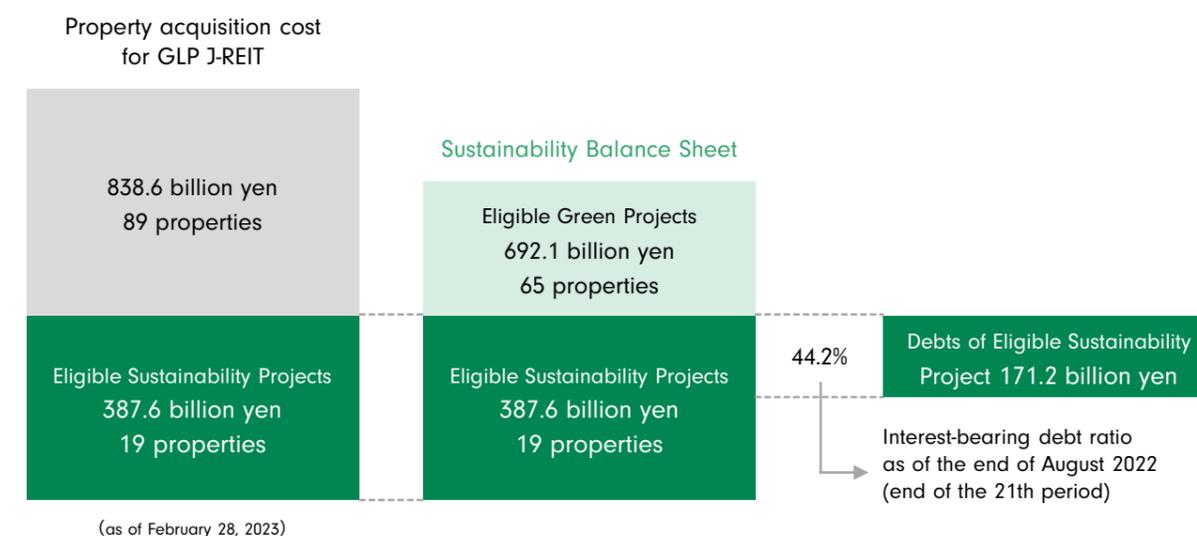
Contribution to the sustainable growth of local communities

New, existing, or refurbished buildings that contribute to either of items a through d shown below:

a. Safety of local residents in times of disaster
b. Development of the local living environment
c. Revitalization of the local community
d. Provision of parenting support

Management of Proceeds

The upper limit of green finance (limit of the "Debts of Eligible Sustainability Projects") shall be the amount calculated by multiplying the total acquisition cost of the Eligible Sustainability Projects by the ratio of actual interest-bearing debt to total assets as of the end of the latest fiscal period that can be calculated on the payment date or loan date of each investment corporation bond, or as of the end of every February.



※ Eligible Sustainability Projects that also fall under the definition of Eligible Green Projects under GLP J-REIT's Green Finance Framework are included both in the total value of Eligible Sustainability Projects and in that of Eligible Green Projects. Any amount of funding provided for those projects in the form of sustainability finance or green finance is included both in the outstanding balance of sustainability finance and in that of green finance. The amount included in the total value and the outstanding balance overlaps between the two forms of finance.

Reporting on Social Benefits

	Item	Number
Output indicators	Number of properties that are Eligible Green Projects	19
Outcome indicators	Emergency shelter for people affected by disaster	18 properties 12,850 people
	Standby station for Disaster Relief Teams and Emergency Fire Response Teams in the event of a disaster	18 properties
	Backup power supply (72 hours)	9 properties
	Stockpile volume of fuel	21,128 L (16 properties)
	Groundwater facility*	GLP Atsugi II GLP Soja I GLP Zama

※ Some properties have groundwater facilities available for use during a water outage.

Green Finance Overview of the Sustainability Framework

Use of Proceeds from Green Finance

The net proceeds from green finance will be used for the acquisition of assets in the Eligible Green Projects as provided for in Eligible Green Projects below, refinancing of loans required for the acquisition of assets in the Eligible Green Projects, and for the redemption of the investment corporation bonds that have already been issued (including green bonds) for the acquisition of assets in the Eligible Green Projects.

Eligible Green Projects

Eligible Green Projects mean the projects involving assets that meet either of the following requirements.

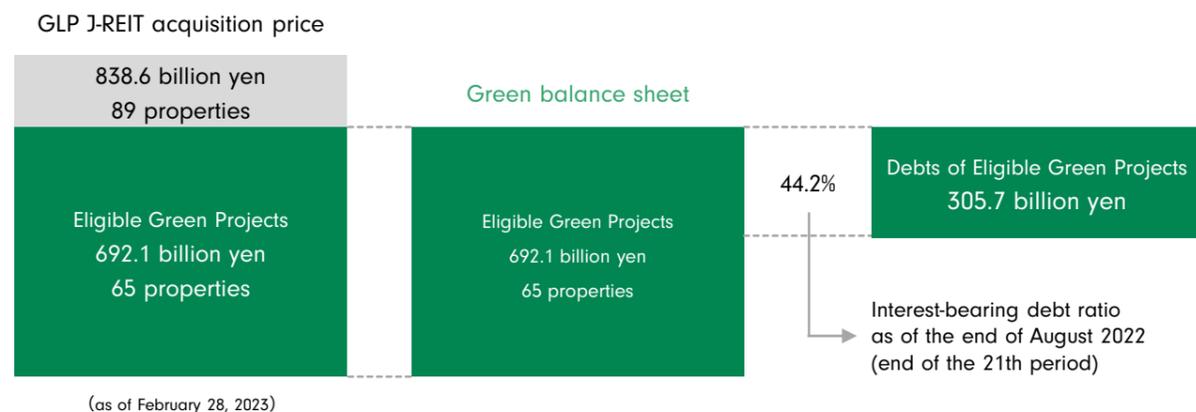
Being a green building

A new, existing or refurbished building for which at least one of the following certifications has been obtained:

DBJ Green Building Certification (in Japan) : five, four or three stars
CASBEE (in Japan) : S, A or B+
BELS (in Japan) : five, four, or three
LEED (in the United States) : Platinum, Gold, Silver

Management of Proceeds

The upper limit of green finance (limit of the "Debts of Eligible Green Projects") shall be the amount calculated by multiplying the total acquisition cost of the Eligible Green Projects by the ratio of actual interest-bearing debt to total assets as of the end of the latest fiscal period that can be calculated on the payment date or loan date of each investment corporation bond, or as of the end of every February.



※ Eligible Sustainability Projects that also fall under the definition of Eligible Green Projects under GLP J-REIT's Green Finance Framework are included both in the total value of Eligible Sustainability Projects and in that of Eligible Green Projects. Any amount of funding provided for those projects in the form of sustainability finance or green finance is included both in the outstanding balance of sustainability finance and in that of green finance. The amount included in the total value and the outstanding balance overlaps between the two forms of finance.

Investment corporation bonds

Name	Total Amount (mm yen)	Interest Rate	Term	Issuance Date	Maturity Date
12th Unsecured Bonds (Green Bonds)	5,100	0.680%	10	2018/12/20	2028/12/20
13th Unsecured Bonds (Green Bonds)	8,000	0.608%	10	2019/7/8	2029/7/6
14th Unsecured Bonds (Green Bonds)	5,000	0.550%	10	2019/11/27	2029/11/27
15th Unsecured Bonds (Sustainability Bonds)	5,000	0.510%	10	2020/9/25	2030/9/25
16th Unsecured Bonds (Sustainability Bonds)	3,500	0.750%	15	2020/12/23	2035/12/21
17th Unsecured Bonds (Sustainability Bonds)	5,000	0.970%	20	2021/3/23	2041/3/22
18th Unsecured Bonds (Sustainability Bonds)	6,000	0.284% ¹	7	2021/9/28	2028/9/28
19th Unsecured Bonds (Sustainability Bonds)	2,000	0.130%	3	2022/2/25	2025/2/25
20th Unsecured Bonds (Sustainability Bonds)	1,300	0.520%	10	2022/2/25	2032/2/25
21th Unsecured Bonds (Sustainability Bonds)	2,000	0.820%	10	2022/12/23	2032/12/23

¹: Interest rate of 0.284% per annum will be applied during the period from the day immediately following September 28, 2021 through September 28, 2025. Also, interest rate of 0.234% per annum will be applied from the day immediately following September 28, 2025 if the SPTs is achieved as of each Observation date after end of December 2024.

Sustainability Loan Issuance

Name	Total Amount (mm yen)	Interest Rate	Term	Issuance Date	Maturity Date
Sustainability Loan Signed in February 2022	3,000	Base rate + 0.165%	5	2022/2/28	2027/2/26
Sustainability Loan Signed in August 2022	1,000	Base rate + 0.155%	5	2022/9/2	2027/5/28
Sustainability Loan Signed in November 2022	800	Base rate + 0.290%	9	2022/11/30	2032/2/27
Sustainability Loan Signed in February 2022	1,200	Base rate + 0.290%	10	2022/11/30	2032/11/30
Sustainability Loan Signed in February 2023	1,000	Base rate + 0.290%	4	2023/2/28	2027/5/28